



ICON ENERGY LIMITED

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energy for the future - the future of energy



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31 May 2012

ASX Company Announcements Office

Re: Public Announcement – Icon Energy Investor Presentation

Please find attached copy of an Icon Energy investor presentation to be delivered today.

Ross Mallett
Company Secretary
Icon Energy Limited



Investor Presentation May 2012

Raymond James
Managing Director

Kevin Jih
Chief Financial Officer

Richard Holliday
Commercial Manager





This presentation contains forward-looking statements that are subject to risk factors associated with the oil and gas industry. It is believed that the expectations in these statements are reasonable, but they may be affected by a range of variables outside the control of Icon Energy Limited and its Directors which would cause actual results or trends to differ materially, including but not limited to: price and currency fluctuations, geotechnical factors, drilling and production results, development progress, operating results, reserve estimates, legislative, fiscal and regulatory developments, economic and financial markets conditions in various countries, approvals and cost estimates. Therefore, undue reliance should not be placed on forward-looking statements.

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

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Company Overview

ASX Code

ICN

- Ordinary Shares: 469,301,394
- Market Cap (A\$0.21): \$99 million
- Share Price (12mths): A\$0.12 – A\$0.31

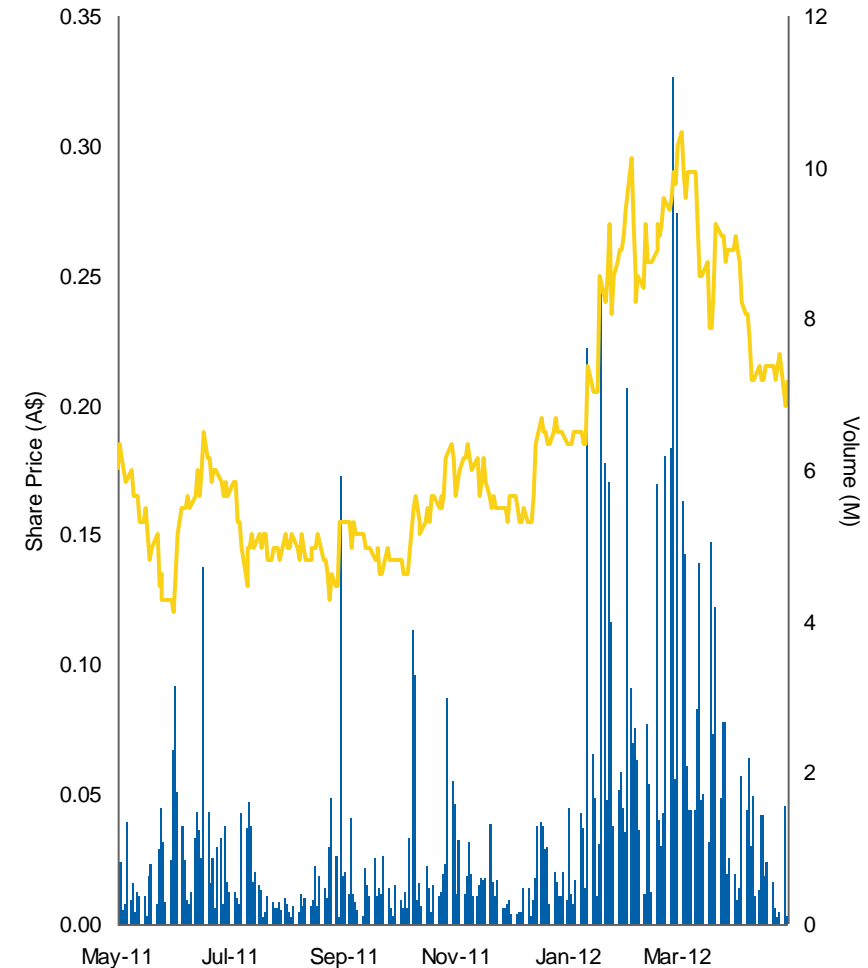
Ownership:

- Merrill Lynch (Australia) Nominees (5.81%)
- Board, management and associates (~20%)

History:

- Founded by Mr Raymond James (Managing Director) in 1993
- Listed on the ASX 1997
- Staff 20
- Head Office in Broadbeach, Queensland Australia

ICN – Share Price Performance (Last 12 Months)





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



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



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



Richard Holliday

Commercial
Manager

- Joined Icon Energy in 2011
- 30 years experience working with Government, Communities and Media
- Strong commercial background across many sectors within the economy
- Previously employed by Santos/GLNG QLD as Manager Media and Communications



Ross Mallett

Company Secretary
and Legal Counsel

- Lawyer and Company Secretary JD, BBus, GDLP, FCIS, FCPA, MAICD
- Former Company Secretary with People's Choice Credit Union, Elders, BHP Billiton, WMC & CRA



