14 October 2021

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

Re: Audited End of Year Accounts For The Period Ending 30 June 2021

Icon Energy Limited (**ASX: ICN**) releases its **audited** end of year accounts for the period ending 30 June 2021.

Icon wishes to advise that there is a material difference between its unaudited end of year accounts lodged on 30 September 2021 and its audited end of year accounts attached to this announcement due the impairment assessment that was ongoing at the time the unaudited accounts were lodged. Despite the extension of the term of PRLs 35, 37, 38, 41, 43, 44, 45, 48 and 49 until 2024, the joint operation has no budgeted exploration works plan in place to perform exploration activity on these tenements in the future. As a result, this exploration asset has been fully impaired in order to comply with the mandatory requirements of AASB 6 *Exploration for and Evaluation of Mineral Resources*. Please refer to note 7 in the attached report for further details. The impairment of the carrying value of past exploration expenditure does not affect the potential prospectivity of the tenements themselves and does not affect any existing resource certification.

The **audited** end of year accounts are attached to this announcement.

This announcement is authorised for release to the market by the Board.

Yours Faithfully

Raymond S James
Director
Icon Energy Limited

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Icon Energy Limited

ABN 61 058 454 569

FULL YEAR ACCOUNTS

For the year ended
30 June 2021

Icon Energy Limited

ABN 61 058 454 569

FULL YEAR ACCOUNTS

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DIRECTORS' REPORT

The Directors of Icon Energy Limited ("Icon Energy" or "the Company") present their report together with the consolidated financial statements of the Company and its controlled entities ("the Group" or "the Consolidated Entity") for the financial year ended 30 June 2021 and the auditor's report thereon. In order to comply with the provisions of the *Corporations Act 2001*, the Directors of Icon Energy report as follows:

PRINCIPAL ACTIVITIES

The principal activities of Icon Energy during the year included the exploration, appraisal and development of oil and gas properties. There were no significant changes in the nature of these activities during the year.

DIRECTORS

The Directors of the Company who held office during or since the end of the year are set out below:

Name	Position	First Appointed
Stephen Michael Barry	Non-executive Chairman	Director since 05/01/1993
Raymond Swinburn James	Managing Director	Director since 01/02/1993
Dr Keith Hilless AM	Non-executive Director	Director since 03/04/2009
Howard Lu	Non-executive Director	Director since 07/01/2011 Retired 30/11/2020

Details of the qualifications and experience, other directorships of listed entities and special responsibilities of Directors are set out in the Board of Directors' section of this Annual Report.

Refer to table 6 of the Remuneration Report for Directors' interests in shares and performance rights.

On 30 November 2020 Director Howard Lu retired from the Board after many years of service to the company. Icon would like to note and thank him for his valued contribution made to the company.

REVIEW OF OPERATIONS

A review of operations of the Consolidated Entity during the financial year is included in the Review of Operations section of this Annual Report.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Asset Impairments

Icon Energy presents its financial statements which have been prepared in accordance with the *Corporations Act 2001* which requires the company to comply with Australian Accounting Standards. Those standards require the Group to perform an impairment assessment on the carrying value of the "Exploration and evaluation expenditure" assets when indicators of impairment arise.

In summary:

- AASB 6 *Exploration for and Evaluation of Mineral Resources* lists a number of factors which might lead to an impairment. Specifically, the value of "exploration and evaluation expenditure" should be assessed for impairment where
    - "substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned" (emphasis added).
- Icon Energy requires funding for further work to take place on its tenements.
- The carrying value of the "Exploration and evaluation expenditure" must therefore be assessed for impairment in order to comply with Australian Accounting Standards.
- The impairment can be reversed in the Group's financial statements at an appropriate time in the future if the fair value of the tenement increases.

The impairment has been conducted to comply with Australian Accounting Standards. The impairment does not affect the potential prospectivity of the tenements themselves and does not affect any existing resource certification. Icon Energy continues to seek funding and/or joint venturers to continue work on its tenements.

ATP 855 Cooper-Eromanga Basin Queensland

- During the year Icon conducted operations to rehabilitate five wells in the tenement. COVID delays on sourcing equipment was costly and slow and the operation was suspended after two wells were successfully plugged.
- The rehabilitation of the remaining three wells, has been deferred for 3 years.
- This past year has not been an opportune time to raise funds for investment in fossil fuel markets. Worldwide reports of gas shortages and rising prices are beginning to bite and once again optimism is returning for gas exploration.
- Talks are continuing with several potential partners and interest in our tenement is strong.
- Icon supports and continues to advance opportunities which move towards blue hydrogen and carbon zero outcomes.

- An extensive report on operations will be found in the Annual Report for 2021 when it is published for the upcoming AGM.
- Icon's working interest in ATP 855 remains secure under the eight Potential Commercial Areas (PCAs) 172 to 179 which do not expire until 29th October 2032.

PEP 170, 172 and 173 Gippsland Basin Victoria

- Icon has not advanced activity in this tenement while the new regulations are waiting on finalisation and Ministerial approval before any final decision can be made.

PRLs 35, 37, 38, 41, 43, 44, 45, 48 and 49 South Australia (PRLs)

- PRLs cover a total area of 857 km^2. Icon has a 33.33% interest in the post-Permian section.
- To comply with AASB 6, exploration expenditure for PRLs was impaired to nil. The impairment of the carrying value of past exploration expenditure does not affect the potential prospectivity of the tenements themselves and does not affect any existing resource certification.
- Wakefield No1 well remains cased and suspended for testing.

ATP 594 Cooper-Eromanga Basin Queensland

- This tenement has expired and is in the process of being relinquished.

Corporate

- Icon Energy held the Company's 2020 Annual General Meeting on 2 December 2020 with all resolutions adopted.

EVENTS AFTER THE BALANCE DATE

Icon issued a placement of 60,000,000 ordinary shares on 29th September 2021, to raise $600,000 at one cent per share for working capital.

There has not arisen any item, transaction or event of a material or unusual nature likely in the opinion of the Directors, to affect substantially the operations or state of affairs of the Consolidated Entity in subsequent financial years.

CORPORATE STRATEGIES AND FUTURE DEVELOPMENTS

Reference to corporate strategies and future development is to be included in the Chairman's Report in the Annual Report. The group will continue to pursue farm-out partners for the further development of its tenements.

FINANCIAL POSITION

The consolidated loss after tax for the Company and its controlled entities for the financial year ended 30 June 2021 was $6,919,302 (2020: $2,949,536 loss).

DIVIDENDS

The Directors recommend that no dividend be paid by the Company. No dividends have been declared or paid by the Company since the end of the previous financial year (30 June 2020: Nil).

REMUNERATION REPORT

The Remuneration Report for the financial period which forms part of the Director's Report can be found on page 30 of this Annual Report.

SHARES UNDER OPTION

No options have been granted since the end of the previous financial year (2020: Nil). At the date of this report there are no options over unissued ordinary shares.

COMPANY SECRETARY

During the year ended 30 June 2021, Natalia Fraser was the company secretary. Her details of qualifications and experience are set out in the Board of Directors section of this Annual Report.

MEETINGS OF DIRECTORS

During the financial period, sixteen meetings of Directors and 6 committee meetings were held. Attendances at these meetings by each Director were as follows:

	Directors Meetings		Audit and Risk Management Committee Meetings		Remuneration Nominations and Succession Committee Meetings	
	Held	**Attended**	**Held**	**Attended**	**Held**	**Attended**
R S James	16	16	-	-	-	-
S M Barry	16	16	4	4	2	2
K Hilless	16	16	4	4	2	2
H Lu	5	5	-	-	-	-

ENVIRONMENTAL REGULATION

The Consolidated Entity's operations are subject to various environmental regulations. The Company has a policy of full compliance, but in most cases exceeding environmental performance obligations. Further information on the Group's environmental performance can be found in the Sustainability section of the 2021 Annual Report.

The Directors are not aware of any environmental breaches nor has the Group been notified of any breaches by any Government Agency during the financial period.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

DIRECTORS AND AUDITORS INDEMNIFICATION

The Directors and Company Secretary are indemnified by the Company against any liability incurred in their capacity as an officer of the Company or a related body corporate to the maximum extent permitted by law. The Company has not paid any premiums in respect of any contract insuring the Directors of the Company against a liability for legal costs.

The Company has not paid any premiums in respect of any contract insuring the auditor against a liability incurred in the role as an auditor of the Company. In respect of non-audit services, Crowe, the Company's auditor, has the benefit of indemnity to the extent Crowe reasonably relies on information provided by the Company which is true, accurate and complete. No amount has been paid under this indemnity during the period ended 30 June 2021 or to the date of this Report.

Details of the nature of the liabilities covered in respect of Directors' and Officers' insurance policies are not disclosed as such disclosure is prohibited under the terms of the contracts.
The total premium expense for the year was $48,043 (30 June 2020: $33,004).

NON-AUDIT SERVICES

The auditors did not perform any non-audit services during the year.
There are no officers of the Company who are former audit partners of Crowe.

LEAD AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE *CORPORATIONS ACT 2001*

The lead auditor's independence declaration is set out on page 36 and forms part of the Directors' Report for the period ended 30 June 2021. Crowe continues in office in accordance with Section 327 of the *Corporations Act 2001*.

Signed in accordance with a resolution of the Board of Directors of Icon Energy Limited.

