



**ICON ENERGY LIMITED**

ABN 61 058 454 569

*energy for the future - the future of energy*



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30 October 2012

ASX Company Announcements Office

**Re: Public Announcement – Icon Energy Corporate Presentation**

Please find attached a copy of the Icon Energy corporate presentation to be delivered on Wednesday 31 October 2012.

Ross Mallett  
**Company Secretary**  
**Icon Energy Limited**



# Icon Energy

## Corporate Update

31 October 2012



Halifax 1 Shale Gas Well



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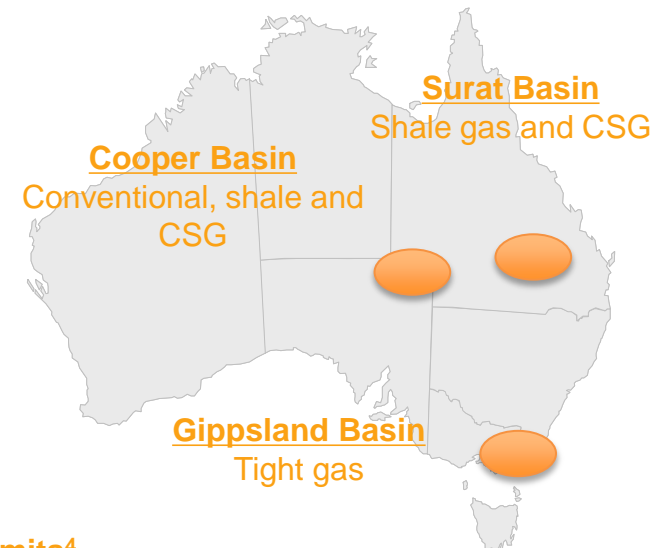
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All references to dollars, cents, or \$ in this document are to Australian currency, unless otherwise stated.



### Icon Energy is an unconventional gas focused company with access to a world class and potential multi-Tcf resource base

- Formed in 1993, Icon Energy has interests in three prolific hydrocarbon basins
  - Cooper Basin:** Discovered major shale gas resource in the Nappamerri Trough
  - Surat Basin:** Significant CSG resource potential, funded through farm-out
  - Gippsland Basin:** Highly prospective tight gas onshore acreage in a prolific oil and gas producing basin
- Market capitalisation ~\$130m<sup>1</sup>
- Net cash ~\$4.2m<sup>2</sup>



#### Key Permits<sup>4</sup>

Basin	Type	Permits	Km <sup>2</sup> (gross)
Cooper	Shale, CSG	ATP855 (40%), Beach operated	1,674
		PEL218 (33.33%) (post-permian) Beach operated	1,602
Surat	Shale, CSG	ATP626P (50% <sup>3</sup> )	2,224
		ATP849P (80%)	3,854
Gippsland	Tight Gas	PEP 170 (100%)	3,340
		PEP 172 (100%)	
		PEP 173 (100%)	

1. As at 25 October 2012

2. As at 30 September 2012. Gross cash \$7.6m, debt \$3.4m

3. Post Farm-in

4. Icon holds a number of other Eromanga and Cooper Basin permits



## Company Highlights

### World class resource

- Huge Cooper Basin shale gas resource potential
- ATP855P estimated 300+TCF GIIP (gross)
- Halifax-1 contains the thickest shale section and gas saturated zone encountered to date
- Halifax-1 (and nearby wells) have de-risked the resource



### Upcoming catalysts

- Multi-stage hydraulic stimulation of the Halifax-1 well Q4 2012
- Material 2C Contingent Resource booking expected Q1 2013
- Broader drilling and production testing program in 2013 (subject to JV approval)
- Gallus Seismic (423km 2D) final data processing to be completed Q4 2012



### Fast track commercialisation

- Potential to monetise early production via existing facilities. Halifax-1 is ~2km from existing pipeline
- Potential pilot production phase anticipated in Nappamerri Trough in 2013/2014



### Broader unconventional portfolio

- Additional unconventional gas plays in the Gippsland and Surat Basins
- 7,238 Km<sup>2</sup> of tenements (gross)
- Active 2013 – 2015 program with the objective of booking 2.2Tcf of 2P reserves
- Significant long term off take agreements with Stanwell Corporation and Guodian / Shantou SinoEnergy



Near Term

Medium to Long Term





## Cooper Basin (ATP855P) – Icon 40%, Beach Energy 60%

Moomba-191 drilled, tested and producing commercial shale gas within 12 months

Holdfast-1 and Encounter-1 have booked 1.3Tcf of 2C Contingent Resources

Halifax-1 (Icon 40%) drilled October 2012 discovered thickest section of REM and Patchawarra to date - located ~2km from pipeline

