

## Extension of Shantou Sino Energy Co Ltd and Icon Energy Limited Gas Sales Agreement

- **Extension to deadline for Gas Sales Agreement “Conditions Precedent” to 30 June 2018**
- **ATP 855 Cooper Basin - Current Status**
- **ATP 594 Cooper Basin - Upcoming 3D Seismic Program Q4 2015**

Icon Energy Limited (**ASX:ICN**, “Icon”) wish to advise that Icon and Shantou Sino Energy Co Ltd, of the Peoples’ Republic of China, have agreed to extend the completion date for conditions precedent in the Gas Sales Agreement in place for 40 million tonnes of LNG, (2Mtpa for 20 years).

The new date for completion of “Conditions Precedent” as detailed below is, *on or before 30 June 2018*.

### **Conditions Precedent**

The LNG Sales Agreement, signed by both parties in March 2011, includes the following conditions precedent with amended date of 30 June 2018:

(a) In favour of Shantou Sino Energy Co Ltd (as the Buyer of LNG):

- Buyer obtaining any necessary import approvals ***on or before 30 June 2018*** from Chinese Government Authorities to allow the construction and operation of the Receiving Facilities and the purchase and import by it of LNG under the LNG Sales Agreement;
- Buyer delivering to Seller ***on or before 30 June 2018*** the written certification of a Rating Agency specifying for Buyer a credit rating of AAA (where the Rating Agency is S&P) or Aaa (where the Rating Agency is Moody’s).

(b) In favour of Icon (as the Seller):

- Seller delivering to Buyer by ***on or before 30 June 2018*** 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 to enable Seller to comply with its LNG supply obligations to Buyer under the LNG Sales Agreement);
- Seller obtaining by ***on or before 30 June 2018*** all required authorisations (including for the development and operation of any feedstock fields and LNG facilities) on terms satisfactory to Seller in its sole discretion.

## **ATP 855 – Current Status**

As of 25 June 2015, there is no change to the previously announced gas resource estimates in ATP 855 in the Cooper Basin.

DeGolyer and MacNaughton, a leading United States based independent consulting firm focussed on the petroleum industry, provided a report on the Gross Unconventional Prospective Resources<sup>1</sup> in ATP 855, which Icon announced to the market on 19 June 2014, and which is summarised as follows:

	Low Estimate (P90)	Best Estimate (P50)	High Estimate (P10)
<b>Gross Unconventional Prospective Raw Natural Gas Resources (TCF)<sup>1</sup></b>	<b>21.48</b>	<b>28.49</b>	<b>37.74</b>

DeGolyer and MacNaughton also provided an updated report on the Gross Contingent Resources<sup>2</sup> in ATP 855, which Icon announced to the market on 27 March 2015, and which is summarised as follows:

	1C	2C	3C
<b>Gross Contingent Resources (BCF)<sup>2</sup></b>	<b>343</b>	<b>1,572</b>	<b>5,841</b>

<sup>1</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.

<sup>2</sup> Icon announcement dated 27 March 2015. 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 and Prospective Resources and is based on information compiled by Mr Martin Berry, Exploration Manager and full time employee at Icon Energy Limited. The Contingent and Prospective Resources referred to in this release are taken from independent reports 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.

The Gross Unconventional Prospective Resource and Gross Contingent Resource Estimates prepared by DeGolyer and MacNaughton were evaluated in accordance with the Petroleum Resources Management System (March 2007).

Currently, the Operator is in the process of evaluating all the results of the Stage 1 work program.

Icon's working interest in the ATP 855 tenement is 35.1 percent and Beach Energy's interest is 64.9 percent.

### **ATP 594 – Exploration Update**

ATP 594 was renewed by the Department of Natural Resources and Mines, with a renewal date of 17 April 2015. The current approved term of ATP 594 is for 4 years, with an opportunity to apply for a renewal at the end of the 4 year time period. There is a further opportunity to renew after 8 years, which if granted, would take the maximum term allowable for the ATP to 12 years.

Preparations are now being made to acquire a 3D seismic survey in the permit with an expected start date in the second half of 2015, which will be followed by a well in 2016.

Icon is Operator and has a 100 percent working interest in the tenement.

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

**Raymond James**

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**For more information contact Icon Energy Limited;**

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