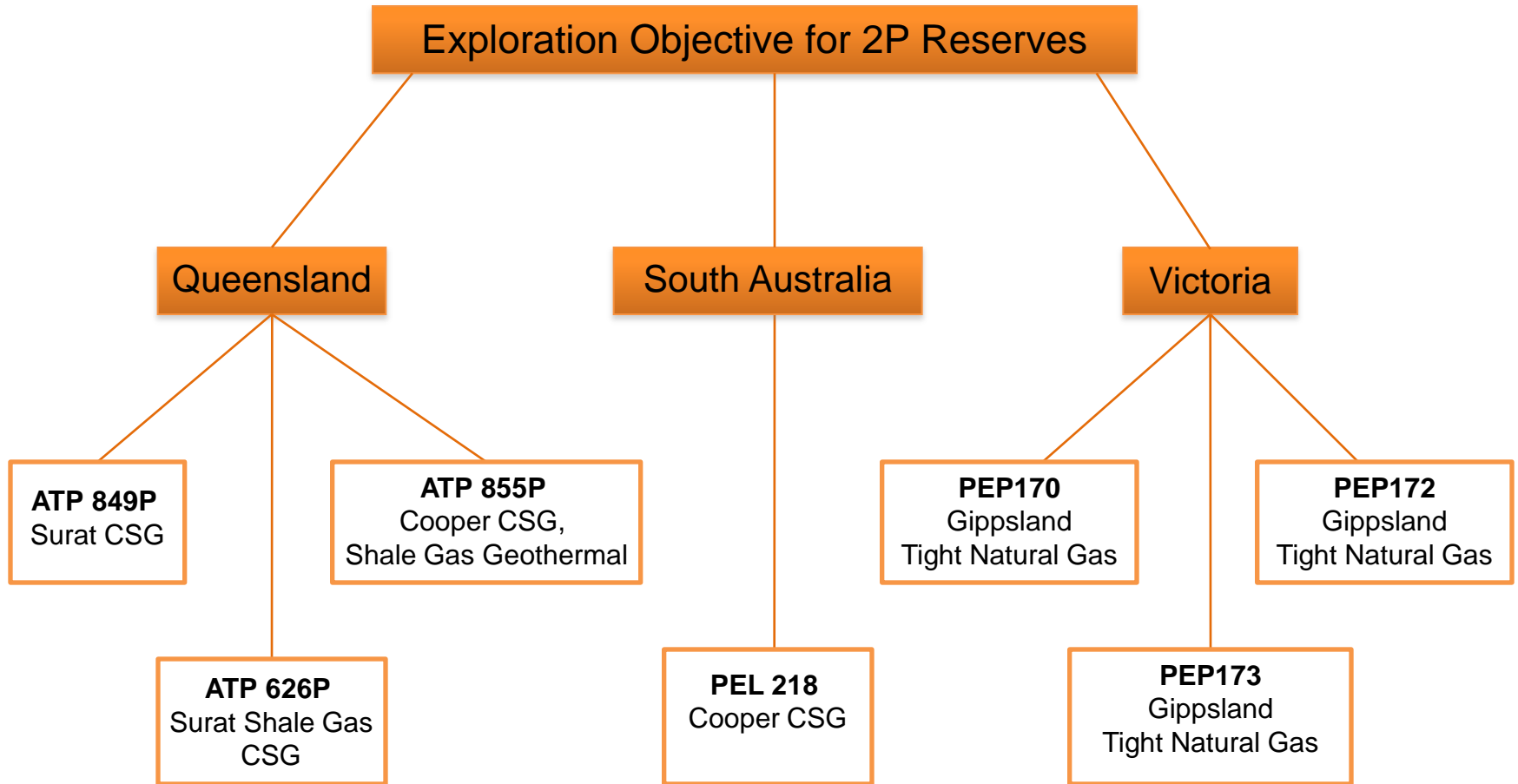
Investment Highlights

- Oil and gas production and exploration company with interests in the proven hydrocarbon producing Cooper, Gippsland and Surat basins
- Property portfolio of one million hectares of tenements across three basins in East and South East Australia
- Gas assets located in unique positions in relation to the south east Australian national electricity and gas markets
- Exposure to highly prospective Nappamerri Trough in the Cooper basin (shale gas plays), CSG and tight gas plays in the Gippsland and Surat basins
- High equity interest in key projects
- Active 2012 - 2013 exploration program with the objective of booking 2TCF of 2P reserves
- Reserve aspirations and certification assisted by commercial options
 - LNG sales agreement with Shantou SinoEnergy for 40 million tonnes of LNG over 20 years
 - Gas sales agreement with Stanwell Corporation for 225 PJ of gas over 15 years

Icon Energy is seeking to build 2TCF of 2P reserves in the Cooper, Gippsland and Surat basins



Icon Energy's Strategy for its Gas Resources







Icon Energy's Active Tenements in 2012 - 2013

	Icon WI (%)	Operator	Q2 2012	Q3 2012	Q4 2012	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Objective
ATP 626P	99%	Icon Energy	2 wells Windom & Eolus		Prepare 2013 work program					Book reserves
ATP 849P	80%	Icon Energy	Land access	Seismic	No planned activity	No planned activity				Identify drilling targets
ATP 855P	40%	Beach Energy	Gallus 2D 420 kms Seismic Survey	1 well Halifax1	Fracking Halifax1	Seismic evaluation	Seismic evaluation			Book reserves
PEP 170	100%	Icon Energy		2 wells Dragon 1 & Tiger West 1 Murray 2D 400 kms seismic	Seismic evaluation	Seismic evaluation	2 wells		2 wells	Book reserves
PEP 172	100%	Icon Energy	ILUA	ILUA	ILUA		200kms 2D Seismic	Seismic evaluation	Seismic evaluation	Identify drilling targets
PEP 173	100%	Icon Energy	ILUA	ILUA	ILUA			200kms 2D seismic	Seismic evaluation	Identify drilling targets

High equity, mostly operated blocks. Joint Venture with Beach Energy in the Nappamerri Trough (ATP 855P)



