



Media Announcement

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BEACH PETROLEUM ATP 855P FARM-IN AND EQUITY INVESTMENT IN ICON

Beach Petroleum Ltd (Beach) has moved to consolidate its position in Australia's developing unconventional gas sector through a farm-in deal with ASX listed petroleum exploration group, Icon Energy Ltd (Icon).

Subject to the formalisation of the necessary documentation and regulatory approvals, Beach and Icon have agreed to a farm-in deal in which Beach will acquire up to a 40% interest in the Queensland Cooper basin exploration permit, ATP 855P, in which Icon currently holds an 80% equity share.

Beach will initially acquire a 25% stake in the permit, when formally granted by the Queensland Government and subject to the negotiation of a Share Subscription Agreement, Beach will also subscribe for \$3.5 million Icon shares.

Under the terms of the farm-in deal to ATP 855P:

- Beach will initially acquire a 25% interest in ATP 855P by contributing 80% of the cost of 400 km of seismic reprocessing and the acquisition of 300 km of 2D seismic, and
- Beach will have the option to earn a further 15% interest in ATP 855P by contributing 100% of Icon's participating interest share of the costs to drill at least one exploration well, to a maximum cost to Beach of \$7 million.

Beach will assume the role of permit Operator for the farm-in work.

Beach Petroleum managing director, Reg Nelson, said the farm-in deal expanded Beach's exposure to the highly prospective unconventional gas plays now emerging in Australia.

In North America gas from unconventional shale style deposits now accounts for more than 40% of domestic gas production of over 1 trillion cubic feet per year.

Mr Nelson said, "Beach has been a leading player in the development of a variety of unconventional energy concepts in Australia including coal seam gas and geothermal energy.

Beach has a long standing strategy of adopting new energy concepts at an early stage. The farm-in to ATP 855P is a good fit with Beach's strategy of partnering with emerging energy companies with a promising asset base and sound technical expertise. Beach brings its own technical expertise and balance sheet strength to the partnership with Icon".

Ray James, managing director of Icon Energy, welcomed the partnership with Beach.

"Beach is one of Australia's leading energy companies and an enthusiastic partner in adopting new concepts and technologies which will help maintain Australia's energy self-sufficiency. There is a lot of gas still to be produced from Australia's sedimentary basins, but extracting it will require energy and vision. Together Icon and Beach have a very bright future."

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