

Contingent Resource Update ATP 855

Icon Energy Limited (**ASX: ICN**) wish to provide an update in relation to its Contingent Resource booking in ATP 855.

Beach Energy Ltd, in its capacity as Operator of the ATP 855 Joint Venture, which comprises Beach Energy, Icon Energy and Chevron Australia, recently engaged DeGolyer and MacNaughton, a well-respected and qualified international petroleum reserve and resource evaluation company, to undertake an update and provide a report on the Contingent Resources estimated in ATP 855. This report is an update of the report on Contingent Resources estimated in the areas around the Halifax-1 well prepared by DeGolyer and MacNaughton in 2013, results of which were announced by Icon Energy on 26 August 2013.

The report prepared by the consultants in respect of the estimated Contingent Resources attributable to ATP 855 has been disclosed by Beach Energy to Icon Energy, and the estimated Contingent Resources as at 31 December 2014 are as follows:

| Gross Contingent Resources ¹ | | |
|---|----------|----------|
| 1C (Bcf) | 2C (Bcf) | 3C (Bcf) |
| 343 | 1,572 | 5,841 |

Icon Energy's interest in the abovementioned Contingent Resources is 35.1%.

The Contingent Resource estimate was evaluated in accordance with the Petroleum Resources Management System (PRMS) (March 2007).

DeGolyer and MacNaughton have evaluated the well results from recent activities in Etty-1, Hervey-1, Redland-1 and Geoffrey-1 as well as the historical results from Halifax-1. The consultants utilised core, log and flow test data from the target intervals in these wells to determine whether a significant quantity of potentially moveable hydrocarbons had been penetrated, which is a key requirement for a discovery under PRMS. The results of this work showed that the flow rates from all of these wells passed the discovery test.

In the report, DeGolyer and MacNaughton stated, "when compared to the flow rates for Halifax-1 (ASX Release 26 August 2013), the flow rates for the most recent wells (Etty-1, Hervey-1, Redland-1 and Geoffrey-1) appear much lower and this can be attributed to a reduced number of hydraulic stimulations in the wells and a conservative choke strategy implemented during the most recent flow-testing".

As a result of this work, DeGolyer and MacNaughton have estimated that the 1C Recoverable Gross Contingent Resource (as at 31 December 2014) in ATP 855 has increased by 25 Bcf, from 318 Bcf to 343 Bcf, the 2C Recoverable Gross Contingent Resource has increased by 943 Bcf, from 629 Bcf to 1,572 Bcf and the 3C Recoverable Gross Contingent Resource has increased by 4,726 Bcf, from 1,115 Bcf to 5,841 Bcf. Icon Energy's interest in the Contingent Resources is 35.1%.

Gas In Place was estimated using the volumetric method and applying a statistical distribution to the parameters including recovery factor. These probabilistic estimates have been made for each target formation and these have been statistically aggregated. The key contingencies include the need for longer flow tests to confirm expected ultimate recovery with certainty, optimization of future well costs, Gas Sales Agreements and connection to production facilities. The Joint Venture is currently in the process of preparing a work program for the next phase of activity, which will work towards further defining the resource potential and ultimately progress the project towards commerciality.

The size of the area chosen for the assignment of Contingent Resources was based on guidance from PRMS, which indicates that a low estimate (1C) of area should consist of two to three well spacings surrounding the discovery well, a best estimate (2C) of area should be two to three well spacings beyond this, and a high estimate (3C) of area should be another two to three well spacings beyond this. Well spacings vary between 80 acres and 160 acres dependent on the well type applied to address the particular resource. As a result, the 2C resources were estimated over an area of between 6,500 acres and 13,000 acres around each of the five wells tested, depending on the particular formation. The total area of the ATP 855 permit is approximately 414,000 acres.

Mr Ray James, Managing Director Icon Energy said, “we are delighted with the updated Contingent Resource booking considering our overall objective was to focus on specific formations and therefore only access a fraction of the well’s potential”.

We look forward to working with our Joint Venture partners in developing the ongoing work program and budget.

¹ 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.

Qualified Petroleum Resource Evaluator Requirements

The information in this ASX announcement relates to Contingent Resources and is based on information compiled by Mr Martin Berry, Exploration Manager and full time employee at Icon Energy Limited. The Contingent Resources referred to in this release are taken from an independent report by DeGolyer and MacNaughton, a qualified international petroleum reserve and resource evaluation company. Mr Berry is a Qualified Petroleum Reserves and Resources Evaluator, a Fellow of the Geological Society of London and a Member of the American Association of Petroleum Geologists. Mr Berry has over 35 years’ experience in the Petroleum Industry including sufficient experience that is relevant to the company’s Reserves and Resources to qualify as a Reserves and Resources Evaluator as defined in the ASX Listing Rules. Mr Berry consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Interests in ATP 855

Icon Energy Limited 35.1%

Beach Energy Limited 46.9% (Operator)

Chevron Australia Exploration 1 Pty Ltd 18%

Ends

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

Raymond James

Managing Director, BSc Physics, FAIM, FAICD

For more information contact Icon Energy Limited:

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