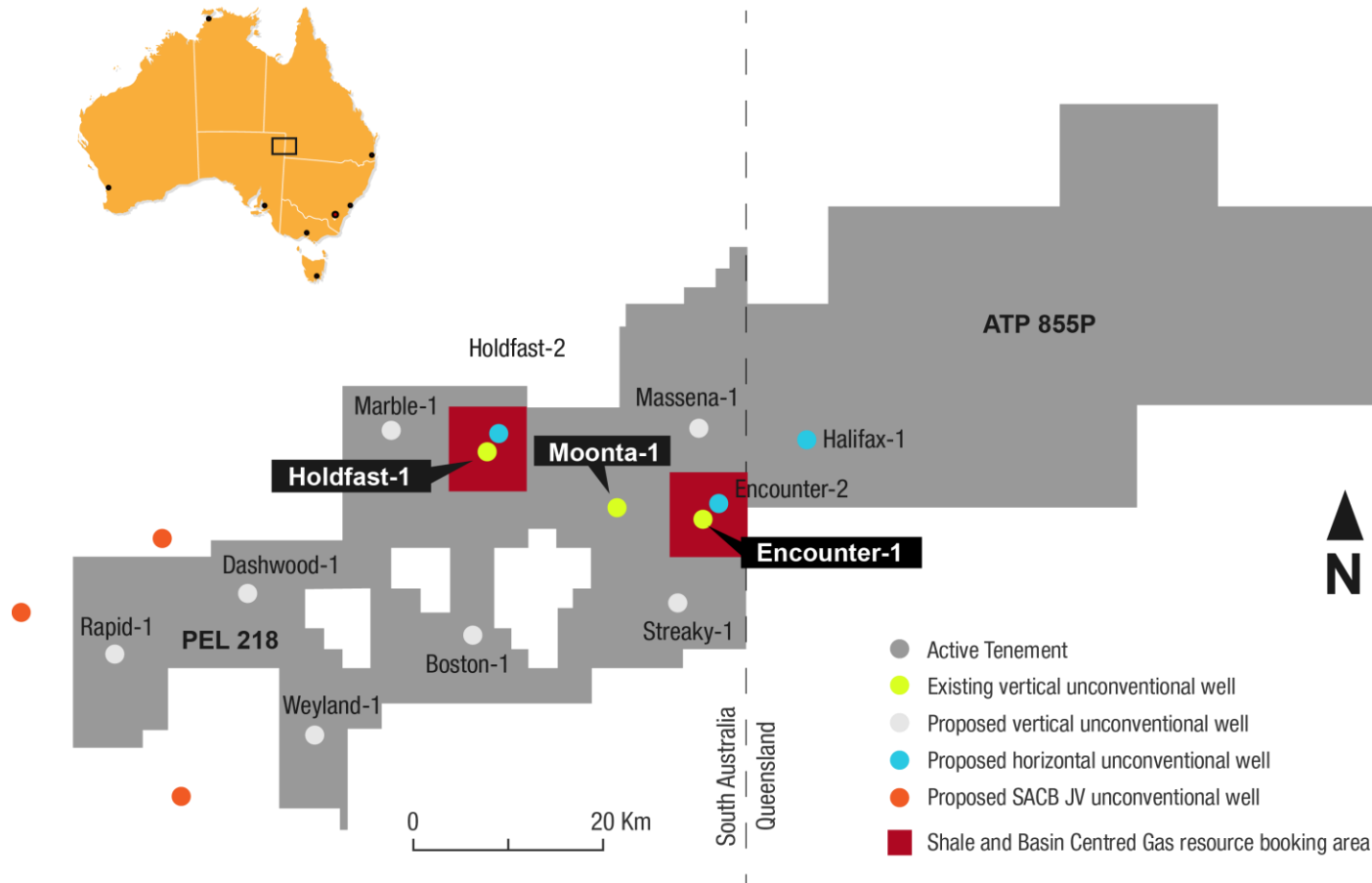
Cooper Basin Queensland & South Australia

