

31 July 2015

Company Announcements Office
Australian Securities Exchange Limited
20 Bridge Street
Sydney NSW 2000

Lodgement of Quarterly Report

Please find attached copy of Icon Energy Limited's Quarterly Report and Appendix 5B for the quarter ended 30 June 2015.



Dr Kevin Jih
Executive Director/CFO/Company Secretary

Icon Energy Limited

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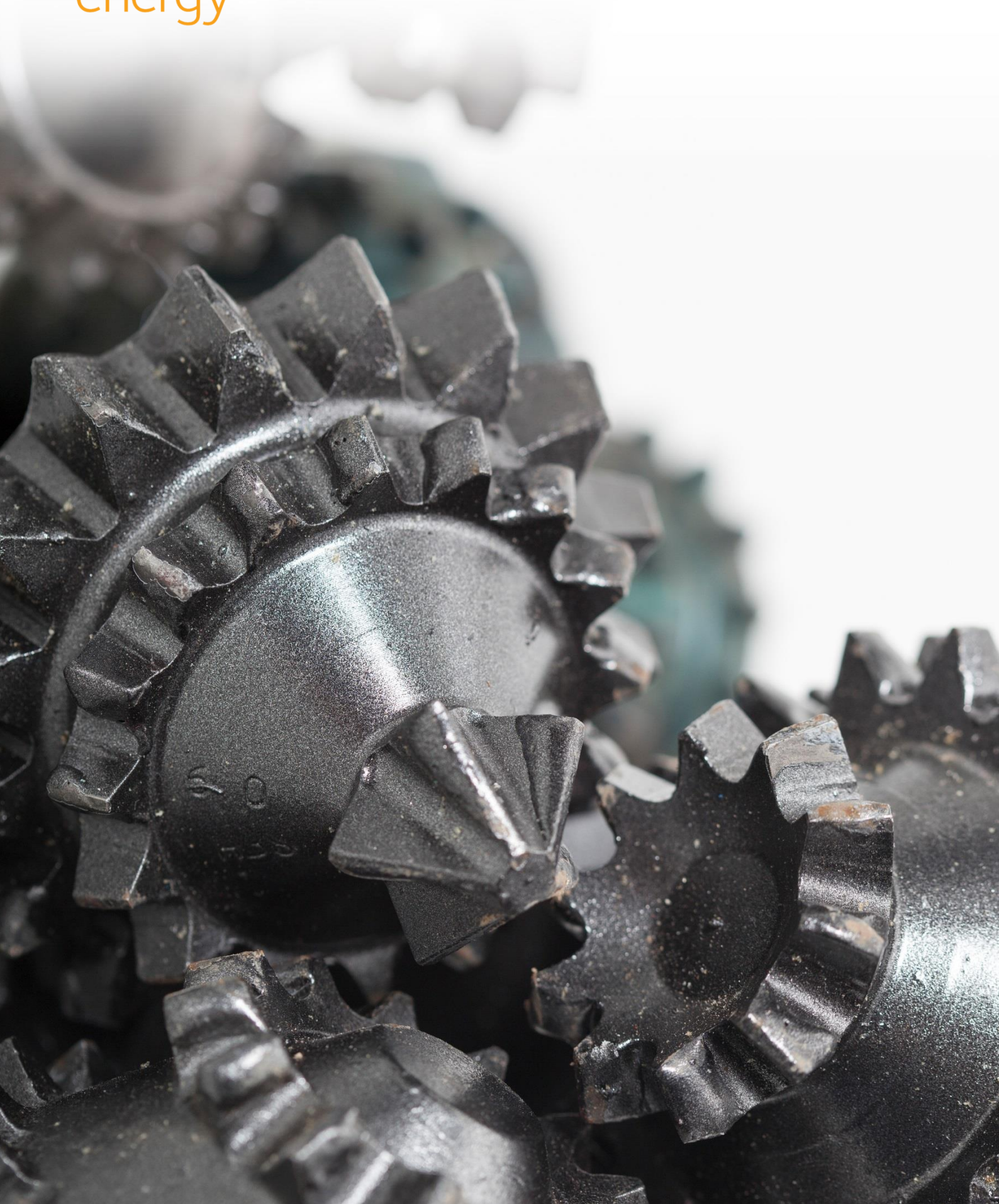


QUARTERLY REPORT

Period Ending 30 June 2015

Icon Energy Limited

ABN 61 058 454 569



Operations

- ATP 594 was renewed by the Department of Natural Resources and Mines, with a renewal date of 17 April 2015. 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, subject to approvals and seismic contractor availability. A well is planned for 2016.
- The ATP 855 Joint Venture is currently in the process of preparing a work program for the next phase of activity.