S M Barry	R S James
Chairman	Director
14 October 2021	14 October 2021

Key Points

- **No short-term incentives or long-term incentives were issued by Icon for the 2020-2021 financial year.**
- **There are no performance rights issued to executives or staff which might vest in the future.**
- **Executive salary increases for 2020-2021 were restricted to CPI increases.**

The Directors of Icon Energy Limited present this Remuneration Report for the Consolidated Entity for the year ended 30 June 2021. The information provided in this report has been audited as required by the *Corporations Act 2001 (Cth)* and forms part of the Directors' Report. This Remuneration Report sets out remuneration information for Icon Energy's Key Management Personnel (KMPs) including the following persons who were Non-Executive Directors and senior executives during the financial year:

Table 1: Icon Energy's Key Management Personnel

Name	Position Held
Non-Executive Directors	
Stephen Barry	Chairman
Dr Keith Hilless	Director
Howard Lu	Director – Retired 30 November 2020
Ray James	Director
Senior Managers	
Natalia Fraser	Chief Financial Officer and Company Secretary

1. REMUNERATION FRAMEWORK

The Company's Remuneration framework is designed to ensure that:

- Executive and Senior Managers receive competitive and reasonable market-based levels of base remuneration;
- Bonuses and other incentives for Employees and Executives and Senior Managers who perform well in their duties are only payable if they are approved by the Board and in the case of proposed issues of shares or other securities to Directors, by shareholders as well.

2. ROLE OF THE REMUNERATION, NOMINATIONS AND SUCCESSION COMMITTEE

The Remuneration, Nominations and Succession Committee is responsible for making recommendations to the Board on remuneration policies. The Committee, where necessary, obtains independent advice on the remuneration packages offered to potential employees. The Company's broad remuneration policy ensures that each remuneration package is properly aligned to the person's duties and responsibilities and that remuneration is competitive in attracting, retaining and motivating people of the highest quality.

The Remuneration, Nominations and Succession Committee Charter sets out the Board's policy for the nomination and appointment of directors and the process for the evaluation of the performance of senior executives. The Corporate Governance Statement provides further information on the role of the Committee.

3. METHODOLOGY USED TO DETERMINE THE NATURE AND AMOUNT OF REMUNERATION

Non-Executive Directors

Fees paid to Non-Executive Directors reflect the demands made on, and responsibilities of, such directors. Non-Executive Directors' fees are reviewed by the Board on an annual basis. Since 2014, the Board has determined that Non-Executive Directors are paid a base fee of $70,000 per annum together with the payment of additional fees to Directors serving on Board Committees to recognise their contribution to the Company together with superannuation. An additional $7,500 per annum per Committee is paid to Committee members and $8,500 per annum per Committee for the Chairmen of the Committees.

The Board decided to reduce these fees by 20% effective from 1 January 2018 having regard to the low share price. This arrangement has been in place for the year ended 30 June 2021.

The maximum total amount available for payment of all Non-Executive Director fees is $500,000 per annum which was approved by shareholders at the 2010 Annual General Meeting. The total amount of fees actually paid to Non-Executive Directors during the financial year was $313,963. Non-Executive Directors do not receive performance-based remuneration.

Executive Managers and Senior Management

Executive and Senior Managers are remunerated through a combination of:

- Fixed Remuneration (FR);
- Bonus or other incentives for outstanding performance to be determined at the discretion of the Board.

In November 2017, the company's Performance Rights Plan ("Plan") expired. The Plan provided for the granting of appropriately structured short and long-term incentives to employees (including Executive Directors) in addition to their fixed remuneration.

Since 2017, the Board decided not to seek shareholder approval for any new plan.

There were no remuneration consultants used by the Company during the year ended 30 June 2021 or in the prior year.

4. FIXED REMUNERATION

Fixed remuneration consists of the base remuneration calculated on a total cost basis and includes FBT charges on employee benefits, if relevant, as well as contributions to superannuation funds. Remuneration levels are reviewed annually. Senior executives were restricted to CPI increases over the financial year.

5. SHORT-TERM INCENTIVES

The Company did not issue Short-term Incentives (STI) for the 2020-21 year.

6. LONG-TERM INCENTIVES

The Company did not issue Long-term Incentives (LTI) for the 2020-21 year.

7. SERVICE AGREEMENTS

The Company has a policy that service agreements with Executive and Senior Managers should be limited in term and include termination clauses of between two and twelve months. The Company may make a payment in lieu of notice equal to the base amount prescribed in the service agreement for a specified period, and in respect of Executive Directors subject to the limits prescribed by section 200G of the *Corporations Act 2001*, or that determined by the Board and subject to shareholder approval at the time. In addition, accrued statutory benefits and superannuation benefits are payable.

Details of the service agreements/contracts in force during the 2020/2021 financial year appear in the table below.

Table 2: Service Agreements with Executive Directors and Senior Managers

Name of Executive	Date of Contract	Termination by Icon (without cause)	Termination by employee	Termination Payments (where terminated by Company)	STI & LTI Entitlements not applicable
N Fraser	29-Aug-20	2 months	2 months	Payment in lieu of notice based on FR	

8. REMUNERATION OF EACH MEMBER OF KEY MANAGEMENT PERSONNEL AND DIRECTORS FOR THE CONSOLIDATED ENTITY

Table 3: Directors and Key Management Personnel Remuneration for the year ended 30 June 2021

	Short Term		Post-employment		
	Salaries & Fees (i)	Other Benefits	Superannuation	Long-term Employee Benefits (ii)	Total
	$	$	$	$	$
Non-executive Directors					
Stephen Barry	84,800	-	8,056	-	92,856
Keith Hilless	62,800	-	5,966	-	68,766
Howard Lu	28,000	-	2,660	-	30,660
Ray James	111,124	-	10,557	-	121,681
Senior Managers					
Natalia Fraser	113,428	-	10,177	1,711	125,316
Total	**400,152**	**-**	**37,416**	**1,711**	**439,279**

(i) Salaries & Fees include annual leave paid during the year.
(ii) Long-term employee benefits represent only the long service leave accrued during the year.

Table 4: Directors and Key Management Personnel Remuneration for the year ended 30 June 2020

	Short Term		Post-employment			
	Salaries & Fees (i)	Other Benefits (ii)	Superannuation	Long-term Employee Benefits (iii)	Termination Benefits (iv)	Total
	$	$	$	$		$
Non-executive Directors						
Stephen Barry	84,400	-	8,056	-	-	92,856
Keith Hilless	62,800	-	5,966	-	-	68,766
Derek Murphy – retired (vii)	17,000	-	1,615	-	-	18,615
Howard Lu	56,000	-	5,320	-	-	61,320
Ray James (v)	55,562	-	5,278	-	-	60,840
Executive Directors and Senior Managers						
Ray James (vi)	265,307	22,500	16,946	4,553	-	309,306
Kevin Jih – retired (vii)	79,277	10,000	29,711	1,189	309,314	429,491
Martin Berry – retired (viii)	67,943	-	11,677	-	66,080	145,700
Natalia Fraser (ix)	93,107	-	8,848	1,458	-	103,410
Total	**781,796**	**32,500**	**93,414**	**7,200**	**375,394**	**1,290,304**

(i) Salaries & Fees include annual leave paid during the year.
(ii) Other Benefits represent car allowance received during the year for Ray James of $22,500 and for Dr Jih of $10,000.
(iii) Long-term employee benefits represent only the long service leave accrued during the year. The long service leave is paid when the leave is taken by eligible employees or paid out on cessation of employment to eligible employees. There were payouts on cessation

of employment made during the year, $76,263 to Dr Jih on retirement and $240,420 to Mr James on expiration of his service agreement.

(iv) Termination Benefits include annual leave paid out at termination and payment in lieu of notice as per employees' Service Agreements.

(v) This represents Mr James' remuneration from 1 January 2019 as a Non-Executive Director.

(vi) This represents Mr James' remuneration as Managing Director and his Executive Services Agreement (reduced from 1/9/2019) for the period to 31 December 2020, including his accrued long service leave.

(vii) This represents Mr Murphy's and Dr Jih's remuneration for the period to 31 August 2019.

(viii) This represents Mr Berry's remuneration for the period to 6 September 2019.

(ix) This represents Ms Fraser's remuneration from 1 September 2019 as a Company Secretary and Chief Financial Officer.

9. DIRECTORS' AND SENIOR MANAGEMENTS' INTERESTS

As at 30 June 2021, the interests of the Directors and senior management or entities associated with them in shares and options of Icon Energy Limited are:

Shareholdings

The movement during the year in the number of ordinary shares in Icon Energy Limited held directly, indirectly or beneficially, by each Key Management Personnel, including their related parties, is as follows:

Table 5: Directors' and Executive and Senior Manager' Interests

2021	Balance 1.07.2020	Employee Performance Rights Plan	Purchases	Options Exercised	Sold	Other changes	Balance 30.06.2021
	Number	Number	Number	Number	Number	Number	Number
Directors							
Stephen Barry*	1,653,593	-	-	-	-	-	1,653,593
Keith Hilless	93,227	-	-	-	-	-	93,227
Howard Lu	16,068,181	-	-	-	-	16,068,181	-
Raymond James*	25,231,329	-	-	-	-	-	25,231,329
Senior Management							
Natalia Fraser	239,744	-	-	-	-	-	239,744
	43,286,074	-	-	-	-	**16,068,181**	**27,217,893**

2020	Balance 1.07.2019	Employee Performance Rights Plan	Purchases	Options Exercised	Sold	Other changes	Balance 30.06.2020
	Number	Number	Number	Number	Number	Number	Number
	Directors						
Stephen Barry*	1,653,593	-	-	-	-		1,653,593
Derek Murphy*	650,181	-	-	-	-	650,181	-
Keith Hilless	93,227	-	-	-	-		93,227
Howard Lu	16,068,181	-	-	-	-		16,068,181
Raymond James*	25,231,329	-	-	-	-		25,231,329
Kevin Jih*	1,353,175	-	-	-	1,353,175		-
	Senior Management						
Martin Berry	296,416	-	-	-	-	296,416	-
Natalia Fraser	-	-	239,774	-	-		239,744
	45,346,102	**-**	**239,774**	**-**	**1,353,175**	**946,597**	**43,286,074**

*These KMP's shareholdings include indirect shareholdings held by their spouse and/or related corporations.