ATP 855P
PEL 218





Nappamerri Trough – ATP 855P and PEL 218



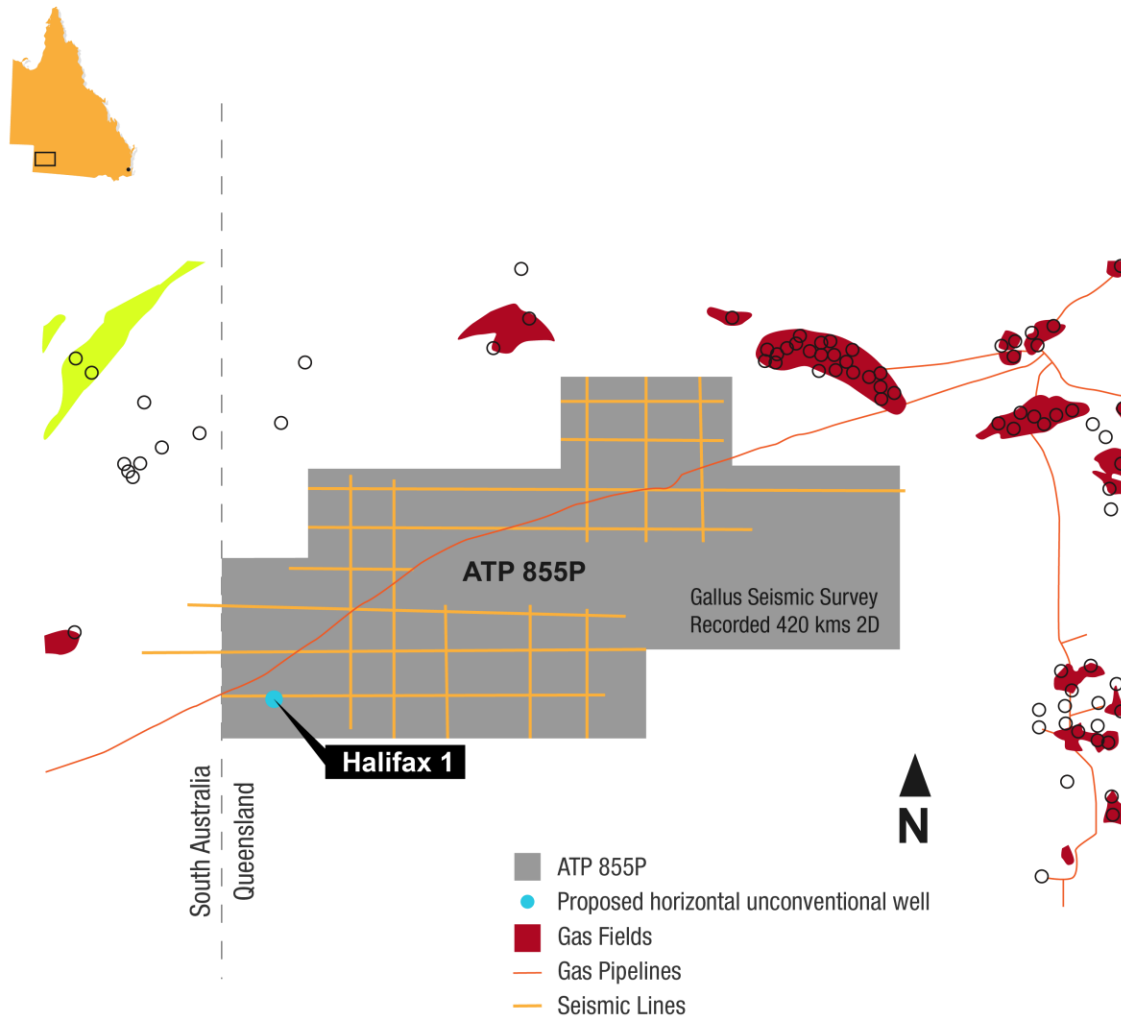
Source: Beach Energy

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 \$16 million in funding for a shale gas well. Icon required to contribute \$1.75 million to the cost of the well
- November 2011 – Beach acquires Adelaide Energy. Adelaide Energy owned 20% of ATP 855P



Icon Energy and Shale Gas – ATP855P



- Ownership
 - 60% Beach Energy (Operator)
 - 40% Icon Energy
- Property Details
 - 1,670 km²
 - Adjacent to gas distribution network
- Activity
 - Halifax 1 is expected to spud during Q3 2012
- Expenditure
 - Carried by Beach Energy



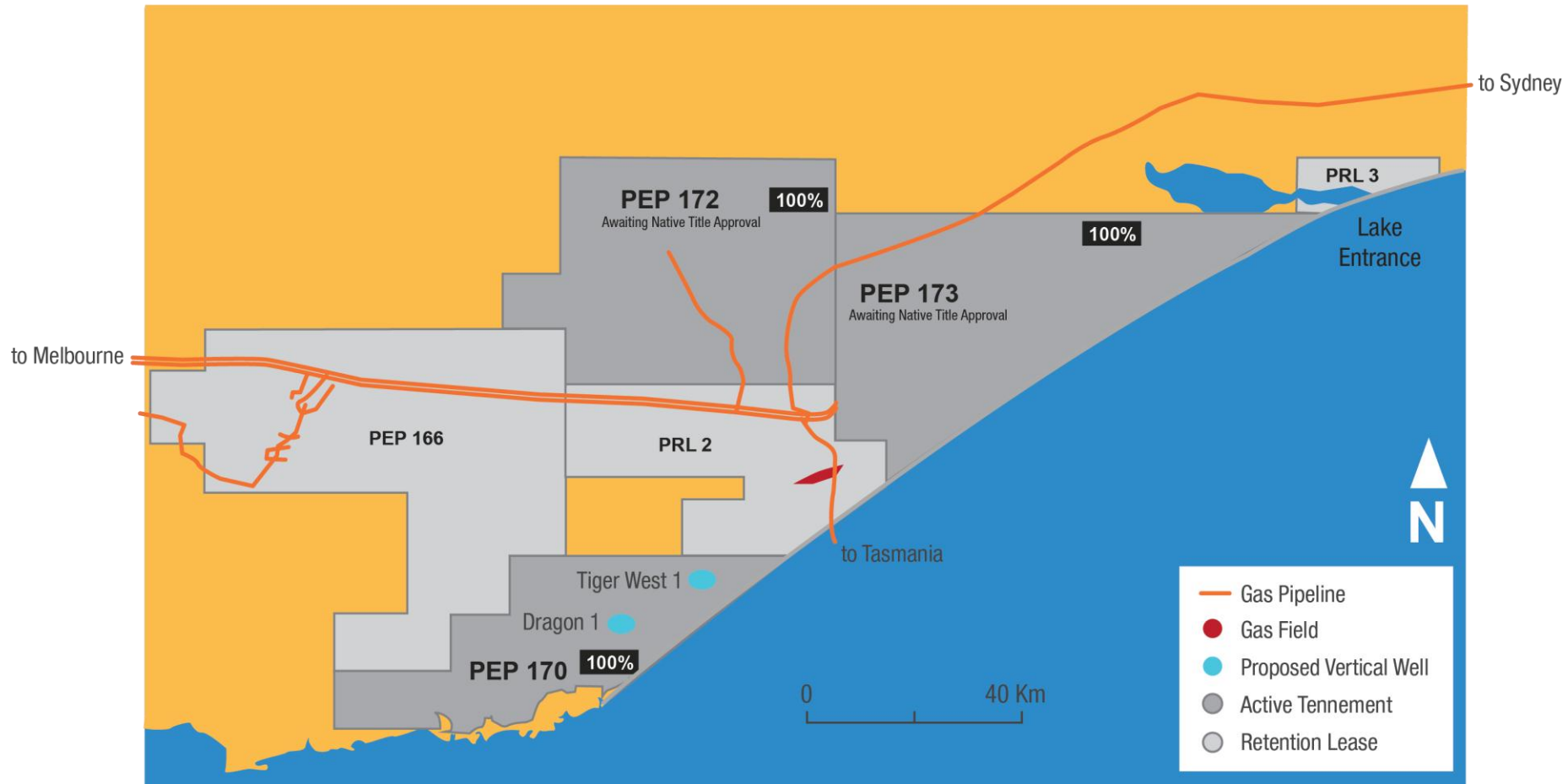
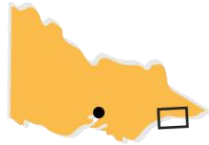
Gippsland Basin Victoria

