

HIGHLIGHTS

Operations

ATP 855

- On 31 March 2017, Icon Energy assumed 100% interest in ATP 855 and Operatorship, from our joint venture partners, subject to Ministerial approval, which was granted on 27 April 2017.
- Under this approval, Icon was required to submit its own work program for the ongoing exploration and development of ATP 855.
- On 20 April 2017, Icon submitted to The Department of Natural Resources and Mines (**DNRM**) an application for the grant of eight Potential Commercial Areas (**PCA**), covering the entire area of ATP 855.
- A significant natural gas resource was identified in the Stage 1 exploration program, which is currently classified as a contingent gas resource. This included flowing natural gas from five wells on test, achieving the highest flow rate from a shale gas well Halifax-1, in the Cooper Basin, having six Petroleum Discoveries in ATP 855 and identifying a significant natural gas resource within the Permian Formations of the Nappamerri Trough.
- On 8 June 2017, Icon Energy lodged amended Evaluation Program's for each of the eight PCAs with DNRM, covering the entire area of ATP 855.
- On 21 June 2017, DNRM approved the ATP 855 Amended Later Work Program (**LWP**) in preparation for the next phase of activity in the permit. The Stage 2 exploration program is been designed specifically to address outstanding technical questions and determine the commercial viability of the gas resource.
- In its capacity as Operator, Icon assumed the rehabilitation liability for the exploration program, estimated at \$5.23 million and all joint venture assets, including inventory and chemicals to the value of \$4.89 million.

ATP 594

- The ATP 594 Harrier 3D Seismic Survey was completed in late February and processing of the data was completed on 9 June 2017, with the total cost of the Survey of \$2.7 million which is a substantial reduction in costs to Icon.
- The Harrier Seismic Survey data is currently being interpreted, with several prospective leads identified. Further special attribute processing is currently under way to confirm drilling locations.

Financial Position at the end of March 2017 Quarter

- As at 30 June 2017, Icon Energy had a cash balance of \$9.65 million.
- As at 30 June Icon Energy's issued capital was 597,556,938 ordinary shares.
- The total number of Icon Energy shareholders, as at 13 July was 5,686.

OPERATIONS

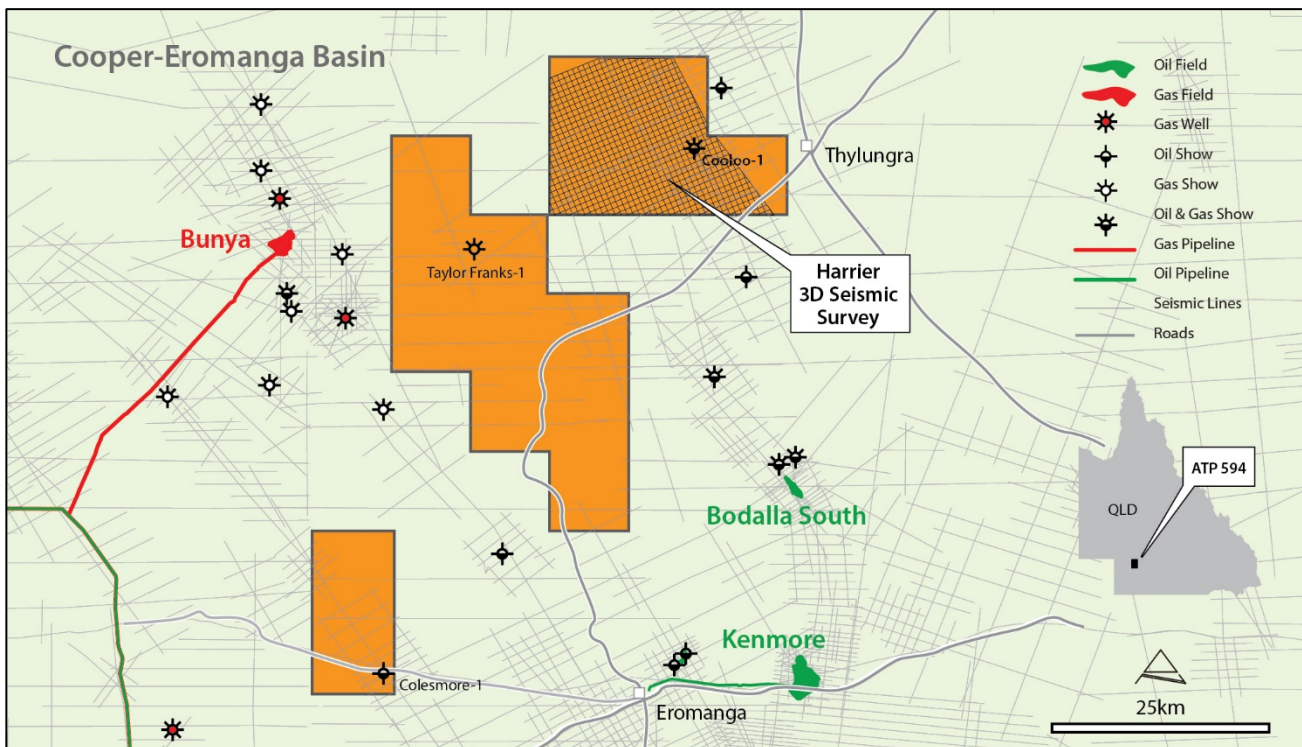
Queensland – Petroleum Exploration – Cooper-Eromanga Basin ATP 594