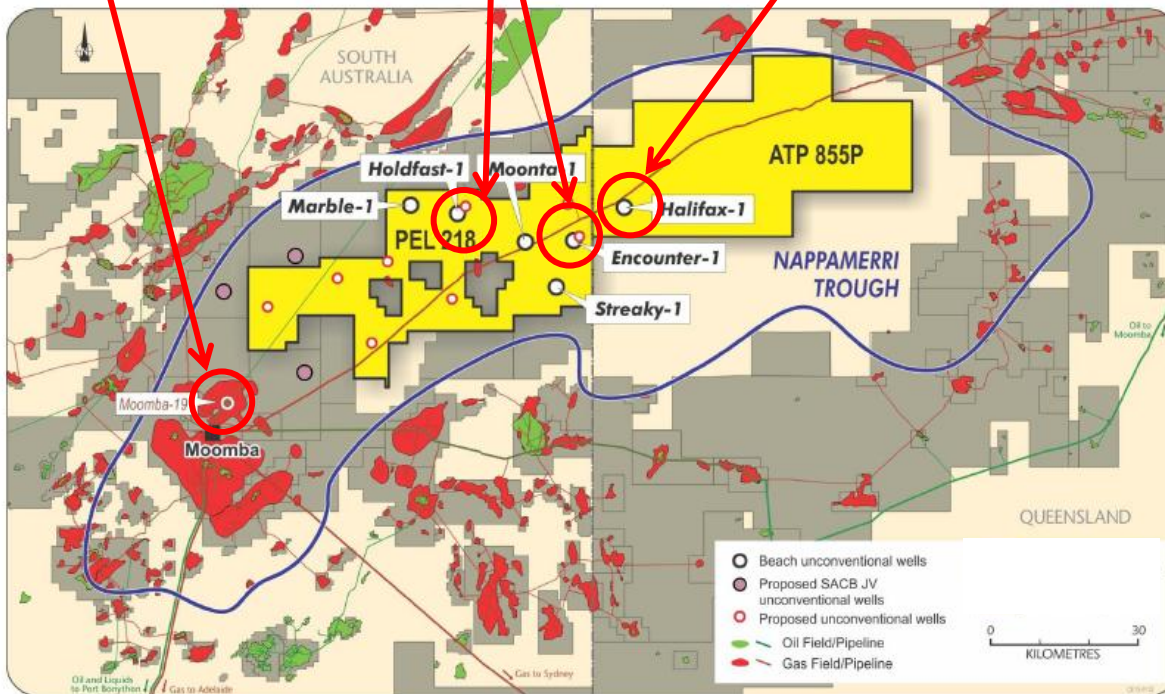


Image Beach Energy

**ATP855P is located close to existing gas processing infrastructure allowing fast track commercialisation**

- Nappamerri Trough most advanced shale basin development in Australia
- \$300-\$400m (estimate) spent -over 20 shale wells drilled during the last 24 months
- ATP 855P contains an estimated 300Tcf GIIP
- Icon holds commanding acreage position with 40% in ATP855P (Beach 60%) and 33% in post-permian section of PEL218 (Beach 100% permian, 33% post-permian)
- Holdfast-1 and Encounter-1 (Beach Energy) flowed ~2.1MMscfd and booked 1.3Tcf 2C Contingent Resource
- Moomba-191 (Santos/Beach/Origin) flowed over 3MMscfd and declared commercial by Santos – tied into the Moomba facilities and now producing sales gas



## Halifax 1 – Potentially the best well in the Nappamerri Trough to date

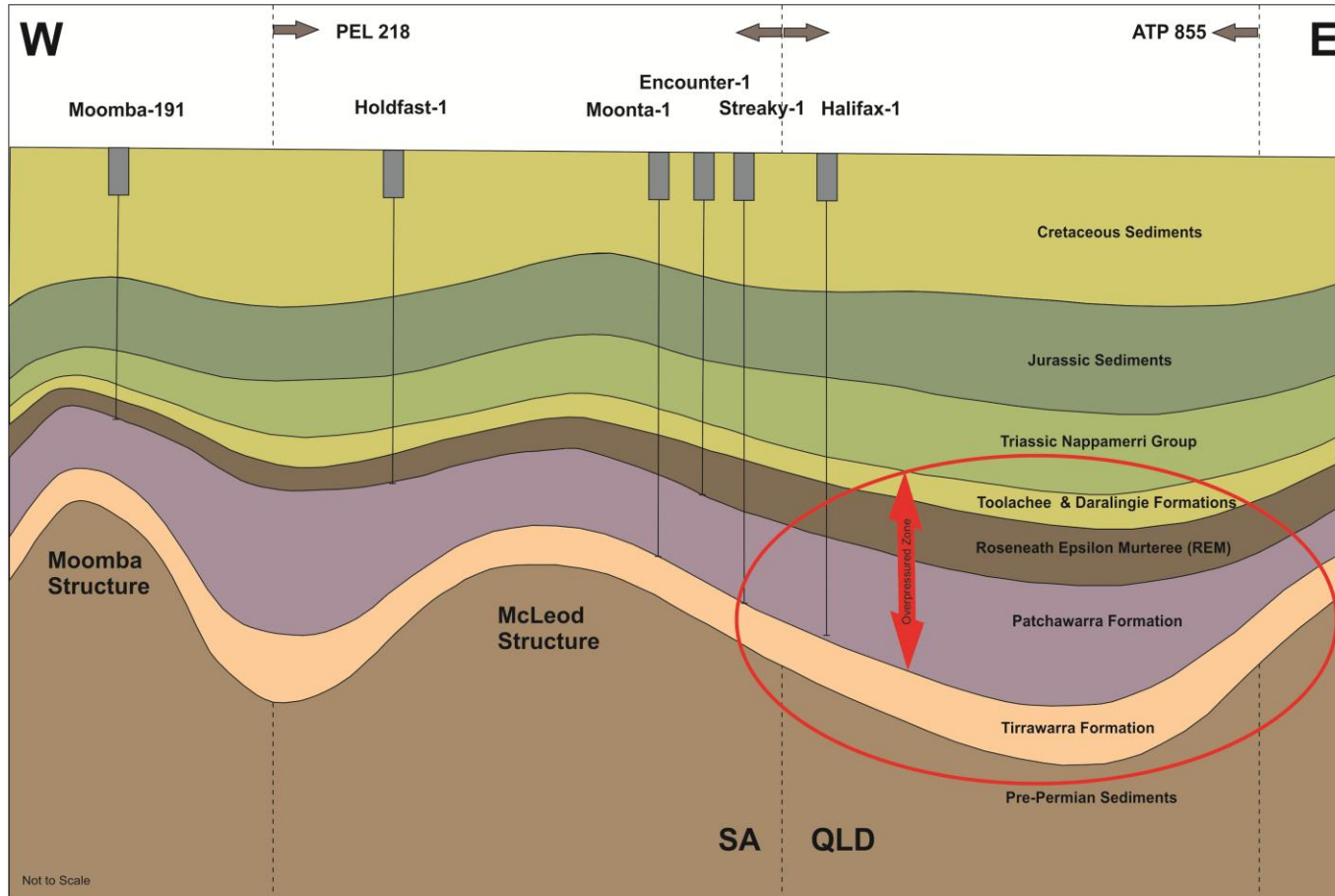
	Holdfast-1	Encounter-1	Moomba-191	Halifax-1
Well Type	Vertical Well	Vertical Well	Vertical Well	Vertical Well
Total Depth	3,487m	3,620m	3,010m	4,267m ✓
REM Thickness	353m	393m	n/a	+460m ✓
Patchawarra Thickness Intersected	n/a	n/a	n/a	+490m ✓
Gas Saturated Zone Intersected	>1km	>1km	n/a	1,300m ✓ Not including Nappamerri Group
Fracture stages	7	6	3	Multi <sup>1</sup>
Max flow rate post fracture stimulation	~2.1MMscfd	~2.1MMscfd	~3MMscfd	??
Booked 2C Contingent Resources	1.3Tcf		n/a	??