PEP 170
PEP 172
PEP 173





Gippsland Basin Tenements PEP 170, 172 & 173





Gippsland Basin Tenements PEP170, 172 & 173

PEP 170

- Ownership
 - 100% Icon Energy (Operator)
- Property details
 - 804 km²
- Activity
 - Dragon 1 and Tiger West 1 in Q3 2012
 - Murray 2D 400km seismic acquisition and evaluation
 - 4 wells expected to be drilled in 2013
- Capital Expenditure
 - A\$28 million during 2012 – 2013
 - Farmout opportunities likely to be explored after 2 wells
- Tenement history
 - Total spend to date A\$250,000
 - September 2010 - Icon Energy awarded the permit

PEP 172 and PEP 173

- Property details
 - PEP 172 1,312km²
 - PEP 173 1,220km²
- Activity
 - Currently negotiating Indigenous Land Use Agreement (“ILUA”)





Seismic Acquisition Program PEP 170

- Murray 2D 400km seismic programme
- Coverage of entire tenement (804km²)
- 2D seismic adequate, no need for structural definition
- Utilisation of roads with minimal landholder disturbance
- Operations and Environmental Management Plans submitted to Department of Primary Industries Victoria for approval
- Current timetable
 - Seismic programme to be completed by October 2012
 - Seismic evaluation to be completed between November 2012 to February 2013



Objective of the seismic acquisition program is to identify additional drilling locations in these highly prospective shale and tight gas plays



Near- term Drilling Program PEP 170

- 2 wells Dragon 1 and Tiger West 1
 - Targeting Strezlecki Formation
- Hunt Drilling Rig 2 expected to be available July 2012
- Planning Phases in progress:
 - Landholder Approvals in place
 - Operations and Environmental Management Plans submitted to Government
 - Awaiting Department of Primary Industries Victoria approval
 - Rig Contract negotiations taking place
 - Long lead drilling items ordered
 - Early civil works planned
 - Ongoing high level of community consultation taking place



“ 100% equity interest in PEP 170 provides Icon Energy with various commercialisation project development options from a hydrocarbon discovery from the drilling program ”



Surat Basin Queensland

ATP 626P
ATP 849P





Surat Basin Tenements ATP 626P

ATP 626P

- Ownership
 - 99% Icon Energy (Operator) / 1% Stanwell Corporation (legal interest)
- Property details
 - 2,224 km²
- Activity
 - Windom 1 and Eolus 1 drilling program has commenced
- Capital Expenditure
 - A\$3.0 million fully funded by Stanwell Corporation
- 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, after which Stanwell Corporation will earn a 50% interest
 - Key commercial terms agreed for Stanwell Corporation to buy 225PJ form ATP 626P over 15 years
 - August 2010 - Stanwell Corporation elects to commit a further A\$30 million