Transactions with Directors and Director Related Entities

As at 30 June 2021, legal fees paid in the ordinary course of business to CKB Associates Lawyers, a firm with which Mr. S Barry has a controlling interest were $1,224 (30 June 2020: $21,820).

10. SHARE OPTIONS

Options Granted to Directors and Key Management Personnel of the Company

No options were issued or granted to, or exercised by, Directors and Key Management Personnel of the Company during the year.

Options Held by Key Management Personnel

There were no options outstanding at 30 June 2021 or as at 30 June 2020.

The following table shows the Company's Profit/Loss (after tax) for the current year as well as previous last four years.

Table 6: Company's Profit/Loss (after tax)

	30-Jun-17	30-Jun-18	30-Jun-19	30-Jun-20	30-Jun-21
Closing Share Price	0.025	0.018	0.014	0.008	0.014
Dividends paid	-	-	-	-	-
Profit (Loss) after tax	($5,670,094)	($4,037,191)	($31,372,498)	($2,949,536)	(6,919,302)

End of Remuneration Report (audited)

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Lead Auditor's Independence Declaration under Section 307C of the *Corporations Act 2001* to the Directors of Icon Energy Limited

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2021, there have been:

i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

ii. no contraventions of any applicable code of professional conduct in relation to the audit.

Crowe Brisbane

Crowe Brisbane

Logan Meehan
Partner

Date: 14 October 2021
Brisbane

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Independent Auditor's Report

To the Members of Icon Energy Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Icon Energy Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2021, the consolidated statement of profit of loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

(a) Giving a true and fair view of the Group's financial position as at 30 June 2021 and of its financial performance for the year then ended.

(b) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial report, which indicates that the Group incurred a net loss after tax of $6,919,302 and had net cash used in operating activities of $3,892,378 for the year ended 30 June 2021. As stated in Note 1 these conditions, along with other matters set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt about the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How we addressed the Key Audit Matter
***Impairment of Exploration and Evaluation Expenditure** - Note 7*	
Exploration and evaluation (E&E) activity has a high level of inherent risk. There is the risk that projects may fail, requiring the impairment or write-off of the related capitalised costs when the relevant recognition criteria in AASB 6 *Exploration for and Evaluation of Mineral Resources* and Icon's accounting policy are not met. There is a risk that certain capitalised E&E costs are either not impaired or written off promptly at the appropriate time, in line with information from, and decisions about E&E activities, and the impairment requirements of AASB 6. Through our detailed risk assessment we identified a significant risk in relation to the impairment of tenement ATP 855. In accordance with AASB 6, the carrying value of tenement ATP 855 was required to be assessed for impairment in accordance with AASB 136 *Impairment of Assets*, to determine whether the carrying value of the asset exceeds the recoverable amount. This was a key audit matter due to: • The significance of the tenement to the financial statements of the Group; • The specialised nature of the E&E assets which requires judgement by us to assess the appropriateness of the valuation methodologies and inputs when applying the requirements of AASB 136. The Group has appointed an external valuer to assist in this process; and • The low volume of comparable market transactions for similar E&E assets to corroborate valuation inputs and assumptions.	• Our procedures included, but were not limited to: • conducting discussions with management regarding the criteria used in their impairment assessment and ensuring that this was in line with *AASB 6 Exploration for and Evaluation of Mineral Resources;* • utilising our valuation expert to assist us in assessing the competence, capabilities and objectivity of the expert engaged by management to perform this assessment • utilising our valuation expert to assist us in evaluating the appropriateness of the valuation methodology selected by the valuer to determine the value of the tenement ATP 855 E&E asset with reference to accepted market practices, our industry experience and the requirements of AASB 136 *Impairment of Assets* • reviewing the appropriateness of the related disclosures within the financial statements; and • obtaining evidence that the Group continue to have valid rights to explore in the area by performing an independent search and corroborating to government registry. We also considered the Group's compliance with the contractual obligations under the agreements.

Key Audit Matter	How we addressed the Key Audit Matter
***Valuation of Restoration Provision** – Note 9*	
As at 30 June 2021, the Group had a provision of $4,353,713 relating to the estimated cost of decommissioning, restoration and rehabilitation of areas disturbed during exploration activities. This was a key audit matter because the calculations of the provision were complex and based on the estimates of future costs of the required work, including volume and unit rates and the area of disturbance. The provision is recorded as a non-current liability as the works are budgeted to be completed within 12 months of the balance date.	Our procedures included, but were not limited to: • Evaluating and challenging the reasonableness of key assumptions used in the calculations of the provision; • Checking the mathematical accuracy of the calculations; • Assessing the competency and objectivity of the expert used by management and evaluating the appropriateness and adequacy of the restoration cost estimates; • Considering provision movements during the year to ensure they were consistent with our understanding of the Group's activities during the year; • Assessing the adequacy of the Group's disclosure in the financial statements in respect of the restoration provision.

Other Information

The directors are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the Director's Report for the year ended 30 June 2021, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our

auditor’s report. However, future events or conditions may cause the entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the Group or business activities within the entity to express an opinion on the group financial report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during the audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our auditor’s report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

In our opinion, the Remuneration Report of Icon Energy Limited, for the year ended 30 June 2021, complies with *Section 300A* of the *Corporations Act 2001*.

Directors’ Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with *Section 300A* of the *Corporations Act 2001*.

Our Responsibilities

We have audited the Remuneration Report included in pages 30 to 35 of the annual report for the year ended 30 June 2021.

Our responsibility is to express an opinion on the Remuneration Report, based on our Audit conducted in accordance with Australian Auditing Standards.

Crowe Brisbane

Crowe Brisbane

Logan Meehan
Partner

Date: 14 October 2021
Brisbane

DIRECTORS' DECLARATION

The Directors of the Company declare that:

1) The financial statements and notes, as set out on pages 43 to 65, are in accordance with the *Corporations Act 2001* and other mandatory professional reporting requirements and:
   a) comply with Accounting Standards, with International Financial Reporting Standards, as stated in note 1 to the financial statements and *Corporations Regulations 2001*; and
   b) give a true and fair view of the financial position as at 30 June 2021 and of the performance for the year ended on that date of the consolidated entity;
2) The Director and Chief Financial Officer have each declared in accordance with the Section 295A of the *Corporations Act 2001*, that:
   a) the financial records of the Company for the financial period have been properly maintained in accordance with section 286 of the *Corporations Act 2001*;
   b) the financial statements and the accompanying notes referred to in Section 295(3)(b) of the *Corporations Act 2001*, for the financial year comply with the accounting standards;
   c) the financial statements and notes for the financial period comply with the Accounting Standards; and
   d) the financial statements and notes for the financial period give a true and fair view.
3) In the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they come due and payable;

Signed in accordance with a resolution of the Board of Directors.

Stephen Barry
Chairman
14 October 2021

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2021

	NOTES	30 June 2021 $	30 June 2020 $
Continuing operations			
Interest received and other income	2a	**113,744**	152,936
Administration expenses	4	**(619,819)**	(1,310,413)
Depreciation and amortisation expense		**(82,773)**	(338,014)
Employee benefits and expenses	2b	**(217,467)**	(608,284)
Occupancy expenses	8	**-**	(360,256)
Profit on sale of current assets	2c	**-**	21,231
Profit on sale of property, plant & equipment	2d	**-**	18,850
Impairment expense	2e	**(5,807,557)**	(14,276)
Write down of inventories	6	**(153,765)**	-
Tenement expenditure		**(143,842)**	(478,315)
Finance costs	8	**(7,823)**	(32,995)
Loss before income tax		**(6,919,302)**	**(2,949,536)**
Income tax expense	3	**-**	-
Loss for the year from continuing operations		**(6,919,302)**	**(2,949,536)**
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss		**-**	**-**
Total other comprehensive loss for the year, net of tax		**-**	-
Total comprehensive loss for the year		**(6,919,302)**	**(2,949,536)**
Earnings per share			
From continuing operations			
Basic and diluted loss per share (cents per share)	12	**(1.16)**	(0.49)

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021

	NOTES	30 June 2021 $	30 June 2020 $
CURRENT ASSETS			
Cash and cash equivalents	5	**1,581,687**	5,541,122
Trade and other receivables		**22,806**	25,972
Inventories	6	**-**	153,765
Prepayments	9	**56,784**	300,000
TOTAL CURRENT ASSETS		**1,661,277**	**6,020,859**
NON-CURRENT ASSETS			
Property, plant and equipment		**20,985**	27,092
Exploration and evaluation expenditure	7	**3,910,950**	5,573,517
Performance guarantee bonds		**756,220**	756,220
Right-of-use asset	8	**118,905**	115,639
TOTAL NON-CURRENT ASSETS		**4,807,060**	**6,472,468**
TOTAL ASSETS		**6,468,337**	**12,493,327**
CURRENT LIABILITIES			
Trade and other payables		**138,680**	131,188
Employee benefits		**76,604**	58,841
Lease liabilities	8	**75,973**	72,570
Provisions	9	**-**	3,490,836
TOTAL CURRENT LIABILITIES		**291,257**	**3,753,435**
NON-CURRENT LIABILITIES			
Lease liabilities	8	**47,497**	44,720
Provisions	9	**4,353,713**	-
TOTAL NON-CURRENT LIABILITIES		**4,401,210**	**44,720**
TOTAL LIABILITIES		**4,692,467**	**3,798,155**
NET ASSETS		**1,775,870**	**8,695,172**
EQUITY			
Issued capital	10	**101,985,050**	101,985,050
Accumulated losses		**(100,209,180)**	(93,289,878)
TOTAL EQUITY		**1,775,870**	**8,695,172**