Key value driver to be determined in near-term program

The Halifax-1 well indicates that ATP855P is a highly prospective area within the Nappamerri Trough with expected significant uplift in flow rates and resources



ATP855P is in a highly prospective area within the Nappamerri Trough



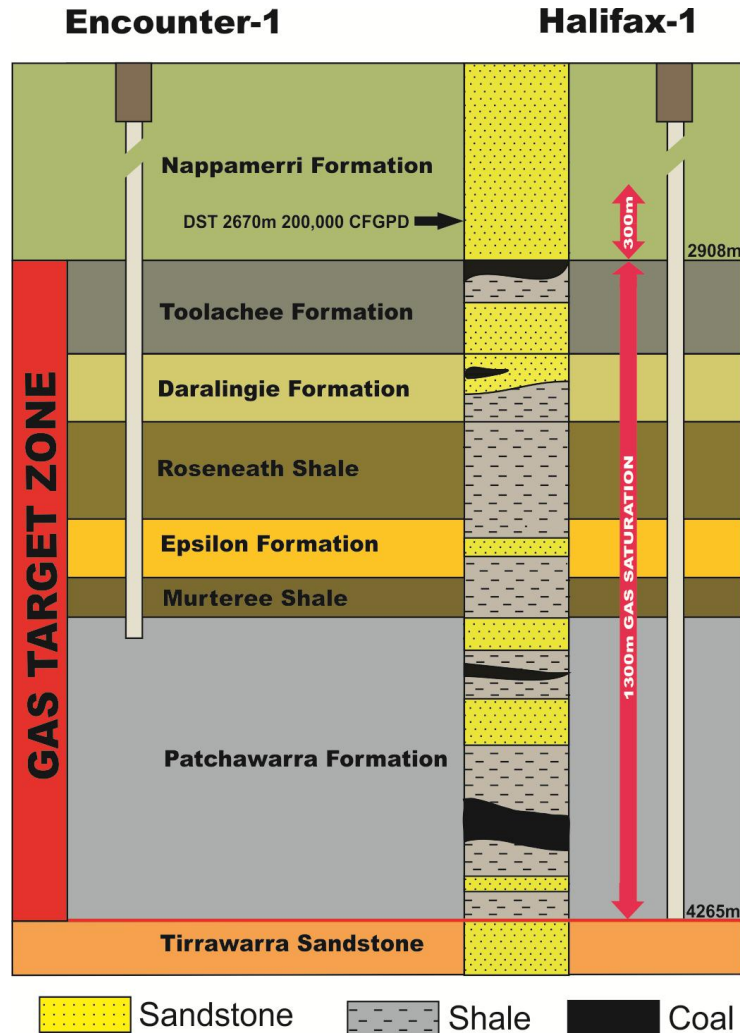
- ✓ **Halifax-1 has thickest REM section found in Nappamerri trough to date**
- ✓ **ATP855P has one of the thickest Patchawarra zones in the Nappamerri Trough**
- ✓ **New discovery in ATP855P – Gas discovered and flowed from the Nappamerri Group**

**Gas saturation expected through the Permian zone of the Nappamerri Trough – over 1,300+metres (thickest discovered to date)**





# Halifax 1 Over 1,300 metres Gas Saturation



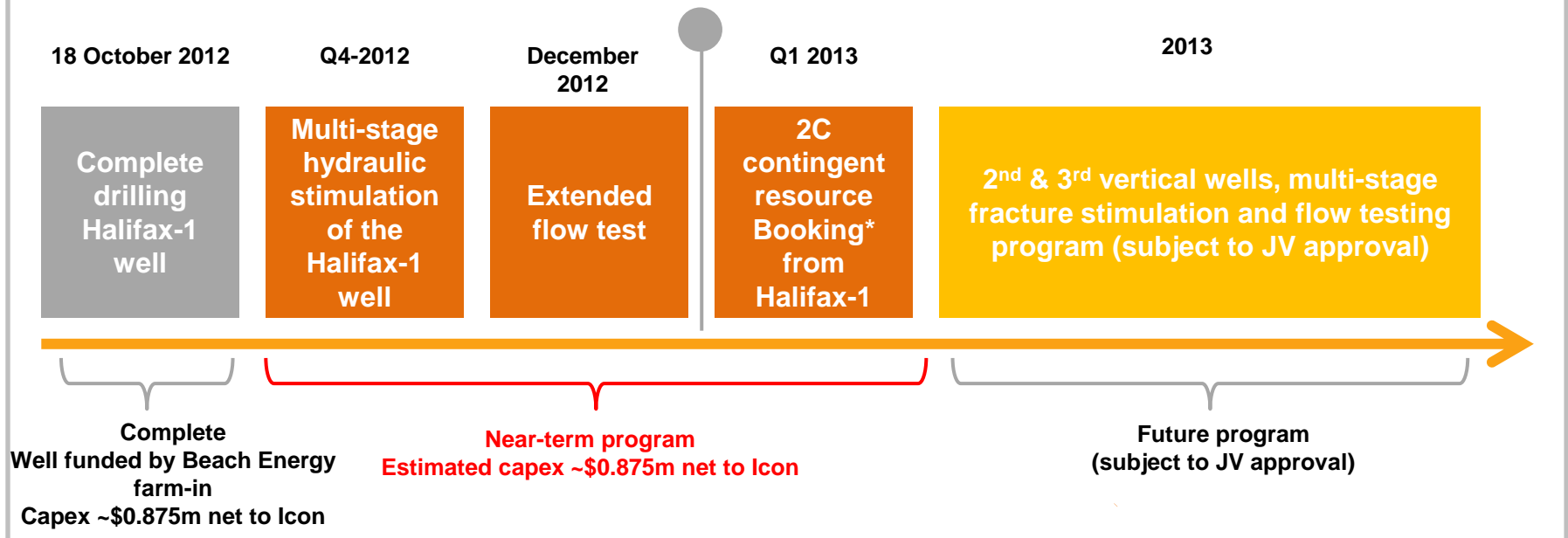
- **Ownership**
  - Beach Energy 60% (operator)
  - Icon Energy 40%
- Wells Drilled
  - Halifax-1 Vertical Well
- **Activity**
  - Total Depth 4267 metres
  - Over 1300 metres+ gas saturation (Icon estimate - subject to further analysis)
  - Thickest REM section (460 metres) to date
  - Thick Patchawarra section (490 metres)
  - Deeper REM and Patchawarra provide greater fracking options
  - DST in Nappamerri formation flowed 0.2MMscf/d constrained
  - Over pressured throughout
  - Halifax-1 Hydraulic Stimulation planned for Q4 2012
- **Other benefits**
  - Halifax-1 is 2km from gas pipelines
  - Coexistence with rural stakeholders
  - Semi-desert country, low population, stable environment
  - Relatively flat topography
  - Aquifers above Hydraulic Stimulation (fracking) target
  - Over 700 wells fracture stimulated in Cooper Basin to date