Corporate

- On 26 June 2015, the Company announced 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" is, on or before 30 June 2018.
- Dr Kevin Jih was appointed as Company Secretary on 13 May 2015.
- The on-market share buy back, which commenced on 26 February 2015, enables Icon to purchase up to 10% of Icon Energy ordinary shares on issue, totalling up to 61.9 million shares over the next 12 months. Icon is under no obligation to purchase this amount of shares and may cease at any time. Burrell Stockbroking is acting as the transaction broker and all Icon Energy shares that have been acquired under the buy-back have subsequently being cancelled.

Financial Position at the end of June 2015 Quarter

- As at 30 June 2015 Icon Energy had a cash balance of \$13.75 million.
- As at 30 June 2015 Icon Energy had 607,026,150 ordinary shares on issue and 6,436 shareholders.

OPERATIONS

Queensland – Petroleum Exploration – Cooper-Eromanga Basin ATP 594

ATP 594 was renewed by the Department of Natural Resources and Mines, on 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 would take the maximum term allowable for the ATP to 12 years.

ATP 594 is positioned on the eastern flank of the Cooper Basin and is of particular interest to Icon as the permit includes both structural and stratigraphic plays targeting conventional reservoir types so the wells will be vertical conventional oil and gas wells. The permit is approximately 40km north of the township of Eromanga where the IOR refinery has capacity to take additional oil.

Icon Energy has conducted a preliminary technical evaluation and review of prospectivity of ATP 594. This was primarily designed to provide a basis for the first stage of exploration within the permit, which will be a seismic and drilling program.

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, and a well planned in 2016. A Joint Venture partner is being canvassed and Icon is the Operator of ATP 594.

Icon Energy has a 100% interest in ATP 594.

Queensland – Petroleum Exploration – Cooper-Eromanga Basin ATP 855

The Joint Venture is currently in the process of preparing a work program for the next phase of activity, which will work towards further defining the resource potential. The Stage 2 exploration program is likely to include a 3D seismic survey to delineate sweet spots and provide well control for future drilling activities.

The exploration expenditure will be modest over the remaining months of the 2014-2015 financial year.

Icon Energy announced on 27 March 2015 that our Joint Venture partner, in its capacity as Operator, had engaged DeGolyer and MacNaughton, a well-respected and qualified international petroleum reserve and resource evaluation company, to undertake an update and provide a report on the Contingent Resources¹ estimated in ATP 855. As a result of this work, DeGolyer and MacNaughton have estimated that the 1C Recoverable Gross Contingent Resource (as at 31 December 2014) in ATP 855 has increased by 25 Bcf, from 318 Bcf to 343 Bcf, the **2C Recoverable Gross Contingent Resource has increased by 943 Bcf, from 629 Bcf to 1,572 Bcf** and the 3C Recoverable Gross Contingent Resource has increased by 4,726 Bcf, from 1,115 Bcf to 5,841 Bcf.

Previously on 19 June 2014, DeGolyer and MacNaughton provided a report on the Unconventional Prospective Resources² (as at 15 June 2014) in ATP 855 of 21.48Tcf (P90), **28.49Tcf (P50)** and 37.74Tcf (P10) over the entire ATP 855 permit.

Icon Energy has a 35.1% interest in ATP 855.

¹ 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.

² 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. These Unconventional Prospective Resources are based on probabilistic estimates for each target formation and these have been statistically aggregated.

Queensland – Petroleum Exploration – Surat Basin ATP 626

A technical review of the remaining prospectivity of the permit is currently nearing completion.

ATP 626 is currently in the last term with the Later Work Program covering the period from 1 January 2014 to 31 August 2017.

The remaining wells in the tenement are Eolus-1, Mindagabie-1 and Stitch-1, which are currently suspended. Monthly monitoring continues in the permit of these three wells.

