



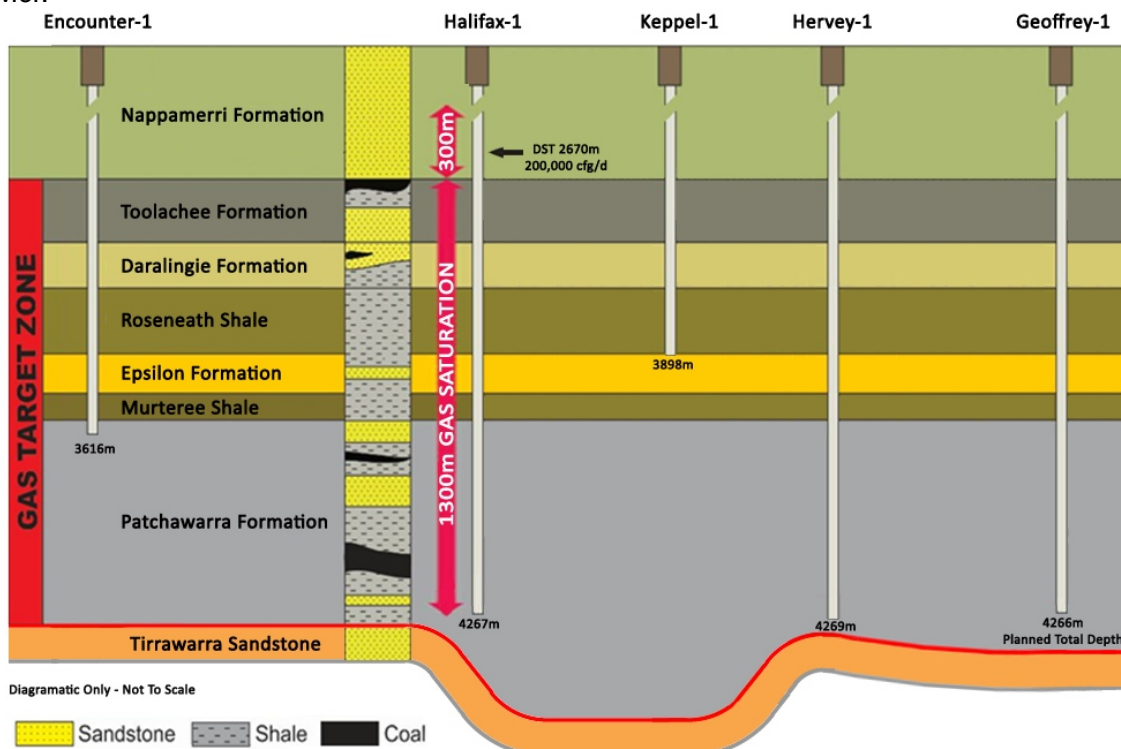
Update on the Unconventional Drilling Program in ATP 855

- Hervey-1 intersects 800m+ Patchawarra Formation
- Notice of Petroleum Discovery – Keppel-1 in ATP 855

Icon Energy (**ASX: ICN**) wish to provide an update on the Unconventional Drilling Program currently in progress in ATP 855 in the Nappamerri Trough.

The ongoing drilling program being carried out by the ATP 855 joint venture comprising Icon Energy, Beach Energy (Operator) and Chevron Australia, continues to de-risk the unconventional basin-centred gas and shale gas potential within the Nappamerri Trough.

Halifax-1, the first well drilled and fracture stimulated in the 414,000 acre ATP 855 tenement, continues to flow gas on extended production test and represents proof of concept for a continuation of the deep tight basin-centred gas play on the Queensland side of the Nappamerri Trough. The well, which has been on extended production test for approximately 6 months, is currently flowing at 0.7 MMscfd with cumulative gas produced to date of 239 MMcf.



Hervey-1, a vertical exploration well spudded on 26 May 2013, is located 30 kilometers east of Halifax-1. The well reached a total depth of 4,269 metres on 16 July 2013 after encountering gas shows throughout the Permian section. The thickness of the Patchawarra Formation at total depth was greater than 800 metres. Evaluation of the results continues in preparation for a hydraulic stimulation program, which is anticipated to begin in December 2013, followed by an extended production test¹.

Keppel-1, a vertical exploration well spudded on 3 June 2013, is located 25 kilometers north east of Halifax-1. The well is located in the deepest section of the Nappamerri Trough and was scheduled to be drilled to a depth of approximately 4,890 metres. While Keppel-1 was drilling through the Permian target formations, it encountered strong gas influx from the over-pressured Epsilon Formation. The Operator, Beach Energy, utilised best practice well control methodology to secure the well, which is currently suspended and available for re-entry as part of the resource evaluation. The gas encountered in Keppel-1 confirms the continuation of the basin-centred gas play.

Geoffrey-1, located 36 kilometers north east of Hervey-1, will be the fourth well drilled in the 7 well exploration program within ATP 855. The well is planned to reach a depth of approximately 4,266 metres and will evaluate the basin-centred gas potential of the eastern side of the permit. The well is anticipated to spud in late September to early October 2013¹.

Interests in ATP 855

Icon Energy Limited 35.1%

Beach Energy Limited 46.9% (Operator)

Chevron Australia Exploration 1 Pty Ltd 18%

Ends



R E Mallett
Company Secretary

¹ Subject to Joint Venture approval

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