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2021

	Ordinary Share Capital (Note 10) $	Accumulated Losses $	Total $
Balance 1 July 2019	101,984,750	(90,340,342)	11,644,408
Total comprehensive income:			
Loss for the year	-	(2,949,536)	(2,949,536)
Other comprehensive loss	-	-	-
Total comprehensive loss for the year	-	(2,949,536)	(2,949,536)
Transactions with owners in their capacity as owners:			
Shares issued	300	-	300
Total transactions with owners	300	-	300
Balance at 30 June 2020 - attributable to owners of parent entity	**101,985,050**	**(93,289,878)**	**8,695,172**
Balance 1 July 2020	**101,985,050**	**(93,289,878)**	**8,695,172**
Total comprehensive income:			
Loss for the year	**-**	**(6,919,302)**	**(6,919,302)**
Other comprehensive loss	**-**	**-**	**-**
Total comprehensive loss for the year	**-**	**(6,919,302)**	**(6,919,302)**
Transactions with owners in their capacity as owners:			
Shares issued	**-**	**-**	**-**
Total transactions with owners	**-**	**-**	**-**
Balance at 30 June 2021 - attributable to owners of parent entity	**101,985,050**	**(100,209,180)**	**1,775,870**

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2021

	NOTES	30 June 2021 $ Inflows (Outflows)	30 June 2020 $ Inflows (Outflows)
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from customers		**92,565**	427,504
Cash payments to suppliers and employees		**(3,880,686)**	(3,029,841)
Interest received		**13,121**	102,286
Government grant received - COVID-19		**50,000**	50,000
Tenement expenditure		**(159,555)**	(472,724)
Interest expense		**(7,823)**	(32,995)
Net cash used in operating activities	13	**(3,892,378)**	**(2,955,770)**
CASH FLOWS FROM INVESTMENT ACTIVITIES			
Payments for property, plant & equipment		**(2,600)**	(7,012)
Payments for deferred exploration and evaluation expenditure		**-**	(7,406)
Proceeds from sale of property, plant and equipment	2d	**-**	26,671
Net cash (used in)/from investment activities		**(2,600)**	**12,253**
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments of lease liabilities	8	**(64,457)**	(350,066)
Net cash used in financing activities		**(64,457)**	(350,066)
Net decrease in cash and cash equivalents held		**(3,959,435)**	**(3,293,583)**
Cash and cash equivalents at beginning of the financial year		**5,541,122**	**8,834,705**
Cash and cash equivalents at the end of the financial year	5	**1,581,687**	**5,541,122**

The accompanying notes form part of these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

NOTE 1 - BASIS OF ACCOUNTING

The consolidated financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and other authorative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001* .

The financial statements cover Icon Energy Limited (the "Company") and its controlled entities as a Consolidated Entity (together referred to as the "Consolidated Entity" or the "Group"). Icon Energy Limited is a listed public company, incorporated and domiciled in Australia.

The Group is a for-profit entity, primarily engaged in the acquisiton, exploration and development of oil and gas assets in Australia.
The financial statements have been prepared on the historical cost basis. All amounts are presented in Australian dollars, unless otherwise noted. This is also the functional currency of the parent.

The financial statements of Icon Energy Limited and its controlled entities comply with all International Financial Reporting Standards (IFRS) and interpretations adopted by the International Accounting Standards Board.

Going concern

The consolidated financial statements have been prepared on a going concern basis which contemplates the realisation of assets and settlement of liabilities in the ordinary course of business.

The Group has cash of $1,581,687 at 30 June 2021 and used $3,892,377 of cash in operations, including payments for exploration and evaluation, for the year ended 30 June 2021.

At 30 June 2021, the Group’s current assets exceed its current liabilities by $1,370,020. Included in non-current liabilities are restoration provisions of $4,353,713 whilst the corresponding exploration and evaluation assets, totalling $3,910,950 are recorded as non-current assets. The Group has a surplus in net assets of $1,775,870 (30 June 2020 surplus in net assets $8,695,172) at 30 June 2021.

During the financial period ended 30 June 2021 and/or subsequent to year end, the Group has continued with a range of restructuring activities in order to improve its financial position. The Directors continue to implement working capital management steps, including:

- Obtained an extension of the Later Work Program (LWP) in ATP 855, and associated $4,000,000 exploration expenditure commitment, from the Department of Natural Resources Mines and Energy (DNRME) until 29 October 2022;
- The Directors submitted a relinquishment notice to DNRME in respect of ATP 594;
- Obtained a new quotation in respect to the rehabilitation work required for the remaining four (4) discovery wells in ATP 855 following the problems encountered with the plugging of Halifax No.1; and
- Deferred the $4,353,713 rehabilitation work on the remaining four (4) discovery wells at ATP 855 to a period beyond 30 June 2022.
- On 29 September 2021, the Company made a placement to sophisticated investors of 60,000,000 ordinary shares at an issue price of $0.01 per share raising $600,000.

As at the date of this report, the Group has not secured a joint venturer for any of its tenements.

The Directors have prepared a cash flow forecast for the period to 30 June 2022 which indicates that the Company will need to raise additional capital to fund its on-going business programmes, including its exploration expenditure commitments and rehabilitation obligations within the next twelve months from the date of this report.

These conditions give rise to a material uncertainty that may cast significant doubt upon the Group’s ability to continue as a going concern. The Directors consider it appropriate to prepare the financial statements on a going concern basis as they are confident of being able to raise the necessary capital required to ensure the Group will have sufficient cash flows to meet its obligations as and when they fall due and payable.

In the event that the Company is unable to obtain sufficient funding to meet its ongoing working capital requirements as required there is material uncertainty whether it will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial statements.

The financial report was authorised for issue by the Board of Directors on 14 October 2021.

Details of Icon Energy Limited accounting policies are included in Note 23.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

NOTE 2 - LOSS FROM OPERATING ACTIVITIES

Loss from operating activities before income tax includes the following items	CONSOLIDATED ENTITY	
	30 June 2021	30 June 2020
a. Other income	$	$
Interest received	**13,067**	100,889
Government grant income (COVID-19 cash flow boost)	**50,000**	50,000
Insurance refund received	**40,676**	-
Other income	**10,000**	2,047
	113,744	**152,936**

b. Employee benefits and expenses

As at 30 June 2021, there were no redundancies paid to employees. In the year ended 30 June 2020, an amount of $379,111 was paid as redundancies to employees, out of that an amount of $233,473 was paid to Dr Jih.

c. Gain on sale of current assets		
Proceeds on disposal of inventory	**-**	384,286
Written down value of inventory	**-**	(363,056)
Cost of sale	**-**	-
	-	**21,231**
d. Gain on sale of property, plant and equipment		
Proceeds on disposal of property, plant and equipment	**-**	26,671
Written down value of property, plant and equipment	**-**	(7,821)
	-	**18,850**
e. Impairment expense		
Impairment of exploration expenditure	**1,662,567**	1,223
Impairment of property, plant & equipment	**-**	13,053
Impairment of exploration asset	**4,144,990**	-
	5,807,557	**14,276**
f. Other expenses		
Superannuation	**16,771**	45,519
Audit and review of financial statements - Crowe	**60,000**	65,250
Lease surrender fee	**-**	250,000

NOTE 3 - INCOME TAX EXPENSE

Loss before tax expense	**(6,919,302)**	(2,949,536)
Prima facie tax payable on loss before income tax at 30% (2020: 30%)	**(2,075,791)**	(884,861)
Increase/(decrease) in income tax expense due to:		
Non deductible expenses	**87**	334
Non-assessable income	**(15,000)**	-
Under/(over) provision in prior year	**12,172**	-
Deferred tax benefits not brought to account	**2,078,532**	884,527
Income Tax attributable to loss before tax	**-**	**-**

The deductible temporary differences and tax losses do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilise the tax benefits.

Tax losses	**65,160,006**	60,081,711
Potential tax benefit	**19,548,002**	18,024,513
Temporary differences		
Other	**42,122**	50,417
Provisions	**4,589,232**	3,549,677
Potential tax benefit	**1,389,406**	1,080,028
Total deferred tax benefits not brought to account	**20,937,407**	19,104,541
Deferred Tax Liabilities		
Mining and exploration costs	**3,614,558**	2,482,824
Total deferred tax liabilities not brought to account	**1,084,367**	744,847
Total deferred tax assets not brought to account - net	**19,853,041**	**18,359,694**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

NOTE 4 - KEY MANAGEMENT PERSONNEL REMUNERATION

		CONSOLIDATED ENTITY	
		30 June 2021	30 June 2020
(a)	Key management personnel compensation included in employee benefits:	$	$
	• Short term employee benefits	**400,152**	814,296
	• Long term benefits	**1,711**	7,200
	• Post employment benefits	**37,416**	93,414
	• Termination benefits	**-**	375,394
		439,279	**1,290,304**

Apart from the details disclosed in this note, no Director has entered into a material contract with the Company or Consolidated Entity since 1 July 2020 and there were no material contracts involving Directors' interests existing at year end.

The total amount of key management personnel (KMP) remuneration is included within the administration expense in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

Refer to the remuneration report contained in the directors' report for details of the remuneration paid or payable to each member of the entity's KMP for the year ended 30 June 2021.

(b) **Performance rights provided as remuneration**
There were no performance rights granted as remuneration during the period ended 30 June 2021 (30 June 2020: Nil).