Surat Basin Tenements ATP 849P

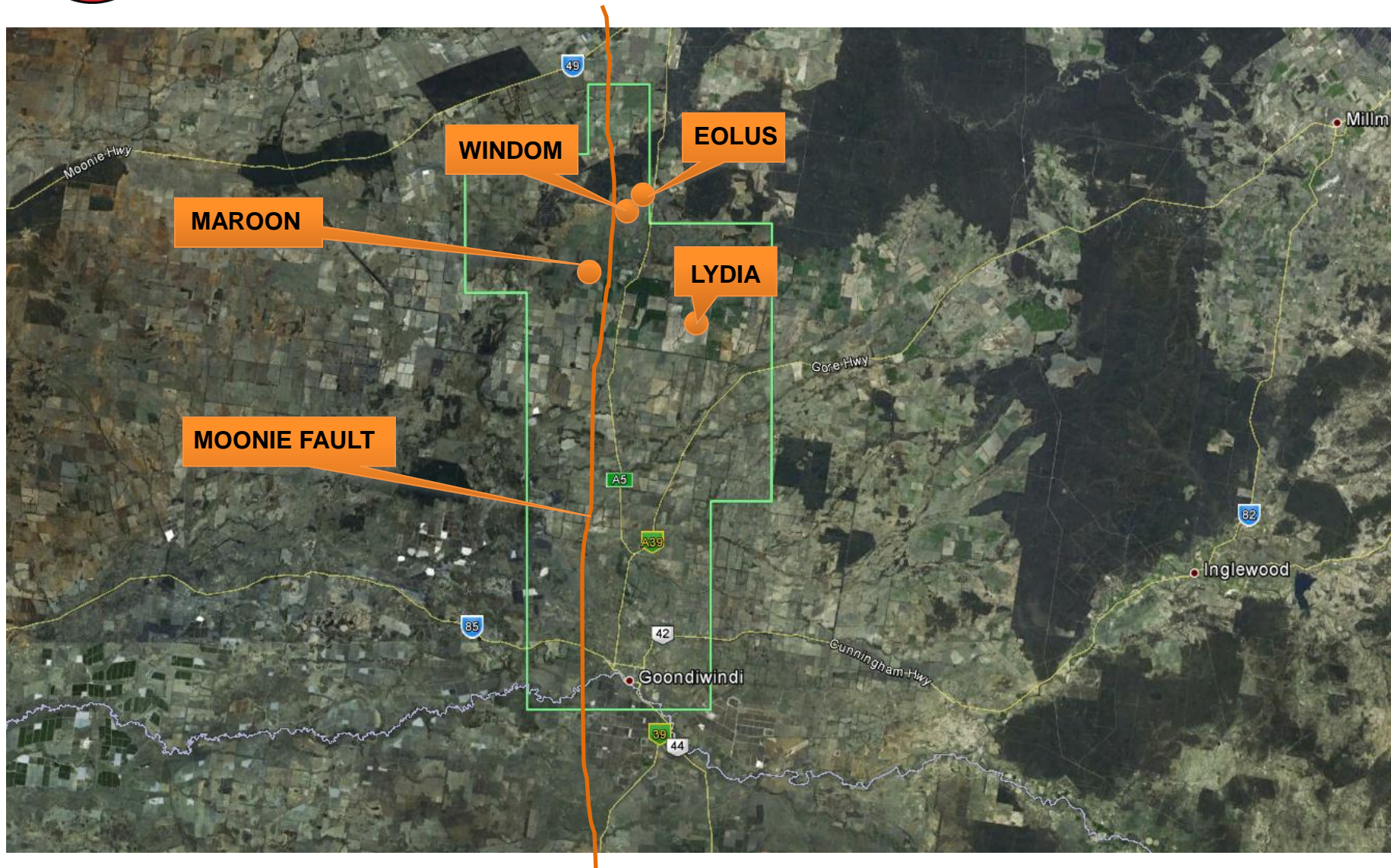
ATP 849

- Ownership
 - 80% Icon Energy (Operator) 20% Beach Energy
- Property details
 - 3,854 km²
- Activity
 - Seismic acquisition and evaluation
- Capital Expenditure (Seismic)
 - A\$1.50 million to fund the seismic program
- Tenement history
 - Total spend to date of A\$100,000
 - August 2011 – Icon Energy and Beach Energy (previous interest held by Adelaide Energy) approve a seismic program