## ATP855P - Forward Work Program

- Multi-stage hydraulic stimulation of Halifax-1 planned to take place Q4 2012, with an extended flow test for a period of several weeks to follow
- Significant 2C Contingent Resource booking from Halifax-1 expected to be available in Q1 2013
- Next steps to expand the drilling program with the design and drilling of a second vertical well in 2013 (subject to JV approval) to further characterise production potential of shale and basin centred gas targets
- Seek to monetise early production via existing facilities and gas pipeline is ~2km from Halifax-1
- Investigate horizontal and vertical development options

Completed log analysis and flow rate information (mid to late December 2012)

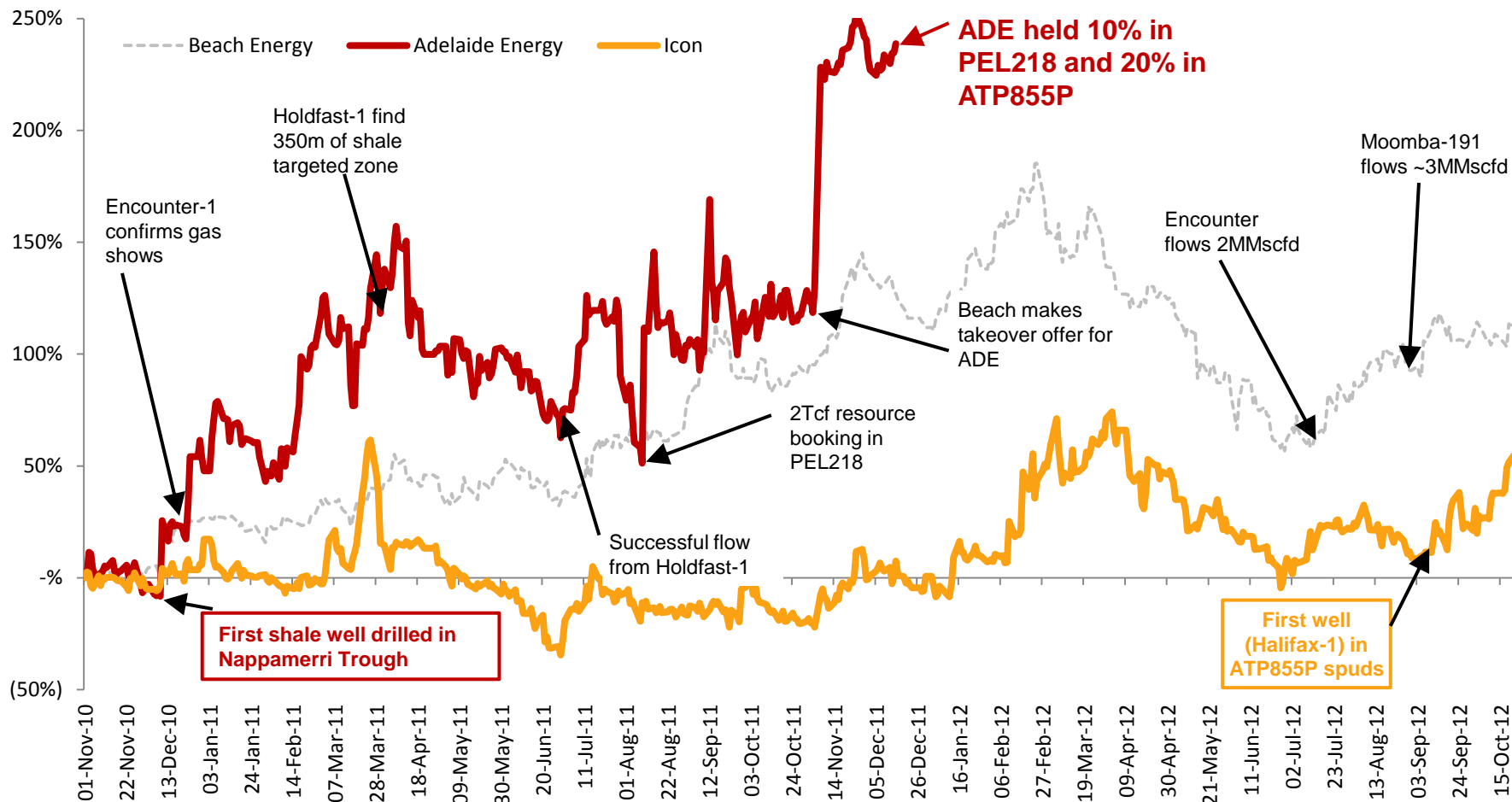


\*Subject to successful flow testing



# Evolution of the Nappamerri Trough as a major shale basin

## Share Price Performance of Companies in Nappamerri Trough<sup>1</sup>



1. Share prices rebased and adjusted for movements in S&P/ASX 200

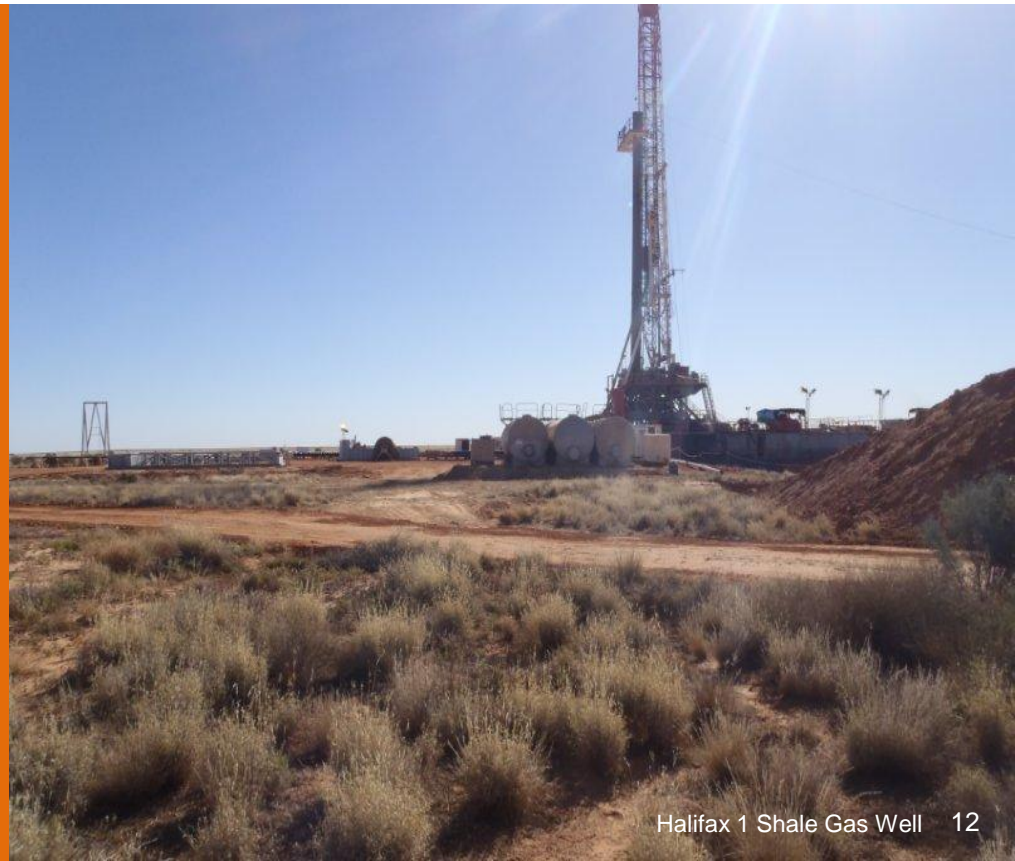
2. Source: ASX and company filings



- ✓ **Access to a world class, potential multi-Tcf, gas resource base**
- ✓ **Near term focus on booking shale gas 2C Contingent Resource in the Cooper Basin**