ATP 594 is located on the eastern flank of the Cooper Basin approximately 140 km west of Quilpie and consists of three separate blocks covering a total area of 1,230 km². The areas immediately adjacent to ATP 594 are resource rich in oil and gas.

Acquisition of the 293 km² Harrier 3D Seismic Survey was completed on 23 February 2017 and processing of the data by Velseis in Brisbane was finally completed on 9 June 2017.

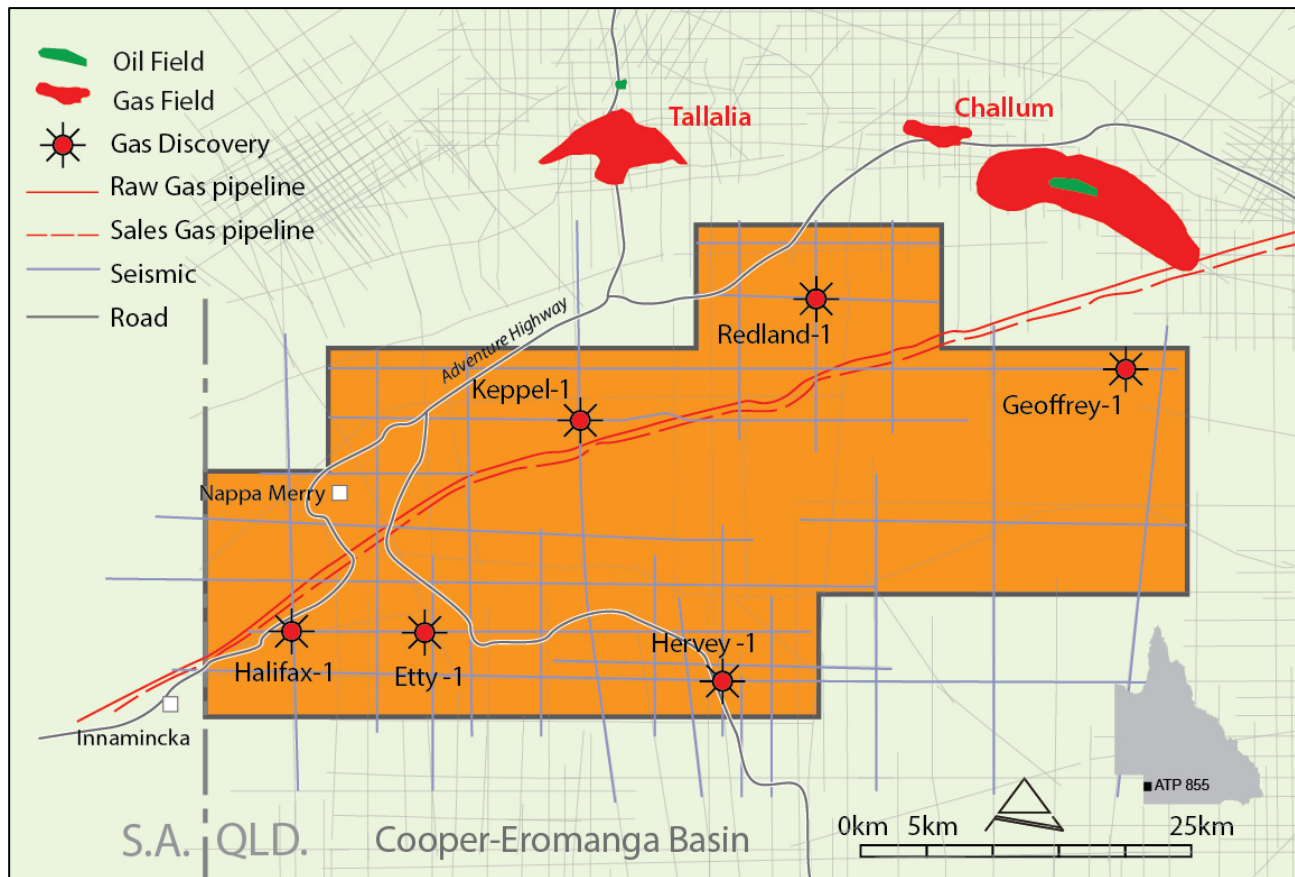
The data is currently in the process of being interpreted with several prospective leads identified. Further special attribute processing is currently under way to confirm drilling locations. Once this interpretation has been completed and the results are fully evaluated, discussions will be held with potential farmin partners.

