



18 October 2012

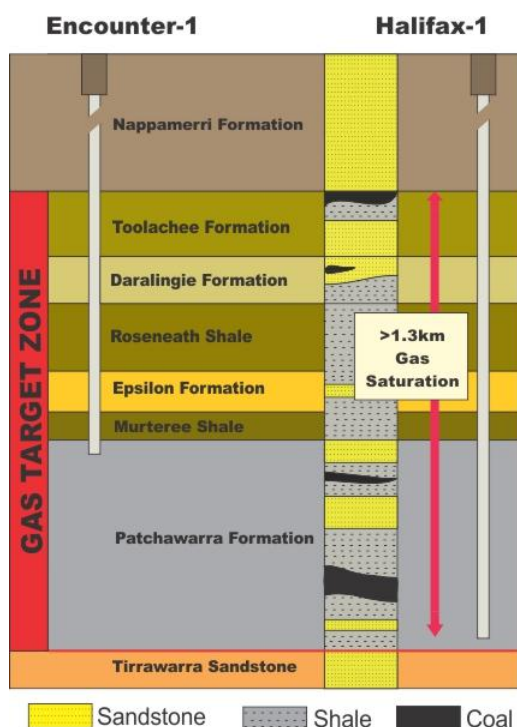
Halifax 1 unconventional well update

- The Halifax-1 well reached total depth at 4,267 metres on 16 October 2012
- Halifax-1 contains the thickest Roseneath Shale, Epsilon Formation and Murteree Shale (REM) section encountered to date in the Nappamerri Trough unconventional drilling program, at approximately 460 metres
- Thicker gas zones allow greater opportunity for increase in resource estimates
- Target zone likely to be gas saturated and overpressured from the Toolachee Formation through the Patchawarra Formation (expected to be over 1.3 km)
- Potential new discovery in Nappamerri Group (not included in 1.3 km)

On 16 October 2012 Icon Energy Limited (**ASX:ICN**, "Icon") advised that the Halifax-1 unconventional gas well (Beach Energy 60% and operator, Icon 40%) had reached total depth of 4,267 metres and that further information on the well would be released after a detailed analysis of the wireline and LWD logs had been conducted.

Icon is now pleased to report that it is encouraged by preliminary interpretation of log data which indicates the Permian target zone is likely to be gas saturated from the Toolachee Formation to the base of the Patchawarra Formation. This covers multiple intervals over a total target zone that is in excess of 1.3 kilometres.

Halifax-1 has the thickest Roseneath Shale, Epsilon Formation and Murteree Shale (REM) section, at approximately 460 metres, when compared with other Nappamerri Trough wells drilled to date. The Patchawarra Formation is greater than 490 metres thick.



In addition to the primary Permian targets in the well, earlier drill stem testing of a conventional gas bearing sand in the Triassic interval immediately above the Toolachee Formation, flowed gas at a constrained rate of 200,000 scfd.

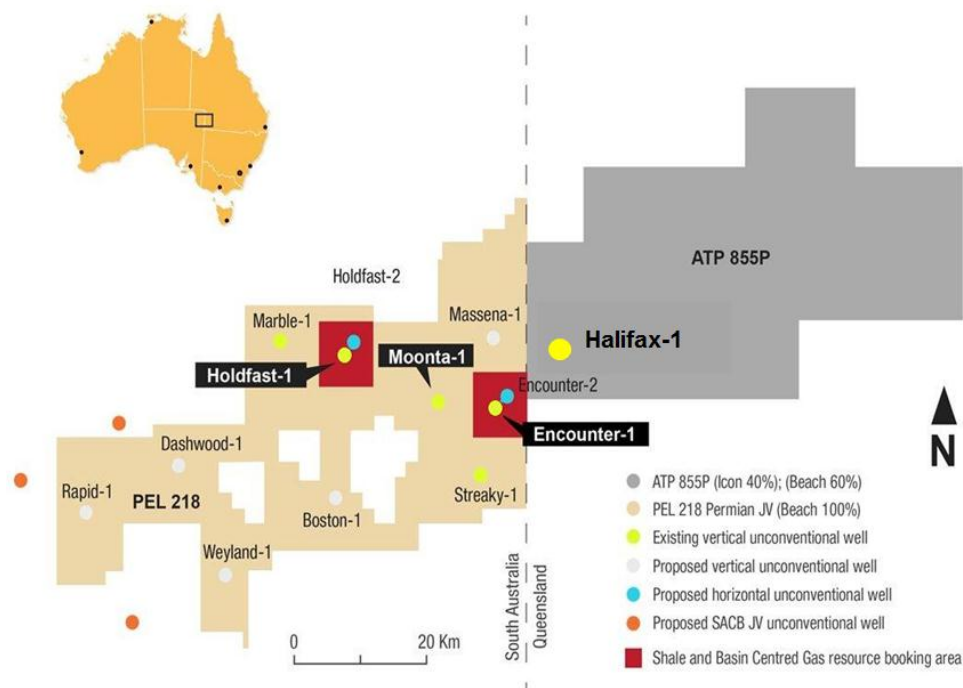
Beach Energy have advised that following casing and suspension of the well, the Ensign 916 rig will be mobilised to the Boston-1 unconventional well location in PEL 218 (Beach 100%), approximately 30 kilometres to the South West of Halifax-1. Boston-1 is expected to spud within two weeks of the rig's release from Halifax-1.

It is anticipated that multi-stage hydraulic stimulation of the Halifax-1 well will take place in late November 2012 (subject to approval by the Queensland Department of Environment and Heritage Protection), after which the well will be put on extended flow test for a period of several weeks. A resource estimate will be made after data from the flow test is gathered. The anticipated timing of completed log analysis and flow rate

information is mid to late December 2012, with guidance on 2C contingent resource from Halifax-1, incorporating core analysis, expected to be available in Q1 2013.

Reg Nelson, Managing Director of Beach, said: "The Halifax-1 well has delivered what appears to be another sizeable gas saturated section through the Permian zone of the Nappamerri Trough. With the hydraulic stimulation of Moonta-1 expected to commence early next week, we are now rapidly building an understanding from west to east across the Trough of the size of this potentially game changing gas resource. Each well from this point forward will push this unconventional exploration play closer to the pilot production phase, which is anticipated in 2013."

Ray James, Managing Director of Icon Energy, said: "The Halifax-1 well has exceeded all expectations to date and is likely to deliver the largest gas saturated zone encountered to date in the Nappamerri Trough. We look forward to working with Beach to further develop this outstanding resource." Mr James said: "The gas sales contract with Shantou Sino Energy for 2Mtpa of LNG requires Icon to prove up 2TCF of 2P reserves and we are well positioned in the Cooper Basin adjacent to extensive gas infrastructure".



Interests in ATP 855P

Icon Energy 40%

Beach Energy 60%* (*40% interest subject to Farmin Agreement)

ends

Investor enquiries:

Mr Ray James
Managing Director
Office: 07 5554 7111

Mr Richard Holliday
Commercial Manager
Office: 07 5554 7111
Mobile: +61 438 105 460
E-mail: richard.holliday@iconenergy.com