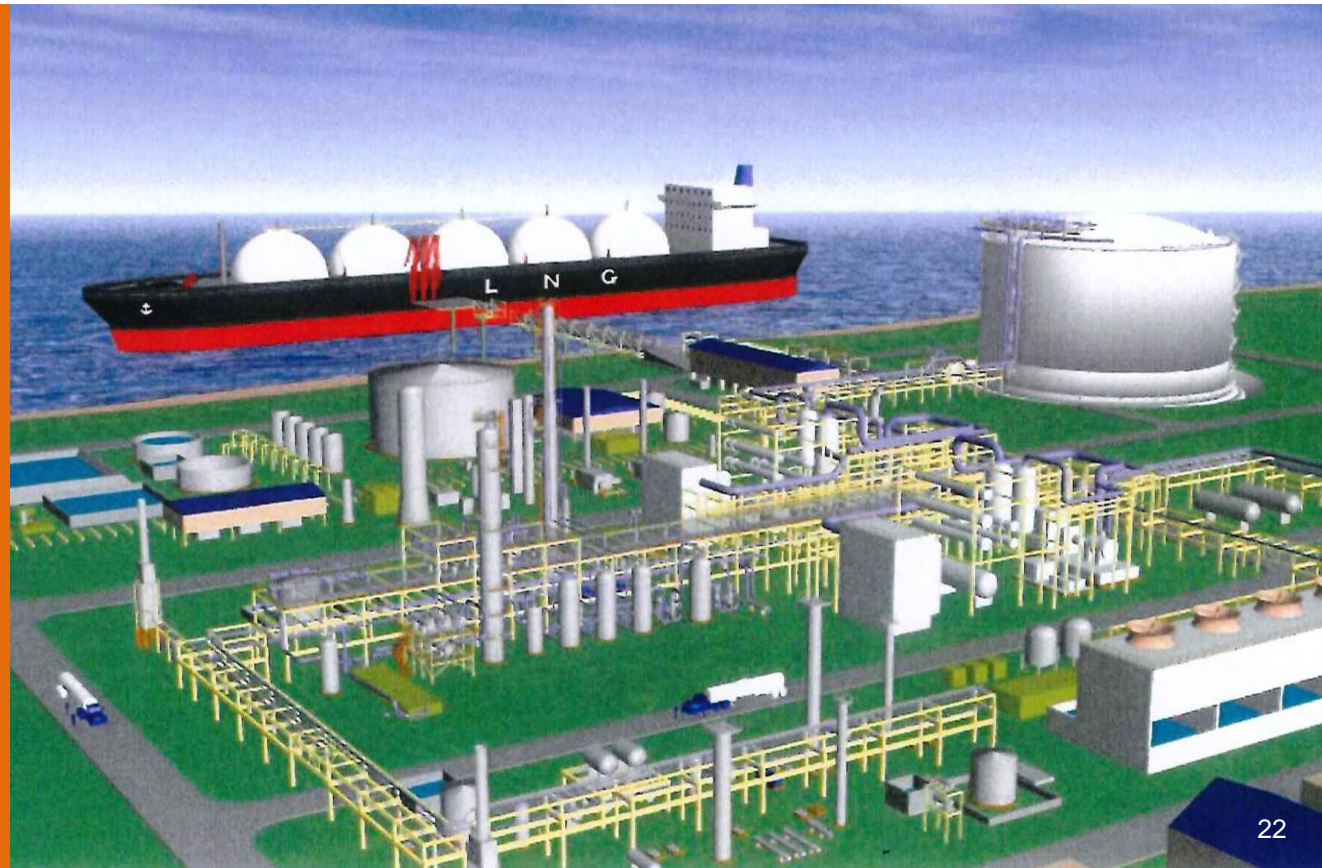


Surat Basin Location of Eolus1 and Windom 1





Gas Monetisation Strategies





The Benefits of Existing Commercial Arrangements

- Contracts for 40 million tonnes of LNG over 20 years with Shantou SinoEnergy
 - Chinese Government via Guodian Corporation have an interest in Shantou SinoEnergy
 - Shantou SinoEnergy is an end user of gas
- Key contract terms
 - Price competitive to LNG sold into China
 - Price reviews every 3 years
 - Flexible facility options
- Key conditions precedent
 - Booking of 2TCF of 2P reserves to underpin a FID (final investment decision)
 - First LNG delivery dependent on FID
- Arrangements with Shantou SinoEnergy and Stanwell Corporation facilitates certification of gas reserves by independent consultants
 - Independently certified reserves will deliver additional domestic and export commercial options
- Icon in ongoing discussions with Hitachi and Toyo Engineering in relation to the development of a single train LNG facility
 - These parties worked closely with Eastern Star Gas Limited on the proposed Newcastle LNG plant



Exxon, BHP pushing to link Bass Strait gas contracts to overseas oil prices

Exxon, BHP pushing to link Bass Strait gas contracts to overseas oil prices

by: Matt Chambers, *The Australian*, May 21, 2012

THE effects of surging Queensland domestic gas prices driven by \$60 billion of planned LNG plants have hit southern states, with Exxon Mobil and BHP Billiton pushing to link Bass Strait gas contracts to international oil prices.

Industry sources said the pair, which jointly market gas they produce from their Gippsland Basin joint venture, had been **aggressively chasing higher prices on new and rolling-over gas contracts in Victoria.**

Domestic gas contracts in Queensland beyond 2015, when the big coal-seam gas export projects start demanding gas, are already being set at double current prices and linked to oil prices, just as LNG prices are.

The price jump was expected to take some time to run down to Victoria but Exxon and BHP are said to be pushing hard to charge Victorian gas buyers, which are mainly retailers, the equivalent price to Queensland, minus transport costs.

One gas buyer said that in current talks, the Gippsland venture was trying to quickly push prices higher and link them to international oil prices.

Exxon, which operates the joint venture, declined to comment on what was happening to gas prices.

"Our contractual arrangements with our customers are subject to confidentiality

agreements, so we are not able to discuss the details," a spokeswoman said.

The big Bass Strait fields have their best oil-producing days behind them but have more gas they can access if prices rise.

In November, BHP petroleum chief Michael Yeager gave the first sign that higher gas prices would flow quickly south when he told *The Australian* he wanted to sell Bass Strait gas to exporters.

Last week, at the Australian Petroleum Production and Exploration Association conference in Perth, Mr Yeager said the joint venture was still talking to exporters and that higher prices would unlock more Bass Strait gas.

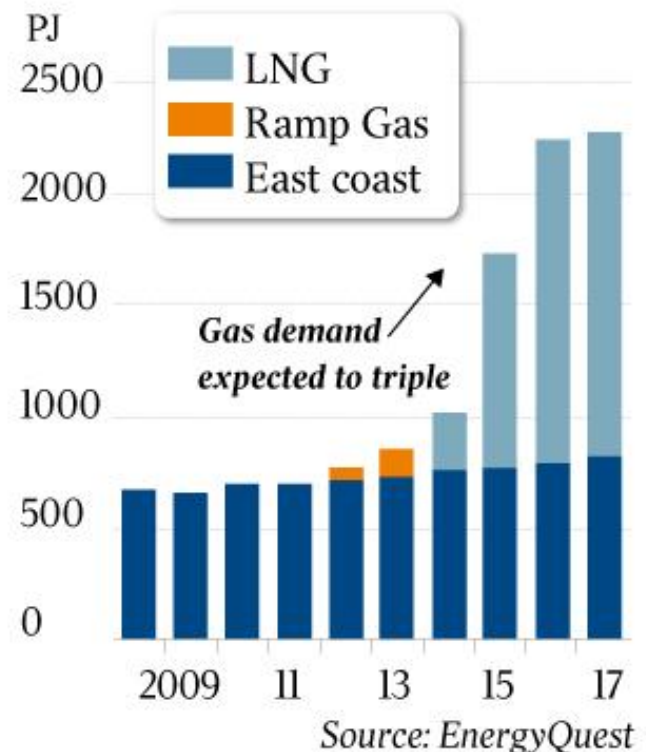
"But it's more important to let the citizens of Victoria and NSW and to some degree even Queensland (know) there's plenty of gas to supply those provinces indefinitely and we're available to be part of that," Mr Yeager said.