Performance rights holdings
There were no performance rights granted under the executive short-term and long-term incentive scheme that were held during the financial year by Key Management Personnel during the period ended 30 June 2021 (30 June 2020: Nil).

There were no options held by Key Management Personnel during the period ended 30 June 2021 (30 June 2020: Nil).

(c) **Transactions with Directors and Director Related Entities**

	30 June 2021	30 June 2020
Legal fees paid in the ordinary course of business to CKB Associates Lawyers, a firm which Mr. S Barry has a controlling interest.	**1,224**	**21,820**

There were no amounts outstanding for the year ended 30 June 2021 (30 June 2020: Nil)

NOTE 5 - CASH AND CASH EQUIVALENTS

	30 June 2021	30 June 2020
Cash on hand	**541**	847
Cash at bank	**1,581,146**	5,540,275
	1,581,687	**5,541,122**

NOTE 6 - INVENTORIES

	30 June 2021	30 June 2020
Tenement consumables	**153,765**	**153,765**
Less: impairment	**(153,765)**	**-**
	-	**153,765**

In the year ended 30 June 2021, inventories were impaired by $153,765 (30 June 2020: Nil) as a result of reassessment and an impairment review of inventory.

NOTE 7 - EXPLORATION AND EVALUATION EXPENDITURE

	30 June 2021	30 June 2020
Exploration and Evaluation expenditure at cost	**3,910,950**	**5,573,517**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

NOTE 7 - EXPLORATION AND EVALUATION EXPENDITURE (Continued)

Reconciliations
Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated Entity	CONSOLIDATED ENTITY	
	30 June 2021	30 June 2020
	$	$
Balance at beginning of the year	**5,573,517**	7,561,157
Additions	**-**	7,405
Increase/(decrease) in the restoration asset	**4,144,990**	(1,993,823)
Less: Impairment	**(5,807,557)**	(1,223)
Balance at the end of the year	**3,910,950**	**5,573,517**

The ultimate recoupment of these costs is dependent on the successful development and exploitation, or alternatively farmout of the respective areas of interest.

Icon lodged its submission to the Department of Jobs, Precincts and Regions with revised new tenement terms for conventional drilling in PEP 170 and advised that no further work could be undertaken until the new regulations were available. Without the new regulatory guidelines, Icon could not complete a proposal as required by the Department without knowing the rules. Icon received advice from the Victorian Department of Jobs, Precincts & Regions on the 29th June 2021 that The Petroleum Legislation Amendment Act 2020 provides for the extension of all relevant exploration permits and retention lease to 1 July 2026.

At 30 June 2021 ATP 594 was already fully impaired in previous periods and hence no further impairment was required. ATP 594 expired on 16 April 2021, is now in the process of being relinquished and hence has been written off.

An updated valuation of ATP 855 was prepared as at 30 June 2021. The recoverable value of ATP 855 was determined by an external, independent valuer, having appropriate recognised professional qualifications and experience in the location and nature of the tenement being valued. The non-recurring fair value measurement has been categorised as a Level 3 fair value based on the inputs to the valuation technique used. The valuer adopted a similar approach to the prior year valuation, using a market comparison approach with reference to recent farm-in transactions to other permits in determining their valuation at 30 June 2021.

At 30 June 2021, the restoration provision was reviewed and increased due to the restoration of the remaining four wells being rescheduled to be completed in three years' time. A new quote for the remainder of the work was acquired. Therefore, the corresponding asset was increased by $4,144,990. Subsequently, the Group assessed its exploration and evaluation assets for impairment and recorded an impairment of $4,159,620 (30 June 2020: $1,223)

In the prior year, the restoration provision for ATP 855 was reviewed and reduced due to a plan to do this work which was estimated to cost less than the restoration provision as at 30 June 2019. Therefore, the corresponding asset was reduced by $1,993,823 as well.

At 30 June 2021, an impairment of $1,662,567 was recorded for PEP 170 and PRLs 35, 37, 38, 41, 43, 44, 45, 48 and 49 .

Despite the extension of the term of PRLs 35, 37, 38, 41, 43, 44, 45, 48 and 49 until 2024, the joint operation has no budgeted exploration works plan in place to perform exploration activity on these tenements in the future. As a result, this exploration asset has been fully impaired in order to comply with the mandatory requirements of AASB 6 *Exploration for and Evaluation of Mineral Resources.*

The impairment of the carrying value of past exploration expenditure does not affect the potential prospectivity of the tenements themselves and does not affect any existing resource certification. The Group continues to seek funding and/or joint venturers to continue work on the ATP 855 tenement.

NOTE 8 - LEASES

This note provides information for leases where the group is a lessee.

The consolidated interim statement of financial position shows the following amounts relating to leases:

Right-of-use asset - Building		
Balance at 1 July 2020	**115,639**	146,070
Depreciation charge for the year	**(74,067)**	(30,431)
Additions to right-of-use assets	**77,332**	-
Balance at 30 June 2021	**118,905**	115,639
Lease liabilities		
Current	**75,973**	72,570
Non-current	**47,497**	44,720
	123,470	117,290

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

NOTE 8 - LEASES (Continued)	CONSOLIDATED ENTITY	
	30 June 2021	30 June 2020
The consolidated statement of profit or loss shows the following amounts relating to leases:	$	$
Depreciation charge of right-of-use assets (included in depreciation expenses)		
Building	**74,067**	327,233
	74,067	327,233
Interest expense (included in finance cost)	**7,823**	32,995
The total cash outflow for leases	**64,457**	350,066

The Group leases its head office building. A variation to the current lease contract was signed to increase the term of the lease to a period of two years commencing in February 2020 and ending in February 2022 with an option to renew the lease for a further term of one year. The lease liability has been calculated assuming the lease will be extended after the end of the two year lease term for an additional year. The lease payments are adjusted every year by 3% based on the lease agreement.

In previous period, the Group surrendered its previous lease agreement to reduce future expenditure. The Goup paid an exit fee of $250,000 which is shown as part of ocupancy expenses in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

NOTE 9 - PROVISIONS

Restoration provision

Restoration provision represents the present value of estimated costs for future restoration of land explored by the Consolidated Entity at the end of the exploration activity.

The restoration provision recognised for each tenement is periodically reviewed and updated based on the facts and circumstances available at the time. Changes to the estimated future costs are recognised in the Consolidated Statement of Financial Position by adjusting both the restoration and rehabilitation asset and provision. Such changes trigger a change in future financial charges.

Management bases its judgements, estimates and assumptions on historical and on other various factors including expectations of future events, management believes to be reasonable under the circumstances.

Movements in carrying amounts

Movements in the carrying amounts for each class of provision between the beginning and the end of the current financial year:

Consolidated Entity		
Restoration provision		
Current		
Balance at beginning of the year	**3,490,836**	**5,557,429**
Decrease in the restoration provision	**(208,723)**	**(1,993,824)**
Restoration expenditure	**(3,282,113)**	**(72,769)**
Balance at end of the year	**-**	**3,490,836**
Non-Current		
Balance at beginning of the year	**-**	**-**
Reclassification from current provision	208,723	-
Increase in the restoration provision	4,144,990	-
Balance at end of the year	**4,353,713**	**-**

The Group had signed a contract to carry out restoration work in the second quarter of the 2020 calendar year but was delayed due to COVID-19 and commenced on 30 December 2020.

The first well, Halifax No.1, was successfully plugged over the deep gas zones. Originally it was estimated that the entire program for the five wells would take about 35 days if the program proceeded without problems. Problems encountered in Halifax resulted in a significant blow-out in time and costs. The well was suspended for later testing over the Callamurra Sandstone.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

NOTE 9 - PROVISIONS (Continued)

The coil tubing unit (CTU) then mobilized to Redland No.1 which was successfully plugged.

The CTU was then repositioned on Halifax to test the gas flow from the Callamurra sandstone. The well head had just been serviced but was found to be leaking a small amount of gas.

As a safety measure, it was decided that the well head should be shut in and the valves removed to Roma for re-conditioning.

The non-current provision at 30 June 2021 is based on the quote provided by an independent assesser which is based on the actual costs incurred in rehabilitating Redland. This is seen as the best estimate of future expected costs to finalise rehabilitation. The liability for restoration is discounted to present value and expensed through profit or loss. The periodic unwinding of the discount is recognised in profit or loss as part of finance costs.

The rehabilitation program in relation to the remaining wells in ATP855 is to be deferred.

NOTE 10 - ISSUED CAPITAL

Authorised and Issued Share Capital

Issued share capital 597,606,938 (30 June 2020: 597,606,938) fully paid, no par value ordinary shares.

Fully Paid Shares	30 June 2021 Number of shares	30 June 2021 $	30 June 2020 Number of shares	30 June 2020 $
Balance at beginning of the year	**597,606,938**	**101,985,050**	597,556,938	101,984,750
Shares issued	**-**	**-**	50,000	300
Balance at the end of the year	**597,606,938**	**101,985,050**	**597,606,938**	**101,985,050**

The holders of ordinary shares are entitled to receive dividends as declared and are entitled to one vote per share at shareholders' meetings. In the event of winding up the Company, all shareholders participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held.

NOTE 11 - SHARE BASED PAYMENTS

There were no share based payment during the year ended 30 June 2021.

During the previous period 50,000 shares were issued as settlement under the Right to Negotiate Agreement. The fair value of the are based payments was made in reference to the fair value of the shares at time of settlement ($0.006) with a total fair value of $300 which was expensed.

