



**ICON ENERGY LIMITED**

ABN 61 058 454 569

*energy for the future - the future of energy*



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## ASX/Media Release

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### Icon Energy granted strategic new tenement ATP 855P

The State Government has formally granted a key petroleum tenement in far western Queensland, ATP 855P to oil and gas company, Icon Energy Limited (**Icon Energy**).

The tenement is located within the rich Nappamerri Trough on the Queensland and South Australian border and is adjacent to Icon Energy's interest in PEL 218 in South Australia.

Icon Energy Managing Director, Mr Ray James described the award as an "historic milestone" for the Company.

"The grant of ATP 855P has been pivotal to Icon Energy's gas strategy in the Cooper Eromanga Basin. The industry estimates a possible 200 trillion cubic feet (TCF) of gas may be in place in the Nappamerri Trough alone", Mr James said.

"The Nappamerri Trough is driving the industry's focus on shale gas in Australia. Coal Seam Gas is another primary target within the Trough in PEL 218 and ATP 855P where Icon has interests", he said.

"The grant of ATP 855P now places Icon into a significant shale gas play. Icon was an original applicant for the tenement and has interests at all stratigraphic levels within the permit", he said.

Mr James said that the discovery of commercial fields in the tenements would significantly contribute to the LNG Sale and Purchase Agreement (**LNG SPA**), which is due for finalisation with China's Shenzhen Sino Industrial Development Co., Ltd (**Shenzhen SinoGas**) by the end of the year.

Under the LNG SPA, Icon Energy would be contracting to supply 40 million tonnes of LNG (liquefied natural gas) to Shenzhen SinoGas over a 20-year term.

“It is open to Icon to put together the necessary supply arrangements, so in working to secure the opportunity, we are focused on several strategic business initiatives available to the Company”, Mr James said.

The award of ATP 855P is also important as an historical milestone, as it follows the negotiation of a landmark Native Title Deed, after Icon Energy and the Wongkumarra People completed a successful Right to Negotiate (**RTN**) process for the tenement.

The Native Title Deed received approval from Queensland Minister for Natural Resources, Mines and Energy, the Honourable Stephen Robinson on 7 May 2010.

The requisite Environmental Authority was subsequently approved on 8 July 2010 thereby completing the application process.

Mr James said that Icon Energy was pleased with the innovative royalty agreement entered into with the Wongkumarra people.

“This has been a very long process of negotiation, commencing in October 2007”, he said.

“Under the agreement the local indigenous owners will receive 50,000 shares in Icon Energy as part of the sign on payment under the agreement”.

Hope Ebsworth, the Wongkumarra applicant, had previously stated that agreeing to an immediate shareholding “...gives us a way to get ahead and gives us something to rely on. Cash payments get whittled away but if the shares pay out... they give us something for our future. It strengthens our relationship (with Icon Energy) as we have a share in the company”.

Denis Ilot, Project Manager from Interactive Community Planning (**ICP**), the Wongkumarra’s Service Provider, also said “(t)he issue of shares in a company is something I have never seen before”.

“Icon Energy’s share issue as a part payment is a top idea and I was pleased when it was brought up. I believe it gives the traditional owners a sense of ownership and partnership with the company they are entering into agreement with. The company is providing an asset linked to share price and future dividends and an asset that is going to benefit the group,” Mr Ilot said back in July.

The registered interests in ATP 855P are as follows:

