

## EXTENSION OF SHANTOU SINOENERGY CO LTD GAS SALES AGREEMENT

- Extension to deadline for Gas Sales Agreement (GSA) "Conditions Precedent" to 30 June 2015
- Gas Sales Agreement in place for 40 million tonnes of LNG, (2Mtpa for 20 years)
- 28Tcf Recoverable Prospective Resource in ATP 855
- 629Bcf 2C Contingent Resource around Halifax- 1 well (only)
- Hydraulic stimulation of 4 wells commencing in Q3 2014

Icon Energy Limited (**ASX:ICN**, "Icon") wish to advise that Icon and Shantou SinoEnergy Co Ltd, of the Peoples' Republic of China, have agreed to extend the completion date for conditions precedent in the GSA signed by both parties in March 2011.

The new date for completion of "Conditions Precedent" as detailed below is, *on or before 30 June 2015*.

### **Conditions Precedent**

The LNG Sales Agreement includes the following conditions precedent with amended dates:

(a) In favour of Shantou SinoEnergy (as the Buyer of LNG):

- Buyer obtaining any necessary import approvals **on or before 30 June 2015** from Chinese Government Authorities to allow the construction and operation of the Receiving Facilities and the purchase and import by it of LNG under the LNG Sales Agreement;
- Buyer delivering to Seller **on or before 30 June 2015** the written certification of a Rating Agency specifying for Buyer a credit rating of AAA (where the Rating Agency is S&P) or Aaa (where the Rating Agency is Moody's).

(b) In favour of Icon Energy (as the Seller):

- Seller delivering to Buyer by **on or before 30 June 2015** a Reserves Certificate of at least 2.0 TCF of Proven and Probable Reserves (2P) of Natural Gas (which the Parties agree is a sufficient quantity of Natural Gas to enable Seller to comply with its LNG supply obligations to Buyer under the LNG Sales Agreement);
- Seller obtaining by **on or before 30 June 2015** all required authorisations (including for the development and operation of any feedstock fields and LNG facilities) on terms satisfactory to Seller in its sole discretion.



**Signing of Shantou SinoEnergy GSA extension documents; Mr Richard Holliday Commercial Manager Icon Energy, Mr Cyrus Lin MD Shantou SinoEnergy, Dr Kevin Jih CFO and Mr Ray James MD Icon Energy.**

On 19 June 2104 Icon Energy released the findings of an independent report by DeGolyer and MacNaughton showing an estimate of Gross Unconventional Prospective Raw Natural Gas Resources (as of 15 June, 2014) in ATP 855. The report showed a best estimate (P50) of 28Tcf of which Icon Energy's interest is 10Tcf (35.1%). The results are summarised as follows:

#### **ATP 855 – Gross Unconventional Prospective Raw Natural Gas Resource**

	Low Estimate (P90)	Best Estimate (P50)	High Estimate (P10)
<b>Gross Unconventional Prospective Raw Natural Gas Resources (Tcf)</b>	<b>21.48</b>	<b>28.49</b>	<b>37.74</b>

On 26 August 2013 Icon Energy announced an estimated Contingent Resource (prepared by DeGolyer & MacNaughton for Beach Energy) attributed to the areas around the Halifax-1 well as follows:

	1C	2C	3C
<b>Gross Contingent Resources (Bcf)</b>	<b>318</b>	<b>629</b>	<b>1,115</b>

Icon Energy's share: 35.1%

Icon confirms that it is not aware of any new information or data that materially affects the information included in the public announcements dated 26 August 2013 and 19 June 2014 and that all material assumptions and technical parameters underpinning the estimates in the announcements continue to apply and have not materially changed.

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

Icon Energy Managing Director Mr Ray James said, the 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.

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 (July to September), 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.

Icon Energy Managing Director Mr Ray James said, we are delighted with the ongoing relationship with Mr Cyrus Lin Managing Director of Shantou SinoEnergy and we look forward to being in a position where both Shantou SinoEnergy and Icon Energy are in a position to meet their respective conditions precedent.

With demand for LNG in Asia Pacific region set to almost double, from 175Mtpa in 2013 to 325Mtpa in 2025<sup>1</sup>, Icon Energy is well positioned to meet some of this demand over the coming years.

"The successful extension of the Shantou SinoEnergy Gas Sales Agreement allows Icon Energy to fully investigate a number of gas supply and delivery options in Australia".

<sup>1</sup>Source: Wood Mackenzie LNG Tool Q1 2014- Imports & Demand

### Joint Venture Interests in ATP 855

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

For more information contact Icon Energy;

**Investor Relations / Media**

Mr Richard Holliday Commercial Manager

Phone +61 7 5554 7111

Mobile +61 (0)438 105460

E-mail [richard.holliday@iconenergy.com](mailto:richard.holliday@iconenergy.com)

A handwritten signature in black ink, appearing to read "Ross Mallett".

**Ross Mallett**  
Company Secretary