NOTE 12 - EARNINGS PER SHARE

		CONSOLIDATED ENTITY 30 June 2021 $	CONSOLIDATED ENTITY 30 June 2020 $
(a)	Reconciliation of Earnings to Net Loss:		
	Net Loss for the year	**(6,919,302)**	(2,949,536)
	Earnings used in the calculation of basic EPS	**(6,919,302)**	(2,949,536)
	Earnings used in the calculation of diluted EPS	**(6,919,302)**	(2,949,536)
(b)	Weighted average number of ordinary shares outstanding during the year used in the calculation of basic EPS.	**597,606,938**	597,606,938
	Adjustment for calculation of diluted earnings per share	**-**	-
	Weighted average number of ordinary shares outstanding during the year used in the calculation of diluted EPS.	**597,606,938**	597,606,938
	Basic and diluted loss per share (cents per share)	**(1.16)**	(0.49)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

NOTE 13 - CASH FLOW INFORMATION

Reconciliation of net cash used in operating activities to loss after income tax:	CONSOLIDATED ENTITY 30 June 2021 $	30 June 2020 $
Loss after income tax	**(6,919,302)**	(2,949,536)
Add/(less) non-cash items:		
Depreciation and amortisation	**82,773**	338,014
Gain on sale of property, plant and equipment assets	**-**	14,804
Loss on lease modification due to surrender	**(6,695)**	24,483
Impairment expense	**1,662,567**	1,223
Adjustment for changes in assets and liabilities		
Inventories	**153,765**	363,055
Performance guarantee bonds	**-**	147,909
Prepayments	**243,216**	(300,000)
Trade and other receivables	**3,167**	(9,117)
Trade and other payables*	**7,491**	(9,304)
Employee provisions	**17,763**	(504,532)
Restoration provision	**862,877**	(72,769)
Net cash used in operating activities	**(3,892,378)**	**(2,955,770)**

*Trade and other payables amount is exclusive of the movement in payables attributable to deferred exploration expenditure, which has been incorporated into Cash Flows from Investment Activities.

NOTE 14 - CAPITAL AND LEASING COMMITMENTS

Work Programme Commitments

As at 30 June 2021, the work programme commitments for ATP 594 for the preceding year have been reduced to nil because the tenement has expired.

The total commitments for work programmes for ATP 855/ATP 594 is as follows:

Exploration expenditure commitments		
• not later than 1 year	**4,000,000**	10,450,000
• later than one year but not later than five years	-	-
	4,000,000	**10,450,000**

If any of the above expenditures are not met within the life of the tenement then the Department of Mines and Energy (QLD) / the Department of Primary Industries (VIC) will require the permit to be forfeited without liability.

NOTE 15 - JOINT ARRANGEMENTS AND MINING TENEMENTS HELD

The following is a list of active mining tenements held by Icon Energy Ltd and its subsidiaries.

Oil and Gas	Basin	Interest % 30 June 2021	Interest % 30 June 2020
ATP 594P*	Cooper Eromanga	**100.00%**	100.00%
ATP 855P	Cooper Eromanga	**100.00%**	100.00%
PRL's 35, 37, 38, 41, 43, 44, 45, 48 and 49 **	Cooper Eromanga	**33.33%**	33.33%
PEP 170	Gippsland	**100.00%**	100.00%
PEP 172 ***	Gippsland	**100.00%**	100.00%
PEP 173 ***	Gippsland	**100.00%**	100.00%

* ATP 594 expired on 16 April 2021 and is in the process of being relinquished
** Formerly PEL 218 (Post Permian Section).
*** Permit to be granted

Interests in joint operations are accounted for by including the Group's portion of assets, liabilities, revenue and expenses. Information relating to joint operations that are material to the Consolidated Entity are set out below:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

NOTE 15 - JOINT ARRANGEMENTS AND MINING TENEMENTS HELD (Continued)

	NOTE	CONSOLIDATED ENTITY 30 June 2021 $	30 June 2020 $
NON-CURRENT ASSETS			
Exploration and evaluation expenditure at cost	7	**-**	1,647,937
Total non current assets		**-**	**1,647,937**
Share of total assets in joint arrangements		**-**	**1,647,937**

NOTE 16 - CONTROLLED ENTITIES

Parent entity:	Country of Incorporation	Date of Incorporation	% Owned 30 June 2021	30 June 2020
Icon Energy Limited	Australia			
Subsidiaries of Icon Energy Limited:				
Jakabar Pty Ltd	Australia	18 Dec 1992	**-**	100
Icon Drilling Pty Ltd	Australia	18 Nov 1994	**100**	100

During the year ended 30 June 2021, the Consolidated Entity deregistered its subsidiary Jakabar Pty Ltd. During the year ended 30 June 2020, the Consolidated Entity deregistered its subsidiary Icon Gas Productions Pty Ltd.

NOTE 17 - SEGMENT INFORMATION

The Consolidated Entity operates in a single business segment, being the oil and gas exploration and petroleum resources, predominantly within Queensland. This activity is conducted in the Cooper/Eromanga and Surat Basins in Australia, a single geographical segment. This is consistent with reporting to Icon's Board of Directors that reviews internal management reports on at least a monthly basis.

	Consolidated Entity 30 June 2021 $	30 June 2020 $
Revenue		
Total segment revenue	**-**	-
Segment loss before income tax	**(6,919,302)**	(2,949,536)
Interest income	**13,067**	100,889
Finance cost	**(7,823)**	(32,995)
Government grant income (COVID-19 cash flow boost)	**50,000**	50,000
Other Income	**10,000**	2,047
Depreciation and amortisation of segment assets	**(82,773)**	(338,014)
Gain on sale of non-current assets	**-**	18,850
Impairment of Assets	**(5,807,557)**	(14,276)
Segment Assets	**6,468,336**	12,493,327
Segment Liabilities	**4,692,467**	3,798,155
Other segment information		
Acquisition of non-current segment assets	**2,600**	7,012

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

NOTE 18 - FINANCIAL INSTRUMENTS

Financial instruments comprise of the following:	NOTE	CONSOLIDATED ENTITY 30 June 2021 $	CONSOLIDATED ENTITY 30 June 2020 $
Financial Assets			
Cash and cash equivalents	5	**1,581,687**	5,541,122
Performance guarantee bonds		**756,220**	756,220
Amortised cost			
- Trade and other receivables		**22,806**	25,972
Financial Liabilities			
Held at amortised cost			
- Trade and other payables		**138,680**	131,188

The carrying values of financial assets and financial liabilities held at amortised cost approximate their fair value.

The Consolidated Entity's financial instruments consist mainly of deposits with banks, short-term investments, accounts receivable and payable. No financial assets are pledged as collateral for liabilities.

The main purpose of non-derivative financial instruments is to raise finance for the Consolidated Entity's operations.

The Consolidated Entity does not have any derivative instruments at 30 June 2021 (30 June 2020: Nil).

Significant Accounting Policies

Details of significant accounting policies and methods adopted, including the criteria for recognition, the basis for measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 23 to the financial statements.

Capital Risk Management

The Consolidated Entity manages its capital to ensure that it will be able to continue as a going concern and provide optimal return to shareholders through the optimisation of the debt and equity balance.

The capital structure of the Consolidated Entity consists of cash and cash equivalents and equity comprising issued capital, net of reserves and accumulated losses as disclosed in notes 5 and 10 respectively.

The board of directors review the capital structure on a regular basis. As a part of the review the board considers the cost of capital and the risks associated with each class of capital.

The Consolidated Entity's overall strategy remains unchanged from 2020.

Financial Risk Management

The main risks the Consolidated Entity is exposed to through its financial assets and liabilities are credit risk, liquidity risk and market risk.

Risk management is carried out by the board of directors, the audit and risk management committee, and key management personnel.

(a) Market Risk

The Consolidated Entity's risk management program focuses on the unpredictability of the financial markets and seeks to minimise the potential adverse effects of the financial performance of the Consolidated Entity, by way of various measures detailed below. The Group does not carry any significant currency or price risk.

Interest rate risk

The Consolidated Entity's interest rate risk arises mainly from the term deposits and cash and cash equivalents.The Consolidated Entity does not have any borrowing facilities.

The Consolidated Entity does not use long-term debt to finance its exploration activities.The Consolidated Entity has a policy that if production operations commence in Australia, the interest rate risk will be managed with a mixture of fixed and floating rate debt.

The Consolidated Entity's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on those financial assets and financial liabilities, is as follows:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

NOTE 18 - FINANCIAL INSTRUMENTS (Continued)

Consolidated Entity		Weighted Average Interest Rate %	Floating Interest $	Fixed Interest Rate Maturing Within 1 year $	1 to 5 years $	Non interest bearing $	Total $
30 June 2021	**NOTE**						
Financial assets							
Cash and cash equivalents	**5**	**0.01%**	**1,581,146**	**-**	**-**	**541**	**1,581,688**
Trade and other receivables		**-**	**-**	**-**	**-**	**22,805**	**22,805**
Performance guarantee bonds		**0.20%**	**738,148**	**-**	**-**	**18,072**	**756,220**
Total Financial Assets			**2,319,294**	**-**	**-**	**41,418**	**2,360,712**
Financial liabilities							
Trade and other payables		**-**	**-**	**-**	**-**	**138,680**	**138,680**
Total Financial Liabilities			**-**	**-**	**-**	**138,680**	**138,680**
Consolidated Entity							
30 June 2020							
Financial assets							
Cash and cash equivalents	5	0.54%	5,540,275	-	-	847	5,541,122
Trade and other receivables		-	-	-	-	25,972	25,972
Performance guarantee bonds		0.76%	738,148	-	-	18,072	756,220
Total Financial Assets			6,278,423	-	-	44,891	6,323,314
Financial liabilities							
Trade and other payables		-	-	-	-	131,188	131,188
Total Financial Liabilities			-	-	-	131,188	131,188

Cash flow sensitivity analysis for variable rate instruments

The sensitivity analyses have been determined based on the exposure of the Consolidated Entity to variable interest rates for non-derivative financial instruments at the reporting date at the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period. A 0.5% increase or decrease is used when reporting interest rates internally to the board of directors and represents management's assessment of the possible change in interest rates.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

NOTE 18 - FINANCIAL INSTRUMENTS (Continued)

At 30 June 2021, if the interest rates had increased / decreased by 0.5% from the period-end rates with all other variables held constant, post-tax profit for the year for the Consolidated Entity would have been $12,615 higher/$12,731 lower (30 June 2020: $27,239 higher/$24,896 lower), mainly as a result of the Consolidated Entity's exposure to interest rates on its variable rate cash and cash equivalents.