Icon is the Operator of ATP 594 and has a 100% working interest in the tenement.



Map showing the location of ATP 594 and the Harrier 3D Seismic Survey, in the Cooper-Eromanga Basin, Queensland

Queensland – Petroleum Exploration – Cooper-Eromanga Basin ATP 855



Map showing the location of ATP 855 and the current well locations in the Cooper-Eromanga Basin, Queensland

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On 8 June 2017, Icon Energy lodged amended Evaluation Program's for each of the eight PCAs with DNRM, covering the entire area of ATP 855.

On 21 June 2017, DNRM approved the ATP 855 Amended Later Work Program (**LWP**) in preparation for the next phase of activity in the permit.

In its capacity as Operator, Icon assumed the rehabilitation liability for the exploration program, estimated at \$5.23 million and joint venture assets, including inventory and chemicals to the value of \$4.89 million. Some of the ATP 855 inventory is held in leased storage and is currently being assessed for consolidation, with some items that will not be used in future activities, to be sold.

On 7 July 2017, the Department of Heritage Protection accepted Icon's bank guarantee to comply with the financial assurance obligations of the ATP 855 Environmental Authority. Icon has also contracted SGS Services personnel, located at Moomba, to maintain regular inspections on the existing wells in the permit and thus continuing the inspections commenced by the former operator.

A Stage 2 exploration program will be designed specifically to address outstanding technical questions and determine the commercial viability of the gas resource. Icon is now preparing for the next stage of activity over the coming year, which has become the priority focus for the Company.

Icon has appointed several agents overseas to introduce a new finance investment partner and participant in the area.

Icon is confident that future exploration and appraisal activities will potentially lead to commercial gas reserves being proven within the permit, which could support the domestic market in Eastern Australia and, ultimately, succeed in satisfying the special conditions required to finalise Icon's Gas Contract with China.

Icon's gas resources, in ATP 855, as determined by DeGolyer MacNaughton, are now 28.5 (P50) Trillion Cubic Feet (**Tcf**)¹ of Unconventional Prospective Raw Natural Gas over the whole permit and 1.57 Tcf² of 2C Contingent Resources determined within defined areas surrounding the five wells already tested.

Icon has a 100% interest in ATP 855.

¹ Icon Energy announced on 19 June 2014, that DeGolyer and MacNaughton, a well-respected and qualified international petroleum reserve and resource evaluation company, estimated that the Unconventional Prospective Raw Natural Gas Resource was 28.5 (P50) Tcf. 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.

² Icon Energy announced on 31 December 2014, that DeGolyer and MacNaughton, a well-respected and qualified international petroleum reserve and resource evaluation company, estimated that, the 2C Recoverable Gross Contingent Resource was 1,572 Bcf or 1.57 Tcf. 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.

Queensland – Petroleum Exploration – Surat Basin ATP 626

Icon is currently in the process of completing the end of tenure reporting obligations for ATP 626 with the Department of Natural Resources and Mines and the Department of Environment and Heritage Protection in order to relinquish the permit.