"We have gas for sale and we'll work with anybody at any time," he said.

Because the east coast has a substantial network of pipelines, the Gladstone plants compete with domestic buyers, not only in Queensland, but in South Australia, NSW and Victoria too.

East coast gas prices have sat at between \$3 and \$4 a gigajoule for years but in a **recent sales deal to the Santos-led Gladstone LNG project, oil-linked prices were set at \$8 to \$10.**

East coast gas production



“ recent sales deal to the Santos-led Gladstone LNG project, oil-linked prices were set at \$8 to \$10. ”



Converting Resources to Reserves

Delivery over the next 18 months

- Ten plus pilot wells with fracking to establish 2P reserves
- Pilot production period of up to six months expected to commence during 2013
- Reserve certification of pilot wells and associated resources
- Determine optimal gas basin supply scenarios
- Identify domestic, industrial and commercial opportunities in East and South Eastern Australia, including LNG export options
- Drill sweet spots in continuous development over 20 years



**‘ Active 2012 – 2013
exploration program with
the objective of booking
2TCF of 2P reserves ’**



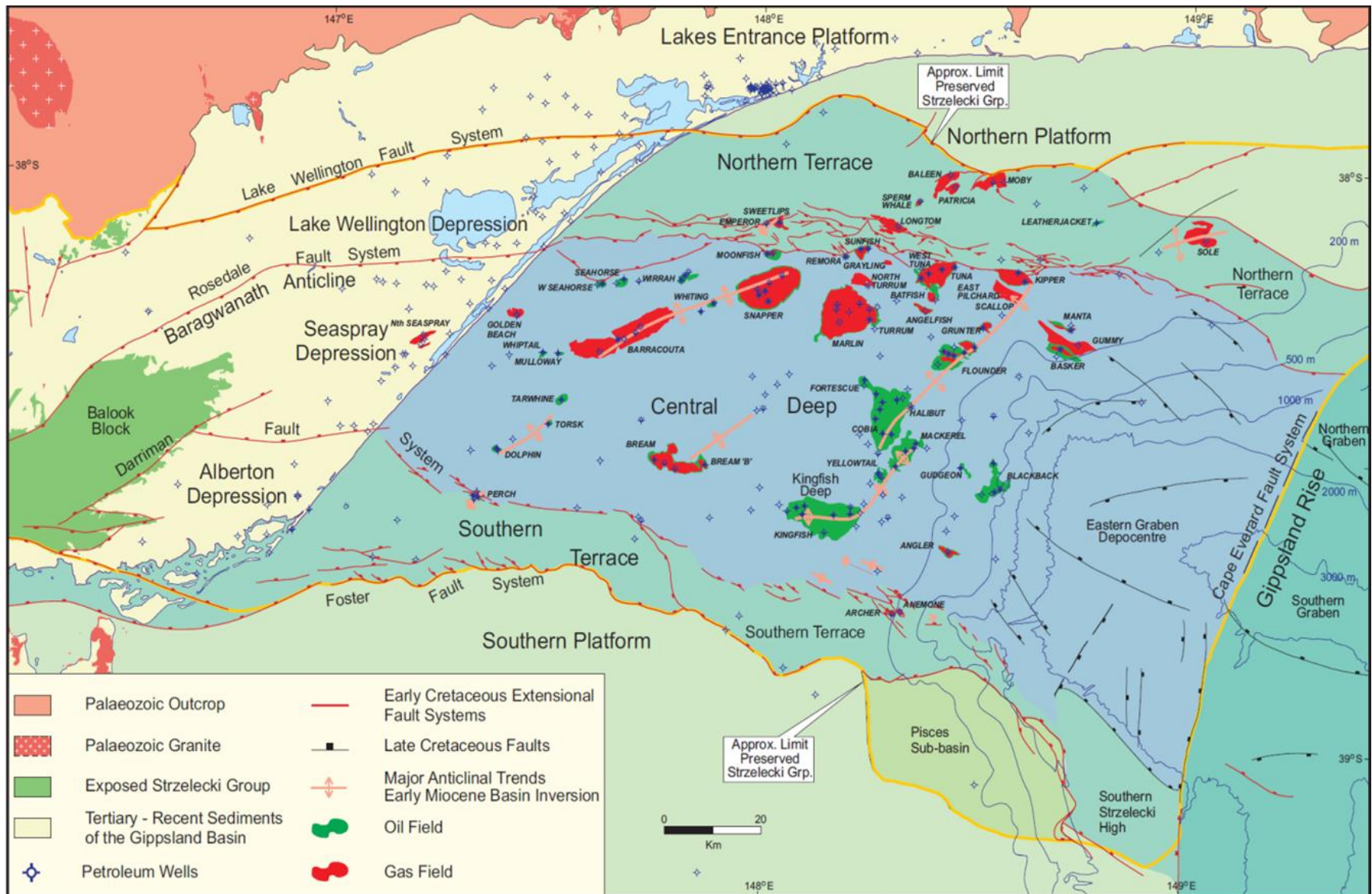
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Appendix – Geology and Geoscience of the onshore Gippsland Basin



Techtronic's of the Gippsland





Gippsland Basin