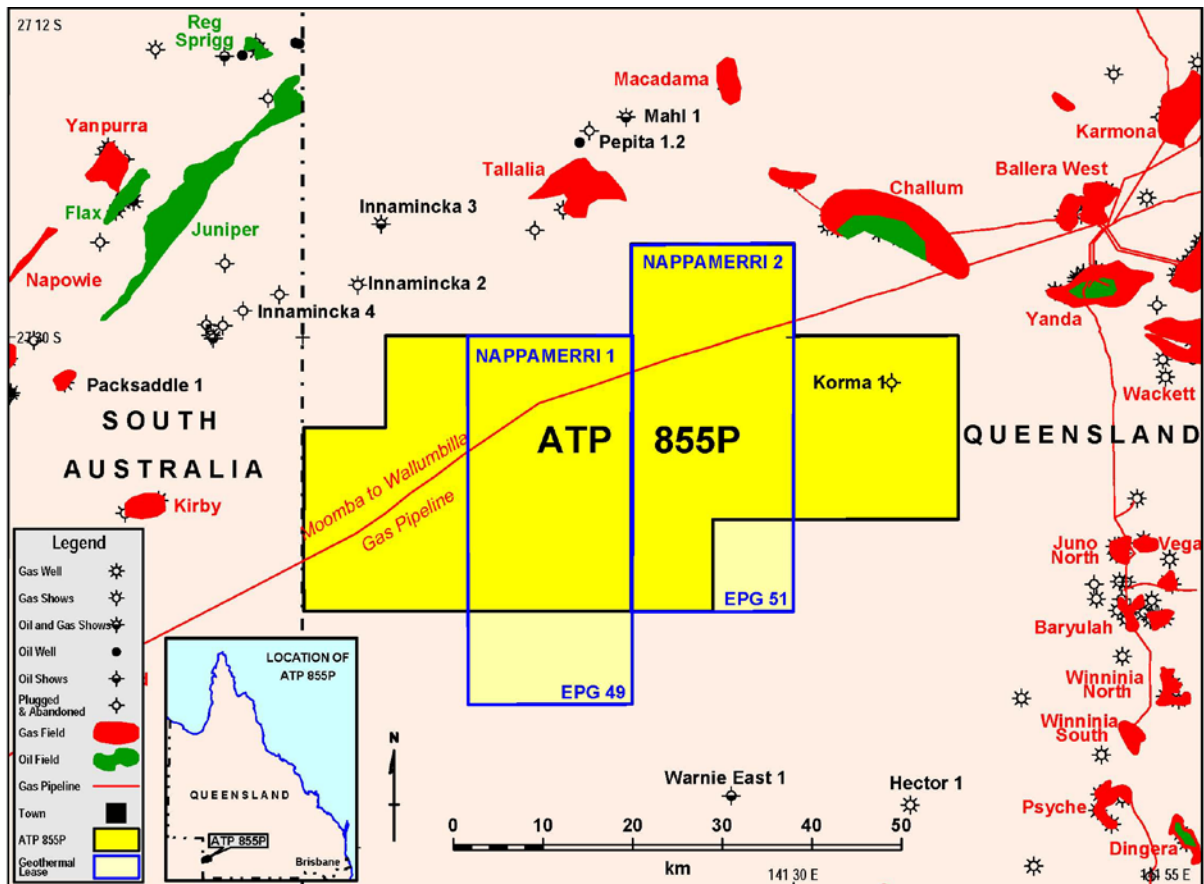
Icon Energy Limited	80.0% *
Deka Resources Pty Ltd	10.0% **
Well Traced Pty Ltd	10.0% **

\* Subject to the negotiation, execution and completion of formal Farmin, Joint Venture and Placement Agreements (**Farmin Documents**) between Icon Energy and Beach Energy Ltd (**Beach**).

Back in October 2009, Beach offered to farmin to ATP 855P (**Permit**) by earning a 40% working interest and by committing to \$8.5 million in operational expenditure. The proposed farmin has been pending the award of the Permit and remains subject to the negotiation and execution of the Farmin Documents on terms satisfactory to Icon Energy, as well as Beach completing a placement in Icon Energy valued at \$3.5 million.

\*\* Subject to a separate Farmout Agreement between Deka Resources Pty Ltd (**Deka**), Well Traced Pty Ltd (**Well Traced**) and Primary Petroleum Pty Ltd (**Primary**), pursuant to which Deka and Well Traced have agreed, subject to the terms of their separate agreements, to transfer a combined 12.5% working interest in the Permit to Primary.

Deka and Well Traced are wholly owned subsidiaries of Adelaide Energy Limited.



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