  - ✓ Recent activity in the sector demonstrates market's strong appetite for exposure to unconventional gas resource
- ✓ **Significant catalysts exist in the short term in the Cooper Basin**
  - ✓ Fracture stimulation and extended production testing at Halifax-1 (Q4 2012)
  - ✓ Additional wells being drilled and tested in close proximity to ATP855P de-risk the resource base
  - ✓ Technical attributes including the overpressure of Halifax-1 compare favourably to the successful wells immediately adjacent
- ✓ **Medium term catalysts also exist**
  - ✓ Medium term development plan with multiple well and potential production testing phase anticipated in Nappamerri Trough in 2013/2014
- ✓ **Long term exposure to significant unconventional exploration acreage**
  - ✓ Prospective acreage in Surat Basin and onshore Gippsland Basin operated by Icon



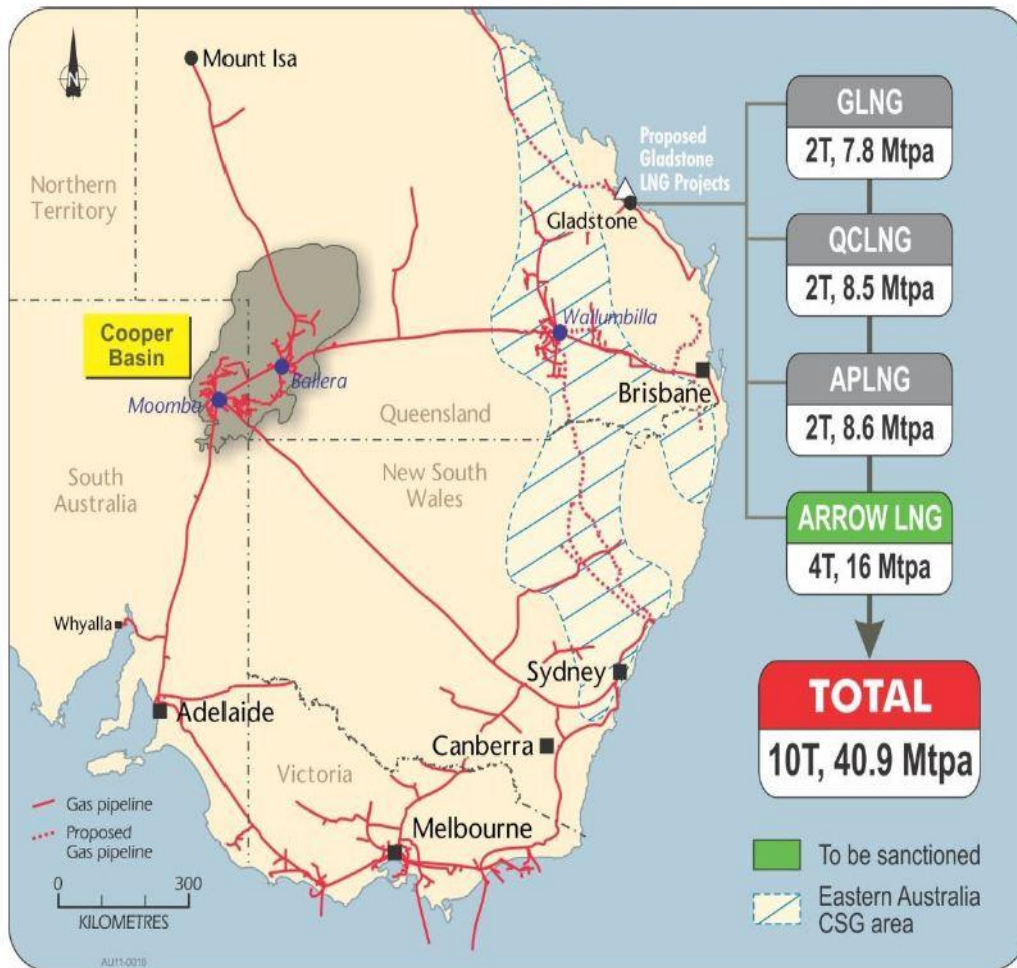
## Appendix







## Gladstone based LNG projects



- 80% of East Coast reserves are owned by parties developing LNG projects or with LNG aspirations
- Industry commentators suggesting gas prices trending towards \$6-9/GJ
- Recent gas supply contracts signed between \$6-\$9/GJ
- Acknowledged shortage of gas supply by LNG proponents

