

SE News  
HD **Icon hitting gas targets**  
BY MARTIN RASINI MARTIN.RASINI@NEWS.COM.AU  
WC 461 words  
PD 26 November 2014  
SN Gold Coast Bulletin  
SC GCBULL  
ED GoldCoast  
PG 27  
LA English  
CY © 2014 News Limited. All rights reserved.  
LP

ICON **Energy** and its partners plan to identify sweet-spot gas-flows at their Cooper Basin tenement where a six-well program has identified a potential major resource.

Managing director Ray James told the **Gold Coast company**'s annual meeting four wells were being flow-tested and it was time to flow-test separate formations within wells.

TD

He said the Etty 1 well, where one zone yielded flow of 870,000 cubic feet a day, highlighted the potential of the sweet-spot program.

"It is very exciting and I am encouraged by the result," Mr James said. He said Icon and its partners, Beach **Energy** and Chevron Australia, were pioneers in tapping gas in the Cooper Basin's Nappamerri Trough, drilling to depths beyond 4000m.

"They are deep, hot, high-pressure wells and the drilling exercise is unique in the world," he said.

"A Beach **Oil** rig built in the US for the purpose is revealing its limitations. "Drilling is governed by the rig's pressure capability which is about 10,000 pounds per square inch," Mr James said.

"We want to drill deeper, to about 5000m, and to do that we need a bigger rig." He said Chevron's deep drilling expertise had made a big contribution, and the partners had searched the world to acquire knowledge.

Mr James said commercialisation would come only after confirmation of a major resource and would likely see the **sale** of gas into the domestic market.

Icon has a contract to supply to **China** and was focused on building probable reserves.

Mr James said Icon wanted to slash well costs.

The six wells cost more than \$100 **million** and the partners aimed to cut cost to below \$12 **million** per well.

"We are looking at what we can do to take that forward," Mr James said. He said the joint-venture program was complete and while Chevron could opt out of further activity he was confident it would remain a player.

"It is excited about the Nappamerri Trough," he said.

Mr James said with gas prices high and demand growing, "Icon can and will play a significant role in meeting demand".

Chairman Stephen Barry said directors "are disappointed our share price (about 10¢) does not reflect the intrinsic value, but we are confident it will recover when market sentiment improves".

In 2013-14, Icon raised \$18.8 million in a share placement and outlaid \$23.04 million on research and exploration. It received a research and development refund of \$7.49 million to close the year with a \$1.57 million net profit, a cash balance of \$21.11 million, no debt, and a 10 trillion cubic feet prospective gas resource.

**CO** bchpet : Beach Energy Limited | socal : Chevron Corporation

**IN** i1 : Energy | i13 : Crude Oil/Natural Gas | i1300003 : Crude Petroleum Extraction | iextra : Natural Gas/Oil Extraction

**NS** cnatrd : Natural Reserves/Resources Discovery | c24 : Capacity/Facilities | ccat : Corporate/Industrial News

**RE** austr : Australia | apacz : Asia Pacific | ausnz : Australia/Oceania

**PUB** News Ltd.

**AN** Document GCBULL0020141126eabq00010