

28TCF RECOVERABLE PROSPECTIVE RESOURCE IN ATP 855

Icon Energy Limited (**ASX: ICN**) (Icon Energy) wishes to announce a 28Tcf Unconventional Prospective Gas Resource estimate in ATP 855.

Beach Energy Limited (**ASX: BPT**) (Beach Energy), in its capacity as Operator of the ATP 855 joint venture, which comprises Beach Energy, Icon Energy and Chevron Australia Exploration 1 Pty Ltd, recently engaged DeGolyer & MacNaughton, a leading United States based independent consulting firm focused on the petroleum industry, to provide a report on the Unconventional Prospective Resources in ATP 855. The 15 June 2014 report prepared by DeGolyer & MacNaughton has been disclosed by Beach Energy to Icon Energy for the purpose of release to the Australian Securities Exchange.

The findings of this independent report show a best estimate (P50) of 28Tcf of Gross Unconventional Prospective Raw Natural Gas Resources¹ (as of 15 June, 2014) in ATP 855, of which Icon Energy's interest is 10Tcf (35.1%). The results are summarised as follows:

ATP 855 – GROSS UNCONVENTIONAL PROSPECTIVE RAW NATURAL GAS RESOURCE¹

	LOW ESTIMATE (P90)	BEST ESTIMATE (P50)	HIGH ESTIMATE (P10)
Gross Unconventional Prospective Raw Natural Gas Resources (Tcf)	21.48	28.49	37.74

Icon Energy's share: 35.1%

Notes:

- Low, best and high estimates in this table are P90, P50 and P10 respectively.
- Probability of geological success has not been applied to the volumes in this table.
- Application of any geological and economic chance factor does not equate unconventional prospective resources to contingent resources or reserves.
- Recovery efficiency is applied to unconventional prospective resources in this table.
- The unconventional prospective resources presented above are based on the statistical aggregation method (probabilistic estimates for each formation).
- There is no certainty that any portion of the unconventional prospective resources estimated above will be discovered. If discovered, there is no certainty that it will be commercially viable to produce any portion of the unconventional prospective resource evaluated.

The Unconventional Prospective Resources Estimates prepared by DeGolyer and MacNaughton were evaluated in accordance with the Petroleum Resources Management System (PRMS) (March 2007, see Figure 2).

Icon Energy Managing Director Mr Ray James said, today's independent report is a very encouraging outcome for the joint venture. To have a 28Tcf Recoverable Prospective Resource booking with Icon's interest being 10Tcf is a significant step towards our primary objective of proving up 2Tcf of 2P reserves in ATP 855.

"This booking released today confirms the potential of the Nappamerri Trough shale and basin-centered gas province and as a joint venture partner we are working hard to "crack the code" of this exciting resource play".

Next Steps

The Joint Venture has completed drilling Etty-1, which is the sixth and final well in the initial drilling program. This will be followed by a hydraulic stimulation and extended well testing program consisting of 4 wells; Geoffrey-1, Hervey-1, Redland-1 and Etty- 1. This program, which is expected to commence in the third quarter of calendar year 2014, will involve optimisation of the hydraulic stimulation which will focus on specific horizons in each well across the permit, subject to joint venture approval.

The stimulation in Geoffrey-1 will be progressive, with specific horizons being sequentially stimulated and flow tested in order to evaluate individual flow characteristics. This will lead to a better understanding of the overall gas deliverability from the well. This process is expected to take a number of months.

To progress the Gross Unconventional Prospective Resource to a Contingent Resource classification, will require the successful stimulation and flow testing of the 4 wells as mentioned above and additional evaluation of the well results by an independent consulting firm.

In August 2013 Icon Energy announced an estimated Contingent Resource² (prepared by DeGolyer & MacNaughton for Beach Energy) attributed to the areas around the Halifax-1 well as follows:

	1C	2C	3C
Gross Contingent Resources (Bcf)	318	629	1,115

Icon Energy's share: 35.1%

Note: This was based on a statistical aggregation method using Monte Carlo simulation for each formation.

Icon is committed to working with its joint venture participants to fully explore this potentially outstanding hydrocarbon resource in ATP 855 and over the coming months will update the market with further results.

