

20 January 2015



## Unconventional Exploration Update

Icon Energy Limited (**ASX: ICN, "Icon"**) wish to provide an update on the Stimulation and Flow testing program in ATP 855.

- **Geoffrey-1 peak flow rate 1.1 million standard cubic feet of gas, 12/64"choke**
- **Etty-1 maintained a stable flow rate between 900,000 to 700,000 cubic feet per day for an extended period. Icon is very pleased with the low decline rate**
- **Redland-1 has been shut in due to a mechanical sub surface issue in the well bore**

Geoffrey-1 reached a peak flow rate of 1.1 million standard cubic feet of gas via a 12/64" choke and a well head pressure of 3,058 psi. Gas analysis indicates an approximate methane content of 75% and a CO<sub>2</sub> content of 25%.

Due to a wet weather event in the Cooper Basin the well was shut-in for six days and reopened on 16 January 2015 and the flow testing has recommenced.

As Geoffrey-1 continues to be cleaned up and the choke size is increased there is the potential for higher gas rates during the extended flow testing.

Etty-1 has been on extended flow test for 77 days flowing between 900,000 and 700,000 cubic feet per day and has demonstrated excellent flow characteristics with better than forecast decline rates producing over 57 million standard cubic feet of gas during the test. Gas analysis indicates an approximate methane content of 70% and a CO<sub>2</sub> content of 30%.

Icon is pleased with the data from the flow testing of Etty-1 and as a result have collected significant data and information in relation to well performance characteristics. The well was shut in on 15 January 2015.

Redland-1 was stimulated over three intervals in the Toolachee Formation, however a mechanical issue in the Redland-1 well bore has prevented the Joint Venture from assessing the deliverability of these zones. The well has now been shut in.

Icon Energy Managing Director, Ray James said the results from Geoffrey-1 and Etty-1 are very encouraging and the gas flows from the targeted formations provide critical information.

The Joint Venture has been focussing primarily on obtaining diagnostic results from the stimulation and testing programme aimed at achieving acceptable gas flow rates and decline curves within specific formations. We have completed this task successfully.

It is important for the Joint Venture to understand the production potential of the formations within the tenement and then focus our attention on the "sweet spots" where commercial viability may ultimately be determined.

"We have drilled six wells in ATP 855, had Petroleum Discoveries in all six wells and we have flowed 4.5 million standard cubic feet of gas from Halifax-1, the highest flow rate from a shale gas well in the Cooper Basin".

DeGolyer & MacNaughton, a leading United States based independent consulting firm focussed on the petroleum industry, provided a report on the Contingent Resource and the Recoverable Prospective Resource in ATP 855 of: 2C Contingent Resource of 629Bcf<sub>1</sub> (220Bcf Icon Energy share) attributed to the areas around Halifax-1; and a 28.49Tcf<sub>2</sub> (P50) (10Tcf Icon Energy share) Prospective Recoverable Resource over the entire ATP 855 permit.

Mr James said, it is my view that the next generation of gas supply and an increase in Australia's onshore 2P reserves will come from the Cooper Basin and most likely, that gas will supply both the domestic and international LNG export markets.

#### Notes

<sup>1</sup> Icon announcement dated 26 August 2013. Contingent resources are those quantities of wet gas (produced gas minus carbon dioxide) that are potentially recoverable from known accumulations but which are not considered to be commercially recoverable due to the need for additional delineation drilling, further validation of deliverability and original hydrocarbon in place (OHIP), and confirmation of prices and development costs. This is based on a statistical aggregation method using Monte Carlo simulation estimates for each formation.

<sup>2</sup> Icon announcement dated 19 June 2014. Unconventional Prospective Resources are defined as those quantities of petroleum that are estimated, as of a given date, to be potentially recoverable from undiscovered unconventional accumulations by application of future development projects. Unconventional Prospective Resources may exist in petroleum accumulations that are pervasive throughout a large potential production area and would not be significantly affected by hydrodynamic influences (also called continuous-type deposits). The estimated quantities of petroleum that may potentially be recovered by the application of a future development project relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

### **Joint Venture Interests in ATP 855**

Icon Energy Limited 35.1%  
Beach Energy Limited (**ASX: BPT**) 46.9% (Operator)  
Chevron Australia Exploration 1 Pty Ltd 18%



**Raymond James**

Managing Director, BSc Physics, FAIM, FAICD

### **For more information contact Icon Energy; Corporate**

Mr Raymond James Managing Director

Phone +61 7 5554 7111

### **Investor Relations**

Mr Richard Holliday Commercial Manager

Phone +61 7 5554 7111

Mobile +61 (0) 438 105460

E-mail [richard.holliday@iconenergy.com](mailto:richard.holliday@iconenergy.com)

