

29 June 2018

Company Announcements Office
Australian Securities Exchange Limited
20 Bridge Street
Sydney NSW 2000

**Status of the Shantou SinoEnergy Co Ltd and Icon Energy Limited
LNG Sales Agreement**

Icon Energy Limited ("*Icon Energy*", "*Icon*" **ASX: ICM**) wish to advise Shantou SinoEnergy Co Ltd and Icon Energy Ltd LNG Sales Agreement (**LNG SA**), executed on 29 March 2011, will terminate on 30 June 2018. Shantou SinoEnergy Co Ltd ("*Shantou SinoEnergy*"), of the Peoples' Republic of China, have agreed that neither party will complete the requirements of the "Conditions Precedent" on or before 30 June 2018.

The terms of the conditions precedent were last discussed and extended on 26 June 2015. Icon Energy and Shantou SinoEnergy agreed that the parties reconvene discussions when the following events have occurred:

(a) Shantou SinoEnergy (as the proposed Buyer of LNG):

- The Buyer obtaining any necessary import approvals from the Chinese Government Authorities, to allow the construction and operation of the Receiving Facilities and the purchase and import of LNG; and
- The Buyer delivering to the Seller, written certification from a Rating Agency, specifying the Buyer's credit rating of AAA (where the Rating Agency is S&P) or Aaa (where the Rating Agency is Moody's).

(b) Icon Energy (as the Seller):

- The Seller delivering to the Buyer a Reserves Certificate of at least 2.0 TCF of Proven and Probable Reserves (2P) of Natural Gas (which the Parties agree is a sufficient quantity of Natural Gas required by the Buyer); and

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- The Seller obtaining all required authorisations (including for the development and operation of any feedstock fields and LNG facilities) on terms satisfactory to and at the sole discretion of the Seller.

Icon Energy has the preparations and planning in place for the next phase of activity. “Our strategy to pursue targeted commercialisation opportunities in parallel with our operations, is continuing”.

A significant natural gas resource was identified in the Stage 1 exploration program, which is currently classified as a contingent gas resource. Icon Energy’s gas resources in ATP 855, as determined by DeGolyer and MacNaughton, are now 28.5 (P50) Trillion Cubic Feet (Tcf)¹ of Unconventional Prospective Raw Natural Gas over the whole permit and 1.57 Tcf² of 2C Contingent Resources determined within defined areas surrounding the five wells already tested.

On 28 August 2017, Icon Energy announced that DNRM had declared Potential Commercial Areas (PCAs) over the entire ATP 855 permit. The PCAs, numbered PCA 172 to 179, each include a Commercial Viability Report that reflected Icon’s belief that the area is likely to be commercial within 15 years, and an Evaluation Program, that outlines the strategy Icon Energy will adopt to appraise and develop the resource.

¹ Icon Energy announced on 19 June 2014, that DeGolyer and MacNaughton, a well-respected and qualified international petroleum reserve and resource evaluation company, estimated that the Unconventional Prospective Raw Natural Gas Resource was 28.5 (P50) Tcf. 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. These Unconventional Prospective Resources are based on probabilistic estimates for each target formation and these have been statistically aggregated.

² Icon Energy announced on 31 December 2014, that DeGolyer and MacNaughton, a well-respected and qualified international petroleum reserve and resource evaluation company, estimated that, the 2C Recoverable Gross Contingent Resource was 1,572 Bcf or 1.57 Tcf. 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.



Icon Energy is actively seeking domestic and/or international joint venture partner for the appraisal and development program for ATP 855, which represents a primary focus of the company at this time.

Yours Faithfully

A handwritten signature in black ink, appearing to read "Ray James", with a long horizontal flourish extending to the right.

Ray James
Managing Director
Icon Energy Limited