



27 May 2013

HERVEY-1 UNCONVENTIONAL SHALE GAS WELL SPUDS

Icon Energy Limited (**ASX: ICN**, "Icon") advises that the Hervey-1 well in ATP 855 (Icon 40%, Beach Energy Ltd (**ASX: BPT** "Beach Energy", Operator) 42%, and Chevron Australia Exploration 1 Pty Ltd ("Chevron") 18%¹ spudded on Sunday 26 May.

Hervey-1, a vertical exploration well in ATP 855, will be drilled by the Ensign 916 rig to an approximate depth of 4,200 metres and will further evaluate the shale and basin centered gas play in the Toolachee, Daralinge, Roseneath, Epsilon, Murteree (REM) and Patchawarra Formation intervals within the Queensland portion of the Nappamerri Trough.

The Hervey-1 vertical exploration well will be:

- Located 30 kilometres to the east of Halifax-1;
- Drilled and evaluated through the entire Permian section down to the base of the Patchawarra Formation; and
- Fracture stimulated and flow tested through multiple zones, with a material contingent resource expected to be booked.

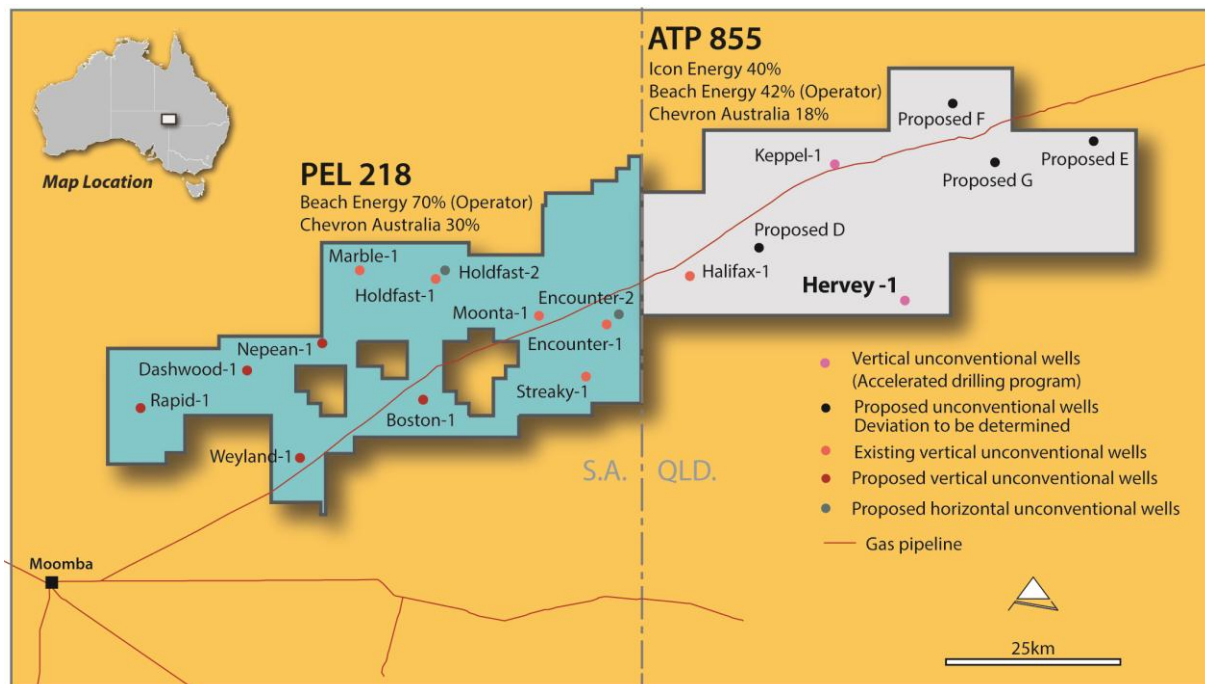


Figure 1: PEL 218 / ATP 855 Well Locations (proposed wells subject to JV Approval).

Halifax-1, the first exploration well in ATP 855, which is in excess of 400,000 acres, continues to flow gas at 1.1 MMscfd, thus proving that the deep tight basin centred gas play in the Nappamerri Trough in the Cooper Basin continues through to the Queensland side.

¹ Subject to regulatory approval

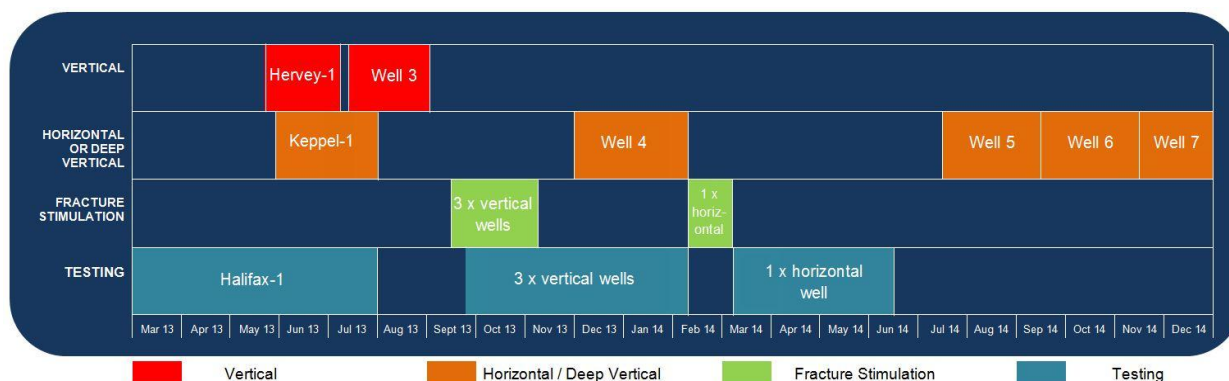


Figure 2: Proposed ATP 855 Activity Timeline to end 2014 (subject to JV approval)

The Managing Director of Icon Energy, Mr Ray James said, “the drilling of Hervey-1 and Keppel-1 over the coming weeks will continue the recently announced accelerated exploration program in ATP 855”.

The Nappamerri Trough is a potential world class gas asset and the most advanced shale and basin centred gas province in Australia. The continued exploration in the area will further de-risk the play.

During the drilling of Hervey-1 and Keppel-1 we will provide meaningful and timely announcements to shareholders and the market.

Interests in ATP 855

Icon Energy 40%

Beach Energy 42% (Operator)

Chevron Australia 18%² (Stage 1 farm-in)

Ends

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² Subject to regulatory approval.