No field work is planned for the second half of 2015 in this permit.

Icon Energy has a 100% interest in ATP 626.

Victoria – Petroleum Exploration – Gippsland Basin – PEP 170 (PEP 172 and 173 pending)

The Victorian Government moratorium continues to prevent approvals to drill any wells onshore in Victoria. The current review of this moratorium is to be delivered in November 2015.

Icon has suspended all activity and field expenditure in the Gippsland Basin until the future of drilling wells in onshore Victoria is decided.

Icon Energy has a 100% interest in PEP 170.

| Basin / Area | Permit / Area | Tenement Area | Permit Interest | Operator | Prospect Type |
|--|---------------------|--------------------------|-----------------|--------------|------------------|
| Cooper Basin, Nappamerri Trough | ATP 855 | 1,674 km ² | 35.1% | Beach Energy | Shale Gas, Oil |
| Cooper Basin Nappamerri Trough | PRLs 33 - 49* | 1,602 km ² | 33.33% | Beach Energy | Oil |
| Cooper - Eromanga Basin | ATP 594 | 1,230 km ² | 100% | Icon Energy | Natural Gas, Oil |
| Cooper - Eromanga Basin | ATP 549 West | 445 km ² | 33.33% | Drillsearch | Natural Gas, Oil |
| Cooper - Eromanga Basin | ATP 794 | | | | |
| | - Regleigh Block | 674 km ² | 60% | Icon Energy | Oil |
| | - Springfield Block | 1,505 km ² | 60% | Icon Energy | Oil |
| Gippsland Basin | PEP 170 | 808 km ² | 100% | Icon Energy | Natural Gas, Oil |
| Gippsland Basin | PEP 172** | 1,312 km ² ** | 100% | Icon Energy | Natural Gas |
| Gippsland Basin | PEP 173** | 1,220 km ² ** | 100% | Icon Energy | Natural Gas |
| Surat Basin | ATP 626P | 741 km ² | 100% | Icon Energy | Shale Gas, Oil |

* Formerly PEL 218 (Post Permian Section)

** Permit to be granted

Figure 1: Table showing all Icon Energy's tenements

FURTHER INFORMATION

For further information please contact:

| | | |
|-------------------|-------|-----------------------------------|
| Ray James | Phone | +61 7 5554 7111 |
| Managing Director | Email | investor.relations@iconenergy.com |

Or visit the website www.iconenergy.com

Icon Energy Limited (ASX: ICN), is a petroleum exploration Company with a portfolio of prime acreage in the Surat, Cooper, Eromanga and Gippsland Basins in Australia.

The Company's exploration strategy focuses on building significant and responsible operations with strategic partners to satisfy energy needs of Australian and overseas based consumers.

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

Name of entity

Icon Energy Limited

ABN

61 058 454 569

Quarter ended ("current quarter")

30 June 2015

Consolidated statement of cash flows

| Cash flows related to operating activities | | Current quarter \$A'000 | Year to date (12 months) \$A'000 |
|---|--|----------------------------|---|
| 1.1 | Receipts from product sales and related debtors | | |
| 1.2 | Payments for (a) exploration & evaluation | (2,080) | (17,475) |
| | (b) development | | |
| | (c) production | | |
| | (d) administration | (2,050) | (7,462) |
| 1.3 | Dividends received | 252 | 898 |
| 1.4 | Interest and other items of a similar nature received | | |
| 1.5 | Interest and other costs of finance paid | (12) | (28) |
| 1.6 | Income taxes paid | 0 | 18,869 |
| 1.7 | Other (provide details if material) | | |
| Net Operating Cash Flows | | (3,890) | (5,198) |
| Cash flows related to investing activities | | | |
| 1.8 | Payment for purchases of: (a) prospects | | |
| | (b) equity investments | | |
| | (c) other fixed assets | 112 | 103 |
| 1.9 | Proceeds from sale of: (a) prospects | 0 | 0 |
| | (b) equity investments | | |
| | (c) other fixed assets | | |
| 1.10 | Loans to other entities | | |
| 1.11 | Loans repaid by other entities | | |
| 1.12 | Other (provide details if material) | | |
| Net investing cash flows | | 112 | 103 |
| 1.13 | Total operating and investing cash flows (carried forward) | (3,778) | (5,095) |