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Consolidated Entity. The Consolidated Entity enters into legally binding contracts and management monitors the progress of these contracts in accordance with contract values, as a means of mitigating the risk from financial loss.

The Consolidated Entity does not have any significant credit risk exposure to any single counterparty of any group of counterparties having similar characteristics. The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represents the Consolidated Entity's maximum exposure to credit risk without taking account of the value of any collateral obtained.

(c) Liquidity risk

Liquidity risk arises from the financial liabilities of the Consolidated Entity and its subsequent ability to meet its obligations to repay their financial liabilities as and when they fall due.

Ultimate responsibility for liquidity risk rests with the board of directors, who have an appropriate liquidity risk management framework for the management of the Consolidated Entity's short, medium and long-term funding and liquidity requirements.

The Consolidated Entity manages liquidity risk by monitoring forecast and actual cash flows, matching the maturity profiles of the financial assets and liabilities and entering into contracts in accordance with an approved Authority for Expenditure.

The following are contractual maturities of financial liabilities:

	Carrying Amount $	Contractual Cashflows $	<1Year $	1-5 Years $
30 June 2021				
Trade and other payables	**138,680**	**138,680**	**138,680**	**-**
Lease liability	**123,470**	**123,470**	**75,973**	**47,497**
	262,150	**262,150**	**214,653**	**47,497**
30 June 2020				
Trade and other payables	131,188	131,188	131,188	-
Lease liability	117,290	117,290	72,570	44,720
	248,478	**248,478**	**203,758**	**44,720**

The Consolidated Entity's liquidity risk relating to financial liabilities at 30 June 2021 is limited to the repayment of the trade payables and lease liability. Trade payables are short-term in nature. The Consolidated Entity does not finance exploration activities through debt.

Fair value estimation

The carrying values less provision for impairment of financial assets and financial liabilities of the Consolidated Entity, as stated in the Consolidated Statement of Financial Position and accompanying explanatory notes at 30 June 2021, are a reasonable approximation of their fair values due to the short-term nature of the instruments.

No financial assets and financial liabilities are traded in active markets.

NOTE 19 - RELATED PARTY TRANSACTIONS

- Interests in subsidiaries are disclosed in note 16.
- Transactions with Directors and Director Related Entities are disclosed in note 4.
- There were no other related party transactions during the year ended 30 June 2021 or 30 June 2020.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

NOTE 20 - CONTINGENT LIABILITIES

There are no contingent liabilties as at 30 June 2021 (30 June 2020: Nil).

NOTE 21 - EVENTS AFTER BALANCE DATE

On 29 September 2021, the Company made a placement to sophisticated investors of 60,000,000 ordinary shares at an issue price of $0.01 per share raising $600,000. The Company applied for the quotation of the shares on the ASX.

Otherwise there are no other after balance sheet date events at the date of signing (30 June 2020: Nil).

NOTE 22 - PARENT ENTITY INFORMATION

The accounting policies of the parent entity, which have been applied in determining the financial information shown below, are the same as those applied in the consolidated financial statements. Refer to Note 23 for a summary of the significant accounting policies relating to the Consolidated Entity.

Financial position

	30 June 2021 $	30 June 2020 $
Assets		
Current assets	**1,619,204**	5,978,833
Non-current assets	**4,807,061**	6,472,469
Total assets	**6,426,265**	**12,451,302**
Liabilities		
Current liabilities	**291,256**	262,599
Non-current liabilities	**4,401,212**	3,535,557
Total liabilities	**4,692,468**	**3,798,155**
Net Assets	**1,733,797**	**8,653,145**
Equity		
Issued capital	**101,985,050**	101,985,050
Accumulated losses	**(100,251,253)**	(93,331,904)
Total equity	**1,733,797**	**8,653,145**
Financial performance		
Loss for the year	**(6,919,348)**	(2,905,395)
Other comprehensive income	**-**	-
Total comprehensive income	**(6,919,348)**	**(2,905,395)**
Guarantees entered into by the parent entity in relation to the debts of its subsidiaries		
Carrying amount included in current liabilities	**-**	**-**

Contingent liabilities of the parent entity

There are no contingent assets at the date of this report that require disclosure. Contingent liabilties are disclosed in note 20.

The parent entity did not have any contractual commitments for the acquisition of property, plant or equipment as at 30 June 2021 or 30 June 2020.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

NOTE 23 - STATEMENT OF ACCOUNTING POLICIES

The following is a summary of the material accounting policies adopted by the Consolidated Entity in the preparation of the financial statements. The accounting policies have been consistently applied unless otherwise stated.

(a) Changes in Accounting Policies

Standards and Interpretations adopted

The Consolidated Entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. None of these have had a material impact on Consolidate Entity's financial statements.

The following Accounting Standards and Interpretations are most relevant to the Consolidated Entity:

Conceptual Framework for Financial Reporting (Conceptual Framework)

The Consolidated Entity has adopted the revised Conceptual Framework from 1 July 2020. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards, but it has not had a material impact on the Consolidated Entity's financial statements.

Standards and Interpretations issued but not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2021 reporting periods. Some of them are available for early adoption at 30 June 2021, but have not been applied in preparing this financial report. The Consolidated Entity has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Reference	Application date of standard	Impact on Group financial report	Application start date for the Group
AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current	1 January 2022	This standard amends AASB 101 *Presentation of Financial Statements* to: • Clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period • Specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability • Explain that rights are in existence if covenants are complied with at the end of the reporting period • Introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services. The impact of application of this Amending Standard that it will have on the Group's consolidated financial statements has not yet been assessed.	30 June 2023
AASB 2021-2 Amendments to AASB 7, AASB 101, AASB 134 Interim Financial Reporting and AASB Practice Statement 2 Making Materiality Judgements– Disclosure of Accounting Policies	1 January 2023	This standard amends AASB 101 *Presentation of Financial Statements* and requires the disclosure of ***material*** accounting policy information, instead of ***significant*** accounting policies.	30 June 2024

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

NOTE 23 - STATEMENT OF ACCOUNTING POLICIES (Continued)

(b) Principles of Consolidation

A controlled entity is any entity controlled by Icon Energy Limited. Control exists where Icon Energy Limited is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. A list of controlled entities is contained in Note 16 to the accounts. All controlled entities have a June financial year end.

All inter-company balances and transactions between entities in the Consolidated Entity, including any unrealised profits or losses, have been eliminated on consolidation.

Where controlled entities have entered or left the Consolidated Entity during the year, their operating results have been included from the date control was obtained or until the date control ceased.

(c) Critical accounting estimates and judgments

The directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

The resulting accounting estimates may not equal the related actual results. The estimates, assumptions and judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Exploration and evaluation expenditure

The application of the Group's policy for exploration and evaluation discussed in Note 23(g) requires management to make certain estimates and assumptions as to future events and circumstances. Any such estimates and assumptions may change as new information becomes available.

Exploration and evaluation expenditure is assessed for impairment in line with AASB 6 *Exploration for and Evaluation of Mineral Resources*. When the circumstances suggest that the carrying amount of an exploration and evaluation expenditure asset may exceed its recoverable amount, the Group measures any impairment loss and discloses it in the consolidated statement of profit or loss and other comprehensive income. To make the judgement the Group involves independent valuation experts that determine the value as disclosed in note 7. There is therefore the risk that actual values realised may be materially different to those disclosed in these financial statements.

Restoration provision

The Consolidated Entity assesses its future liabilities in relation to the restoration costs which include the removal of facilities, abandonment of wells and restoration of affected areas. The estimate of future restoration costs is done at the time of installation of the assets. In most instances, removal of assets occurs many years into the future. Therefore, management is required to make judgments regarding the removal date, future environmental legislation, the extent of restoration activities and future removal technologies. Refer to note 9 for key assumptions.

(d) Income Tax

Income tax comprises current and deferred tax.

Current tax is the expected tax payable/(receivable) on the taxable income or loss for the year, calculated using applicable income tax rates enacted, or substantively enacted, as at the reporting date. Current tax liabilities/(assets) are therefore measured at the amounts expected to be paid to/(recovered from) the relevant taxation authority.

Deferred income tax expense/(benefit) reflects movements in deferred tax asset and deferred tax liability balances during the period as well as unused tax losses.

Current and deferred income tax expense/(benefit) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

NOTE 23 - STATEMENT OF ACCOUNTING POLICIES (Continued)

(d) Income Tax (Continued)

Where temporary differences exist in relation to investments in subsidiaries, branches, associates and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

Tax Consolidation

Icon Energy Limited ("Head entity") and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under tax consolidation legislation. Each entity in the Group recognises its own current and deferred tax assets and liabilities. Such taxes are measured using the ‘stand-alone taxpayer’ approach to allocation. Current tax liabilities/(assets) and deferred tax assets arising from unused tax losses and tax credits in the subsidiaries are immediately transferred to the head entity. The Group notified the Tax Office that it had formed an income tax consolidated group to apply from 1 July 2008.