## Benefits of Shale Gas as LNG supply source

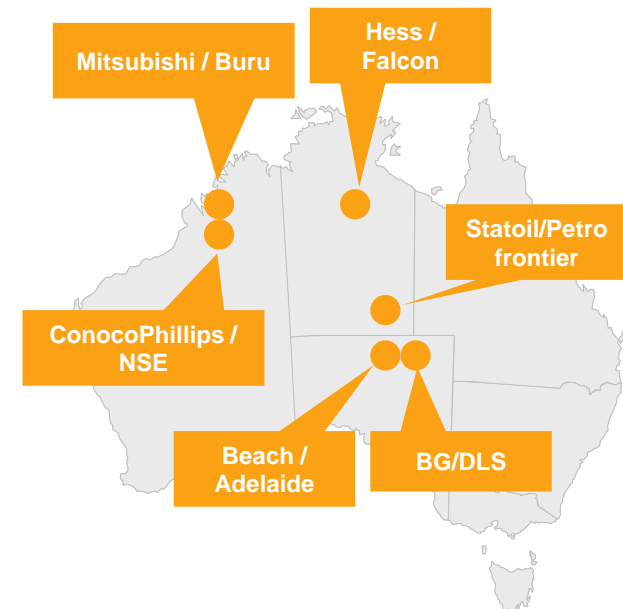
- No community issues, excellent coexistence
- No water management issues
- No contribution to community infrastructure
- Early gas delivery, no dewatering period
- Attractive well economic profile
- Access to gas infrastructure



## Australian shale transactions are gaining momentum

	Beach / Adelaide Energy	BG / Drillsearch	Statoil / Petrofrontier	ConocoPhillips / NSE
Date	November 2011	July 2011	June 2012	April 2011
Key Terms	<ul style="list-style-type: none"> <li>On-market takeover of Adelaide Energy</li> <li>This offer, a 52% premium to the 30 day VWAP <u>valued Adelaide Energy at \$94m</u></li> <li>Adelaide energy held 10% of PEL218 and 20% in ATP855P</li> </ul>	<ul style="list-style-type: none"> <li>60% and operatorship right, 5 year, \$130m, 3 stage program</li> <li>BG funds \$90m of the first \$100m</li> <li>\$2.5m paid for sunk costs</li> <li>Option for 9.9% of DLS</li> </ul>	<ul style="list-style-type: none"> <li>65% and operatorship</li> <li>Statoil to fund up to US\$210 million over three phases</li> <li>Assets located in Southern Georgina Basin</li> </ul>	<ul style="list-style-type: none"> <li>75% interest operatorship right</li> <li>ConocoPhillips to fund \$109.5m over 4 phases</li> <li>\$1m paid in sunk costs</li> </ul>
Acres (net)	1.2 million	0.6 million	8.25million	11.0 million

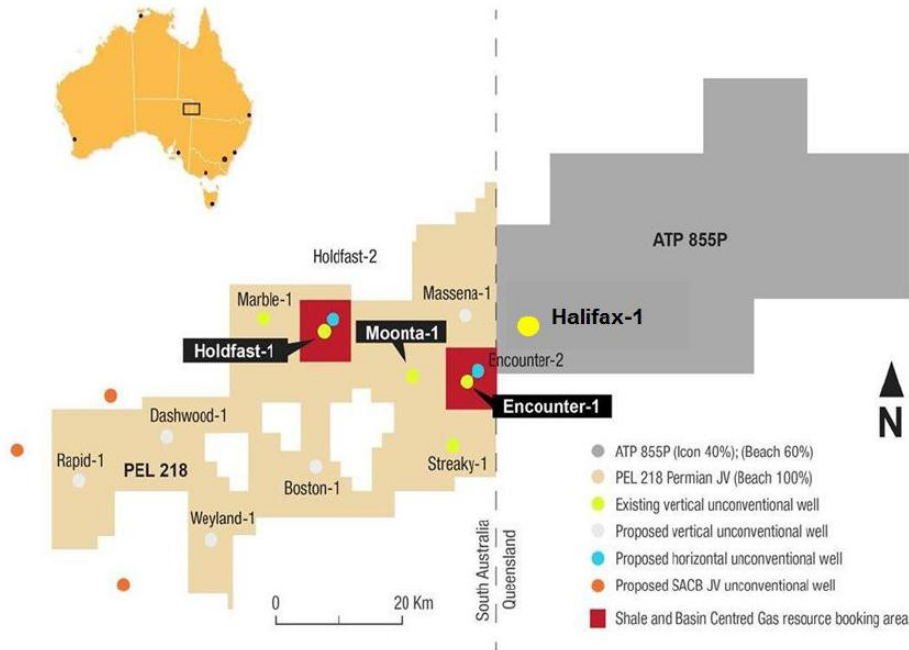
**Nappamerri Trough Transactions – completed before key discoveries and flow testing in the Nappamerri Trough**



Source: ASX and company filings



## Nappamerri Trough – ATP 855P and PEL 218



Source: Beach Energy

### Tenement history

- October 2009 – Beach farmed in to acquire a 40% interest in ATP855P for A\$8.5 million and A\$3.5 million equity subscription for Icon shares
- July 2010 – Icon and Beach agree to revised farm-in terms with Beach to provide up to A\$16 million in funding for a shale gas well. Icon required to contribute A\$1.75 million to the cost of the well
- November 2011 – Beach acquired Adelaide Energy. Adelaide Energy owned 20% of ATP 855P and 10% of PEL218

