



14 August 2012

HALIFAX 1 SHALE GAS WELL UPDATE

- **Halifax1 well is drilling the Wallumbilla Formation at 1605 metres**
- **Casing has been set and cemented at 847 metres**
- **First Shale Gas well in ATP 855P; 12 kms from Encounter 1 in PEL 218**
- **Estimated 300TCF Gas in Place**

Icon Energy (**ASX: ICN**) wish to provide an update in relation to the drilling of the Halifax1 well in ATP 855P, located in the Cooper Basin, Queensland.

As of 14th August 2012 the Ensign 916 rig is drilling ahead a 12-¼ inch hole at 1605 metres in the Wallumbilla Formation after successfully running and cementing 13-¾ inch casing at 847 metres.

Halifax 1, a vertical exploration well will evaluate the shale gas and basin-centred gas potential in the REM and Patchawarra Formation intervals within the Queensland portion of the Nappamerri Trough.

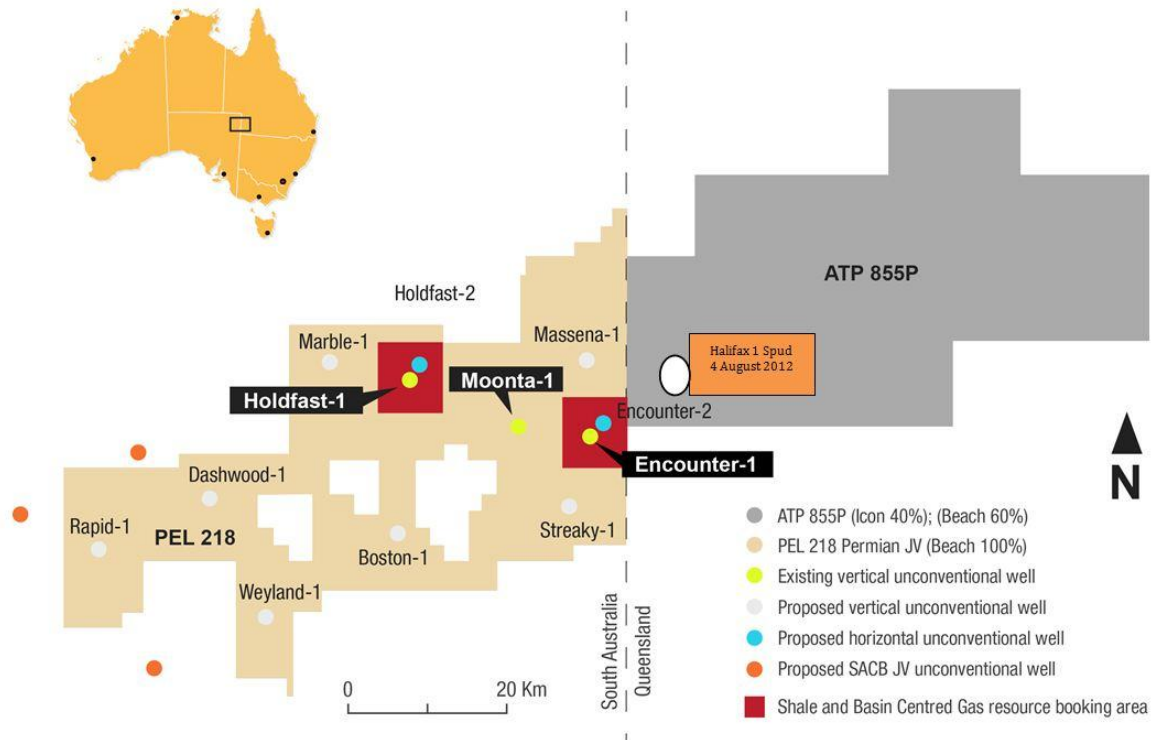
The Halifax 1 vertical exploration well will be:

- Located 12 kilometres to the northeast of Encounter 1;
- Extensively cored, with evaluation of the whole Permian section down to the base of the Patchawarra Formation;
- Used to identify the best targets for a future horizontal well;
- Fracture stimulated and flow tested through multiple zones, with a material contingent resource expected to be booked; and
- Will be used for micro-seismic monitoring of a future horizontal well.

Over the past twelve months, Beach has delivered excellent results from its Cooper Basin Nappamerri Trough unconventional exploration program in PEL 218 the adjacent tenement to ATP 855P.

- These results have included:
- Flowing gas from two vertical delineation wells, Holdfast 1 and Encounter 1;
- Holdfast 1 gas rate of up to 2 MMscfd and Encounter 1 at a combined rate of over 2 MMscfd, with both wells only accessing the top 50 metres of the 500-600 metre Patchawarra Formation;
- Beach booking 2 trillion cubic feet of contingent gas resource for both wells; and
- Moonta 1 drilling to the base of the Patchawarra Formation and identifying over 1,000 metres of gas saturation through the whole of the Permian section.

“There is little reason why the 300 TCF plus of gas in place estimated for PEL 218, cannot be replicated in ATP 855P”, Icon Energy Managing Director Mr James said.



The financial terms of the farm-in will be the equivalent of those agreed previously with Beach to retain its 40% assignment (to give Beach 60% of ATP 855P) after funding the first \$16 million relating to Halifax 1, or until the cost of completion, less a \$1.75 million contribution from Icon Energy Limited.

Interests in ATP 855P

Icon Energy 40%

Beach Energy 60%*

*40% interest subject to Farmout agreement

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