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

| | | | |
|------|--|---------|---------|
| 1.13 | Total operating and investing cash flows (brought forward) | (3,778) | (5,095) |
| | Cash flows related to financing activities | | |
| 1.14 | Proceeds from issues of shares, options, etc. | (577) | (761) |
| 1.15 | Proceeds from sale of forfeited shares | | |
| 1.16 | Proceeds from borrowings | | |
| 1.17 | Repayment of borrowings | 0 | 0 |
| 1.18 | Dividends paid | | |
| 1.19 | Other (provide details if material) | | |
| | Net financing cash flows | (577) | (761) |
| | Net increase (decrease) in cash held | (4,355) | (5,856) |
| 1.20 | Cash at beginning of quarter/year to date | 18,104 | 19,605 |
| 1.21 | Exchange rate adjustments to item 1.20 | | |
| 1.22 | Cash at end of quarter | 13,749 | 13,749 |

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

| | | Current quarter \$A'000 |
|------|--|----------------------------|
| 1.23 | Aggregate amount of payments to the parties included in item 1.2 | 355 |
| 1.24 | Aggregate amount of loans to the parties included in item 1.10 | Nil |

1.25 Explanation necessary for an understanding of the transactions

N/A

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

N/A

Financing facilities available

Add notes as necessary for an understanding of the position.

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

| | Amount available \$A'000 | Amount used \$A'000 |
|---------------------------------|-----------------------------|------------------------|
| 3.1 Loan facilities | 0 | 0 |
| 3.2 Credit standby arrangements | 0 | 0 |

Estimated cash outflows for next quarter

| | \$A'000 |
|--------------------------------|--------------|
| 4.1 Exploration and evaluation | 500 |
| 4.2 Development | Nil |
| 4.3 Production | Nil |
| 4.4 Administration | 1,300 |
| Total | 1,800 |

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

| | Current quarter \$A'000 | Previous quarter \$A'000 |
|--|----------------------------|-----------------------------|
| 5.1 Cash on hand and at bank | 1,742 | 3,097 |
| 5.2 Deposits at call | Nil | Nil |
| 5.3 Bank overdraft | Nil | Nil |
| 5.4 Other – bank term deposits | 12,007 | 15,007 |
| Total: cash at end of quarter (item 1.22) | 13,749 | 18,104 |

Changes in interests in mining tenements

| | Tenement reference | Nature of interest (note (2)) | Interest at beginning of quarter | Interest at end of quarter |
|-----|---|----------------------------------|--|----------------------------------|
| 6.1 | Interests in mining tenements relinquished, reduced or lapsed | | | |
| 6.2 | Interests in mining tenements acquired or increased | | | |

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

| | | Total number | Number quoted | Issue price per security (see note 3) (cents) | Amount paid up per security (see note 3) (cents) |
|-----|--|--------------|---------------|---|--|
| 7.1 | Preference securities (description) | | | | |
| 7.2 | Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions | | | | |
| 7.3 | +Ordinary securities | 607,026,150 | 607,026,150 | | Fully Paid |
| 7.4 | Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs | 11,691,353 | 11,691,353 | | Fully Paid |
| 7.5 | +Convertible debt securities (description) | | | | |
| 7.6 | Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted | | | | |

+ See chapter 19 for defined terms.

| 7.7 | Options (description and conversion factor) Unlisted Performance Rights (performance rights issued pursuant to Long Term Incentive (LTI) and Short Term Incentive (STI) offers under the Employee Performance Rights Plan) | | | <i>Exercise price</i> | <i>Expiry date</i> |
|------|---|-----------|--|-----------------------|--------------------|
| | 2013 LTI | 2,705,497 | | Nil | 30 June 2016 |
| | 2014 LTI | 4,494,537 | | Nil | 30 June 2017 |
| | Total | 7,200,034 | | | |
| 7.8 | Issued during quarter | | | | |
| 7.9 | Exercised during quarter | | | | |
| 7.10 | Expired during quarter | | | | |
| 7.11 | Debentures (totals only) | | | | |
| 7.12 | Unsecured notes (totals only) | | | | |

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here: 
(Executive Director / CFO)

Date: 20 July 2015

Print name: Dr Kevin Jih

+ See chapter 19 for defined terms.

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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