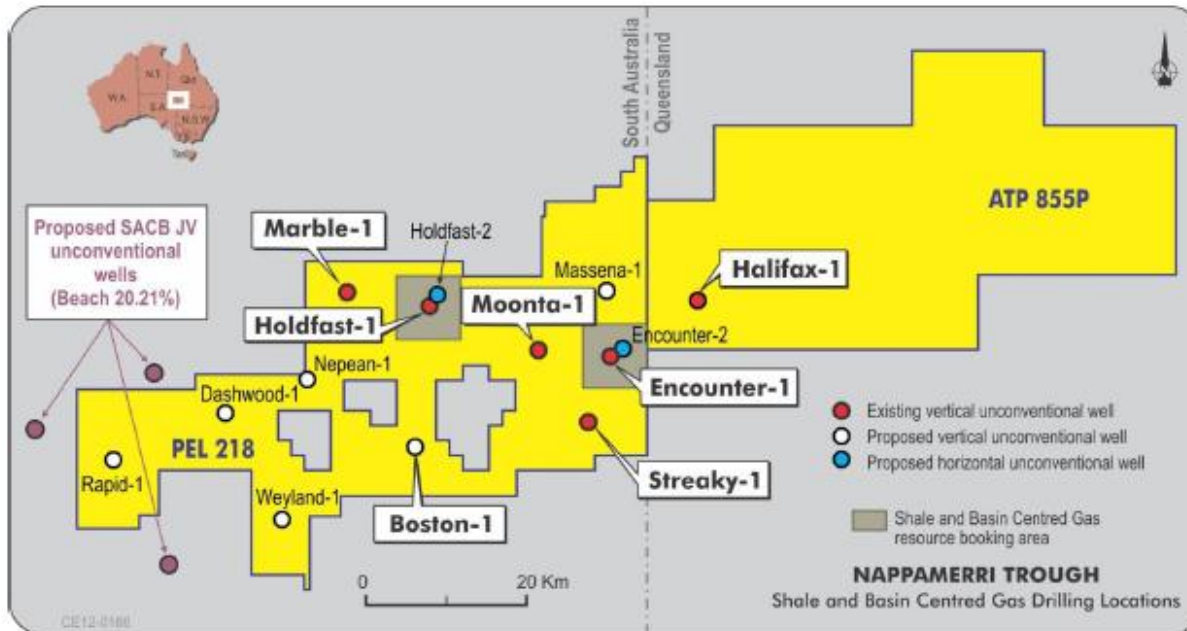
- ATP 855P Ownership
  - Beach Energy 60%\*\* (operator)
  - Icon Energy 40%
- The Nappamerri Trough is the most advanced shale basin development in Australia
- ~\$300-\$400m (Icon estimate) spent and 20 (estimate) shale wells drilled over the last 24months
- Contains an estimate of 600Tcf GIP (PEL 218 & ATP 855P)
- Holdfast-1 and Encounter-1 (drilled directly adjacent to ATP855P flowed up to 2.1MMscfd, post fracture stimulation and booked 1.3Tcf 2C Contingent Resource)
- Moomba-191 (Santos/ Beach Energy ) flowed ~3MMscfd and declared commercial by Santos – tied into the Moomba gas processing facility and now producing sales gas
- Other Unconventional activities:
- Senex Energy Limited** drilled Kingston Rule-1, Skipton-1, Talaq-1 and Sasanof-1 unconventional wells\*
- Strike Energy Limited** drilled Davenport-1 and Marsden-1 unconventional wells\*
- Santos Limited** to drill horizontal well early 2013\*

\*Source: ASX and company filings

\*\*Subject to the completion of farm-in agreement



## Nappamerri Trough – FY13 Drilling Program (Beach Energy)

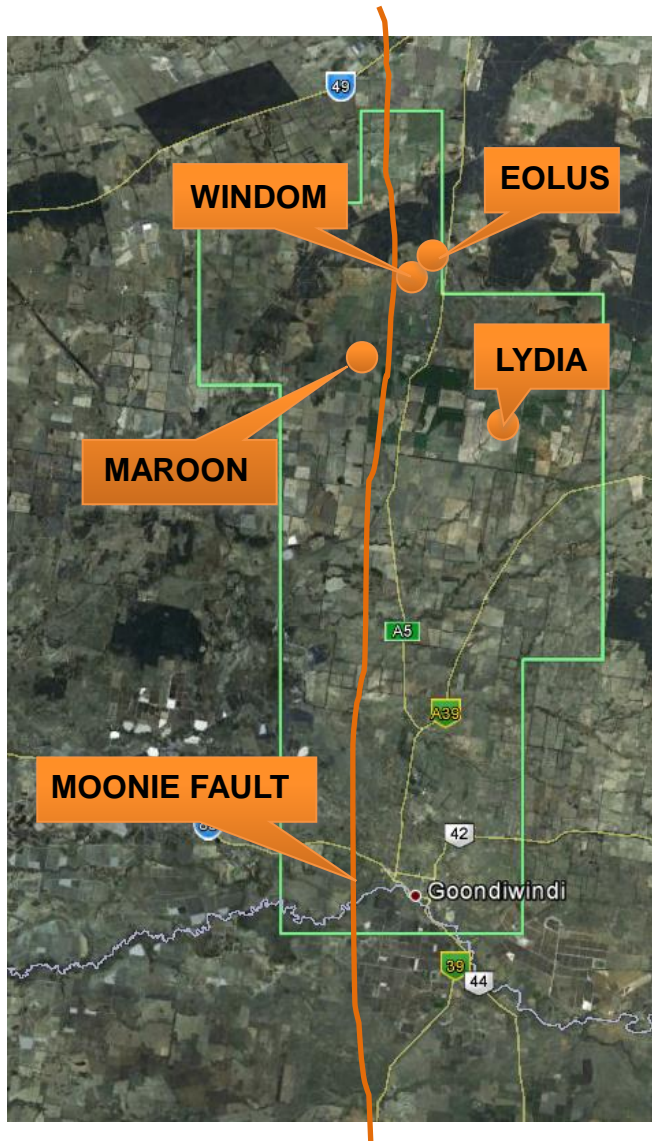


**Multiple well and fracture stimulation program over the next 6 months to prove commerciality of the Nappamerri Trough**





## Surat Basin Tenements ATP 626P



- Ownership
  - 50% Icon Energy (Operator) / 50% Stanwell Corporation
- Property details
  - 2,224 km<sup>2</sup>
- Activity
  - Drilled Windom-1 and Eolus-1 in 2012
  - Eolus1 cased and suspended pending further technical analysis
- Capital Expenditure
  - A\$36.0 million fully funded by farm out to Stanwell Corporation (A\$20million spent)
- Tenement history
  - Total Icon Energy spend to date of A\$10 million / Total Stanwell Corporation spend to date of A\$20 million
  - December 2008
    - Stanwell Corporation committed A\$6.0 million for an initial pilot program with the option to elect to commit a further A\$30 million to secure a minimum 2P reserve of 340PJ
    - Key commercial terms agreed for Stanwell Corporation to buy 225PJ from ATP 626P over 15 years
  - August 2010 - Stanwell Corporation elects to commit a further A\$30 million
  - October 2012 – ATP 626P Feasibility Study regarding further development options