(e) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred by a purchaser is not recoverable from the taxation authority. Under these circumstances, the GST is recognised as part of the cost of acquisition of an asset or as part of an item of expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Consolidated Statement of Financial Position.

Cash flows are included in the Consolidated Statement of Cash Flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(f) Property, Plant, and Equipment

Property, plant and equipment are brought to account at cost less, where applicable, any accumulated depreciation and accumulated impairment losses. The carrying amount of property, plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the asset's employment and subsequent disposal.

The depreciable amount of all property, plant and equipment including capitalised leased assets, but excluding freehold land, are depreciated over their useful lives using the diminishing method commencing from the time the asset is held ready for use. Leasehold improvements are amortised over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements. Depreciation rates and methods are reviewed annually and, if necessary, adjustments are made.

The depreciation rates used for each class of depreciable asset are:

Class of Asset	Depreciation Rate
Plant and equipment	20 – 40%
Leasehold improvements	50%
Right-of-use asset	50%

The gain or loss on disposal of all property, plant and equipment is determined as the difference between the carrying amount of the asset at the time of disposal and the proceeds of disposal, and is included in operating profit before income tax in the year of disposal.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

NOTE 23 - STATEMENT OF ACCOUNTING POLICIES (Continued)

(g) Exploration, Evaluation and Development Expenditure

Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of an area or sale of the respective area of interest or where activities in the area have not yet reached a stage which permits a reasonable assessment of the existence of economically recoverable reserves and active and significant operations in, or in relation to, the area of interest are continuing.

Accumulated costs in relation to an abandoned area are written off in full in profit or loss in the year in which the decision to abandon the area is made.

When commercial production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest. For the purposes of impairment testing, exploration and evaluation assets are allocated to cash-generating units to which the exploration activity relates. The cash-generating unit shall not be larger than the area of interest.

(h) Interests in Joint Arrangements

Investments in joint arrangements are classified as either joint operations or joint ventures. The classification of joint arrangements is determined based on the contractual rights and obligations of parties to the joint arrangements rather than the legal structure of joint arrangement. The entity has only joint operations.

Joint Operations

The Consolidated Entity has interests in joint arrangements that are joint operations. As a joint operator, the Consolidated Entity recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These are included in the respective items of the Consolidated Statement of Profit or Loss and Other Comprehensive Income and the Consolidated Statement of Financial Position.

The entity accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the AASBs applicable to the particular assets, liabilities, revenues and expenses.

(i) Trade Creditors

A liability is recorded for the goods and services received prior to balance date, whether invoiced to the Group or not that remain unpaid. Trade creditors are normally settled within 30 days.

(j) Cash and Cash Equivalents

Cash and cash equivalents in the Consolidated Statement of Financial Position comprise cash at bank and in hand and short-term deposits with an original maturity of 3 months or less that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value.

For the purpose of the Consolidated Statements of Cash Flows, cash and cash equivalents include cash and cash equivalents as above, net of outstanding bank overdrafts.

(k) Provisions

Provisions for make good obligations are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as finance cost in profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

NOTE 23 - STATEMENT OF ACCOUNTING POLICIES (Continued)

(k) Provisions (Continued)

Restoration provision

The Group recognises a restoration provision to meet all future obligations for the restoration of petroleum assets when the petroleum assets are abandoned. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with clauses of the mining permits. The liability for restoration is discounted to present value and capitalised as part of the exploration expenditure of an area of interest and revised at the end of each reporting period through profit or loss. The periodic unwinding of the discount is recognised in profit or loss as part of finance costs.

Changes in the estimates of restoration costs are dealt with prospectively by recognising an adjustment to the restoration liability and a corresponding adjustment to the asset to which it relates. If any reduction in the restoration liability exceeds the carrying amount of that asset, any excess is recognised in profit or loss. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly, the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

(l) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker. The Chief Operating Decision Maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors.

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are regularly reviewed by the Board of Directors to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Board of Directors include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly of office expenses, and income tax assets and liabilities.

Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment, and intangible assets other than goodwill.

(m) Comparative Figures

Where required by Accounting Standards, comparative figures have been adjusted to conform with changes in presentation for the current financial year.

(n) Financial Instruments

Recognition

Financial instruments are initially measured at fair value at settlement date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Financial assets

AASB 9 contains three principal classification categories for financial assets: measured at amortised cost, Fair Value through Other Comprehensive Income (FVOCI) and Fair Value Through Profit or Loss (FVTPL). The classification of financial assets under AASB 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

The Group's loans and receivables are classified as amortised cost.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

NOTE 23 - STATEMENT OF ACCOUNTING POLICIES (Continued)

(n) Financial Instruments (Continued)

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

– it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
– its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial liabilities
Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Impairment

Financial assets
AASB 9 uses an ‘expected credit loss’ (ECL) model. The impairment model applies to financial assets measured at amortised cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

(o) Impairment of Non-Financial Assets

At each reporting date, the directors review the carrying values of its non-financial assets which include exploration, evaluation and development expenditures and property, plant and equipment, to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset’s fair value less costs to sell and value in use, is compared to the asset’s carrying value. Any excess of the asset’s carrying value over its recoverable amount is expensed and included in profit or loss.

Where it is not possible to estimate the recoverable amount of an individual asset, the Consolidated Entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(p) Foreign Currency Transactions and Balances

Functional and presentation currency
The functional currency of each of the controlled entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity’s functional and presentation currency.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

NOTE 23 - STATEMENT OF ACCOUNTING POLICIES (Continued)

(q) Inventories

Inventories are valued at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Cost comprises direct materials and delivery costs, direct labour, import duties and other taxes and an appropriate proportion of variable and fixed overhead expenditure based on normal operating capacity. Costs of purchased inventory are determined after deducting rebates and discounts received or receivable. Inventories consist of drilling consumables predominantly chemicals and proppant.

(r) Leases

Leases are recognisd as a right-of-use asset and a corresponding liability.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the Group under residual value guarantees
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the lessee's incremental borrowing rate, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Payments associated with short term leases and leases of low value assets are recognised in profit and loss on a straight-line basis with a lease term of 12 months or less.

ADDITIONAL SHAREHOLDER INFORMATION

On-market buy-back

There is no on-market buy back transactions during 2020-2021 financial year.

Distribution of Shareholdings

The distribution of ordinary shareholders ranked according to size at 13 October 2021 was as follows:

Range	Total Holders	Units	Capital
1 - 1,000	401	58,283	0.01
1,001 - 5,000	1,004	3,301,996	0.50
5,001 - 10,000	779	6,662,961	1.01
10,001 - 100,000	1,944	71,807,331	10.92
Over 100,001	569	575,776,367	87.56
Rounding			-
TOTAL	**4,697**	**657,606,938**	**100.00**

Unmarketable Parcels as at 13 October 2021	Minimum Parcel Size	Holders	Units
Minimum $ 500.00 parcel at $ 0.0120 per unit	41,667	3,515	40,163,898

Voting Rights

All ordinary shares carry one vote per share without restriction.

Twenty Largest Ordinary Shareholders

For the names of the twenty largest holders as at 13 October 2021:

Rank	Name	Shares Held	% of Issued Capital
1	HK PROSPEROUS TECHNOLOGY LIMITED	80,318,393	12.21
2	BNP PARIBAS NOMINEES PTY LTD <LGT BANK AG DRP>	59,835,516	9.10
3	SABA SUPER PTY LTD <SABA SUPERANNUATION FUND A/C>	30,000,000	4.56
4	RAY JAMES	25,038,469	3.81
5	HOWARD LU	16,068,181	2.44
6	MR EDDIE SABA	15,875,378	2.41
7	JIM BAYEH + LILLIANA BAYEH	15,000,000	2.28
7	WILLATON PROPERTIES PTY LTD	15,000,000	2.28
9	MR DANIEL SABA	14,000,000	2.13
10	CITICORP NOMINEES PTY LIMITED	13,485,213	2.05
11	TAIWAN FRUCTOSE CO LTD	9,000,000	1.37
12	SAMBOR TRADING PTY LTD	6,012,256	0.91
13	ICON HOLDINGS PTY LTD <THE K J PAGANIN FAMILY A/C>	6,000,000	0.91
14	JOHN E GILL TRADING PTY LTD	5,861,750	0.89
15	MR ROBERT CAMERON GALBRAITH	5,350,000	0.81
16	CABLEX INDUSTRIES PTY LTD	4,991,332	0.76
17	MR CHIEN HUA LEE	4,500,000	0.68
17	MR DOUGLAS CAMPBELL TIPPING + MRS NEREIDA MARY TIPPING <DC & NM TIPPING S/F A/C>	4,500,000	0.68
19	ALPHA GEM PTY LTD	4,304,581	0.65
20	MR IANAKI SEMERDZIEV	3,741,000	0.57
	Totals: Top 20 holders of FULLY PAID ORDINARY SHARES (TOTAL)	**338,882,069**	**51.53**
	Total Remaining Holders Balance	**318,724,869**	**48.47**

Substantial Holders

Rank	Name	Shares Held	% of Issued Capital
1	HK PROSPEROUS TECHNOLOGY LIMITED	80,318,393	12.21
2	MR EDDIE SABA (HOLDING THROUGH SABA SUPER PTY LTD <SABA SUPERANNUATION FUND A/C>)	45,875,378	6.98
3	MR CHING-TANG LI (HOLDING THROUGH BNP PARIBAS NOMINEES PTY LTD <LGT BANK AG DRP>)	39,347,341	5.98
	Totals: Substantial holders of FULLY PAID ORDINARY SHARES	**165,541,112**	**25.17**