Icon has a 100% interest in ATP 626.

Victoria - Petroleum Exploration – Gippsland Basin PEP 170 and Applications for PEP 172 and 173

The Victorian Government advised Icon that the Resources Legislation Amendment (***Fracking Ban***) Act 2017 came into effect on 16 March 2017.

The Act bans hydraulic fracturing under the *Petroleum Act (Vic)1998* and imposes a moratorium on petroleum exploration and petroleum production in the onshore areas of Victoria until 30 June 2020.

Icon has continued to extend the PEP 170 permit for the time being, paying all necessary fees, to keep the permit in good standing.

Icon Energy has a 100% interest in PEP 170.

ICON ENERGY TENEMENTS

Basin / Area	Permit / Area	Tenement Area	Permit Interest	Operator	Prospect Type
<u>CORE AREAS</u>					
Cooper - Eromanga Basin	ATP 594	1,230 km ²	100%	Icon Energy	Oil Gas
Cooper - Eromanga Basin, Nappamerri Trough	ATP 855	1,679 km ²	100%	Icon Energy	Shale Gas, Basin Centred Gas
<u>OTHER AREAS</u>					
Cooper - Eromanga Basin , Nappamerri Trough	PRLs 33 - 49*	1,601 km ²	33.33%	Beach Energy	Oil
Cooper - Eromanga Basin	ATP 549 West**	449 km ²	33.33%	Beach Energy	Oil Gas
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	804 km ²	100%	Icon Energy	Oil Gas
Gippsland Basin	PEP 172***	1,312 km ²	100%	Icon Energy	Gas
Gippsland Basin	PEP 173***	1,220 km ²	100%	Icon Energy	Gas
Surat Basin	ATP 626****	757 km ²	100%	Icon Energy	Oil Gas

* Formerly PEL 218 (Post Permian Section)

*** Permit to be granted

**Permit relinquished on 20 April 2017

**** Permit in the process of relinquishment

Table showing all Icon Energy's tenements

FURTHER INFORMATION

For further information, please contact:

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Or visit the website www.iconenergy.com

Icon Energy Limited (ASX: ICN), is a petroleum exploration Company with a portfolio of acreage in the Cooper, Eromanga, Surat 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 and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

Icon Energy Limited

ABN

61 058 454 569

Quarter ended ("current quarter")

30 June 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	83	(3,063)
(b) development		
(c) production		
(d) staff costs	(595)	(2,293)
(e) administration and corporate costs	(360)	(1,621)
1.3 Dividends received (see note 3)		
1.4 Interest received	52	308
1.5 Interest and other costs of finance paid	(2)	(13)
1.6 Income taxes paid		
1.7 Research and development refunds		
1.8 Other (provide details if material)	1	4
1.9 Net cash from / (used in) operating activities	(821)	(6,678)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	71	102
(b) tenements (see item 10)		
(c) investments		
(d) other non-current assets		

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	0	1
	(b) tenements (see item 10)		
	(c) investments		
	(d) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (Bank Guarantee)	(717)	(717)
2.6	Net cash from / (used in) investing activities	(646)	(614)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares		
3.2	Proceeds from issue of convertible notes		
3.3	Proceeds from exercise of share options		
3.4	Transaction costs related to issues of shares, convertible notes or options		
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
3.10	Net cash from / (used in) financing activities	0	0

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	11,126	16,951
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(821)	(6,678)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(646)	(614)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	0	0
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	9,659	9,659

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	2,659	7,626
5.2	Call deposits	7,000	3,500
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	9,659	11,126

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

**Current quarter
\$A'000**

370

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

**Current quarter
\$A'000**

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities		
8.2 Credit standby arrangements		
8.3 Other (please specify)		
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	150
9.2 Development	
9.3 Production	
9.4 Staff costs	550
9.5 Administration and corporate costs	400
9.6 Other (provide details if material)	
9.7 Total estimated cash outflows	1,100

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced				
10.2 Interests in mining tenements and petroleum tenements acquired or increased	ATP855	Authority to Prospect 855 (Petroleum Exploration)	35.1%	100%

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here: 

(Director/Company Secretary)

Date: 24 July 2017

Print name: Dr Kevin Jih

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 that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.