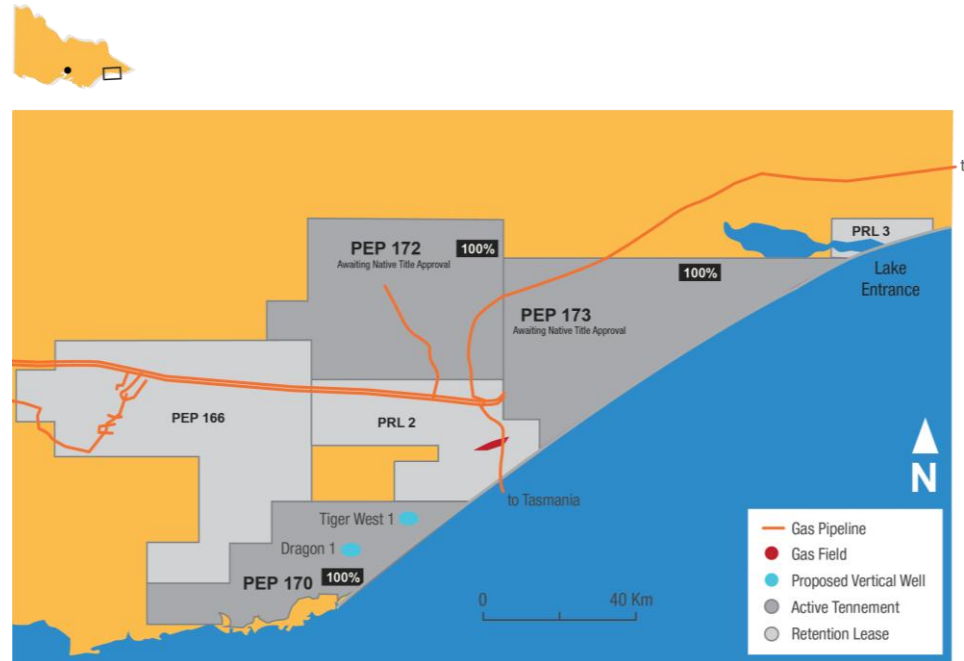
## Gippsland Basin Tenements PEP170, 172 & 173

### PEP 170

- 100% Icon Energy (Operator)
- 804 km<sup>2</sup>
- Activity
  - Dragon-1 and Tiger West-1 wells 2013-2014 (Subject to Government regulatory approvals)
  - Murray 2D 400km seismic acquisition and evaluation, Q1 2013
  - 4 wells (total) expected to be drilled 2013-2014 (Subject to Government regulatory approvals)
- Capital Expenditure
  - A\$10.5 million during 2012-2014 (Subject to Government regulatory approvals)
  - Farmout opportunities likely to be explored after 2 wells
- Tenement history
  - Total expenditure to date A\$525,000
  - September 2010 - Icon Energy awarded the permit

### PEP 172 and PEP 173

- Tenement details
  - PEP 172 1,312km<sup>2</sup>
  - PEP 173 1,220km<sup>2</sup>
- Activity
  - Currently negotiating Indigenous Land Use Agreement ("ILUA")





## Icon Energy's Management Team



**Raymond James**

Managing Director

- BSc (Physics, Maths, Geology) University of NSW, FAICD, FAIM
- Founded Icon Energy in 1993
- Previous experience with leading E&Ps – Chevron, Gulf Oil and Omega Oil



**Kevin Jih**

Chief Financial  
Officer

- Certified Practising Accountant (“CPA”), MBA, MAACC, PhD (Accounting)
- Fluent Mandarin/ English
- Previous experience with Tai-Chern Enterprise, Hong Yang Lease Finance, MYC Group, Hualien Commercial Bank



**Richard Holliday**

Commercial Manager

- 30 years experience working with Government, Communities and Media
- Previously employed by Santos/GLNG as Manager Media and Communications
- Strong commercial background across many sectors within the economy



**Jim Carr**

Operations Manager

- Petroleum Engineer BE (Honours in Mechanical Engineering) University of Adelaide
- 30 years experience in petroleum engineering having worked for Santos, Blade Energy Partners, RasGas, Shell, ConocoPhillips, Lakes Oil and Geodynamics



**Ross Mallett**

Company Secretary  
and Legal Counsel

- Lawyer and Company Secretary JD, BBus, GDLP, FCIS, FCPA, MAICD
- Former Company Secretary, Elders, BHP Billiton, WMC & CRA



## Icon Energy's Board of Directors



**Stephen Barry**  
Chairman &  
Non Executive Director

- LLB University of Sydney, FAICD
- Director since 1993
- Partner in legal practice CKB partners.



**Raymond James**  
Managing Director

- BSc (Physics, Maths, Geology) University of NSW, FAICD, FAIM
- Founded Icon Energy in 1993
- Previous experience with leading E&Ps – Chevron, Gulf Oil and Omega Oil



**Kevin Jih**  
Executive Director &  
Chief Financial Officer

- Certified Practising Accountant (“CPA”), MBA, MACC, PhD (Accounting)
- Fluent Mandarin, English
- Previous experience with Tai-Chern Enterprise, Hong Yang Lease Finance, MYC Group, Hualien Commercial Bank



**Keith Hilless**  
Non Executive Director

- AM, BE (Elec) Qld, DUniv QUT, FIE Aust, FAIM, MAICD
- Former Chair of Zero Gen
- Former Queensland Electricity Commissioner
- Past Chairman Ergon Energy (QLD)



**Howard Lu**  
Non Executive Director

- Joined the Board in January 2011
- Executive Chairman Shin Zu Shing Precision and a number of other entities in China
- Mr Lu has residences in both Australia and China



**Derek Murphy**  
Non Executive Director

- BA, LLB (UQ), LLM (Lond), FAIM, FAICD, FHKIoD, SF Fin
- Former Crown Counsel; Deputy Commissioner for Securities and Commodities Trading in Hong Kong
- Former Managing Director of what is now HSBC Asset Management