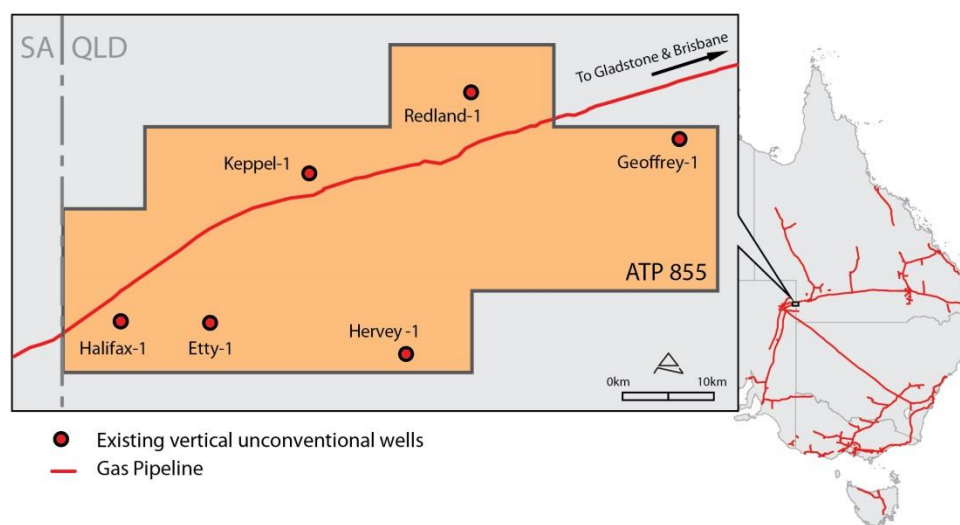


Figure 1: ATP 855 Location map showing main gas pipelines and well locations

Cautionary Statement

The estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration, appraisal and evaluation activities are required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

Joint Venture Interests in ATP 855

Icon Energy Limited 35.1%
 Beach Energy Limited 46.9% (Operator)
 Chevron Australia Exploration 1 Pty Ltd 18%



Raymond James
Managing Director

Calculation Methodology used by DeGolyer & MacNaughton

The Unconventional Prospective Resources Estimates prepared by DeGolyer and MacNaughton were evaluated in accordance with the Petroleum Resources Management System (PRMS).

The PRMS provides a framework for the classification and categorisation of all hydrocarbon reserves and resources and incorporates both range of uncertainty in addition to the level of project maturity as shown in Figure 2 below.

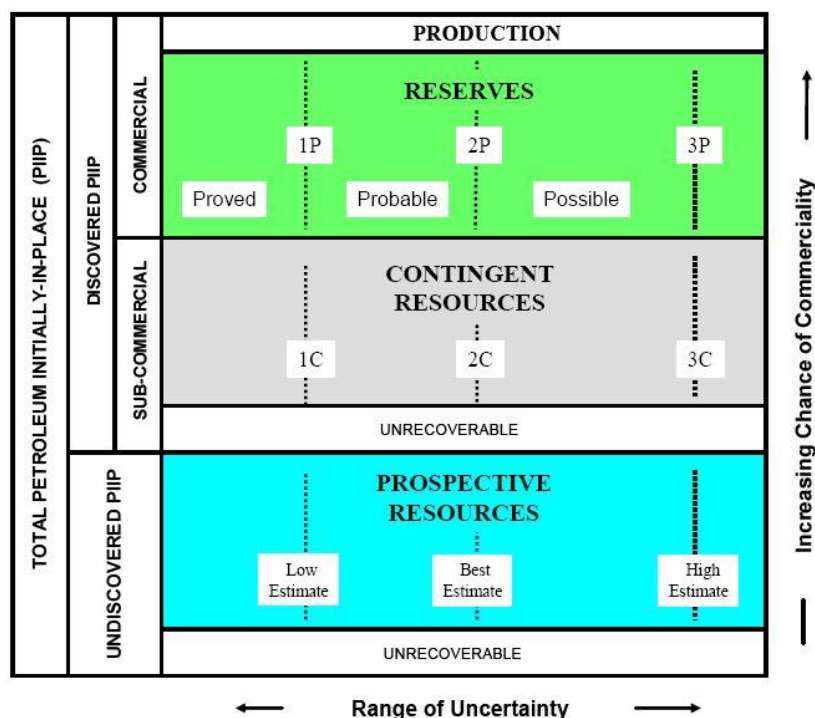


Figure 2: Graphical representation of the resources classification system (not to scale)

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The Unconventional Prospective Resources evaluated by DeGolyer and MacNaughton are based on the statistical aggregation method. This methodology incorporates a range of uncertainty relating to each of the key input parameters for each of the formations evaluated, including an allowance for the potential range of carbon dioxide and recovery efficiency.

Definitions

Notes 1 and 2

¹ Unconventional Prospective Resources are defined as those quantities of petroleum that are estimated, as of a given date, to be potentially recoverable from undiscovered unconventional accumulations by application of future development projects. Unconventional Prospective Resources may exist in petroleum accumulations that are pervasive throughout a large potential production area and would not be significantly affected by hydrodynamic influences (also called continuous-type deposits).

²Contingent resources are those quantities of wet gas (produced gas minus carbon dioxide) that are potentially recoverable from known accumulations but which are not considered to be commercially recoverable due to the need for additional delineation drilling, further validation of deliverability and original hydrocarbon in place (OHIP), and confirmation of prices and development costs. This is based on a statistical aggregation method using Monte Carlo simulation estimates for each formation.

Competent Persons Statement

This ASX/Media Release contains information on unconventional prospective resources and contingent resources that has been reviewed by Mr Martin Berry who is a full-time employee of Icon Energy Limited, is qualified in accordance with ASX listing rule 5.11 and has consented to the inclusion of this information in the form and context in which it appears.

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