

2015 ANNUAL REPORT

Icon Energy Limited (ASX: ICN) advises that the Company's **2015 Annual Report** was dispatched to Shareholders today.

Icon Energy releases to Shareholders, its current **Corporate Governance Statement** as found on pages 16-24 in the **2015 Annual Report** and **Appendix 4G**.

The 2015 Annual Report, including the Corporate Governance Statement and Appendix 4G, are attached and can also be found on the Company's website at www.iconenergy.com

A handwritten signature in blue ink, appearing to read "K Jih".

Dr Kevin Jih
Executive Director / CFO / Company Secretary
Icon Energy Limited

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energy

ANNUAL REPORT 2015
ICON ENERGY LIMITED





NOTICE OF ANNUAL GENERAL MEETING

Icon Energy Limited
2015 Annual General Meeting

Wednesday, 25 November 2015 at 11.00am

**The Arts Centre Gold Coast,
Lakeside Terrace,
135 Bundall Road,
Surfers Paradise, Queensland 4217**

Competent Persons Statement

The information on unconventional contingent and prospective resources in this Annual Report was reviewed by Mr Martin Berry who is a full time employee of Icon Energy Limited and has consented to the inclusion of this information in the form and context in which it appears. Mr Berry is a Fellow of the Geological Society of London and a Member of the American Association of Petroleum Geologists.

*Front Cover:
On location at ATP 855, Condor Energy Services Limited stimulation equipment.*

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CHAIRMAN'S REVIEW

The past year has been a very frustrating year for Icon's Directors, management, staff and shareholders. During the year, Icon enjoyed success in the Stage 1 research and development programme in ATP 855 and finished the year with a healthy cash balance in the bank of \$13.75 million. The cash balance ensures that Icon will be able to fund its share of the research and development expenses in ATP 855 and exploration activity in other tenements over the next year. This is a financial position not enjoyed by many small oil and gas explorers.

Those successes however have been overwhelmed by the collapse of the oil price in early 2015, which in turn has led to a rapid decline of the share prices of energy companies, including Icon's. It also led to decisions by many oil and gas companies to slash their capital expenditure and hence make significant reductions in exploration and research activities. Two such companies were our joint venturers in ATP 855, namely Chevron and Beach Energy. The collapse of the oil prices led to the decision by Chevron to withdraw from ATP 855 as part of its world-wide reduction of Capex on exploration activities after a decline in Chevron's world-wide earnings.

The ATP 855 Joint Venture drilled a total of six wells, with five wells stimulated and tested for up to six months. All six wells were gas discoveries. Keppel-1 was not tested

due to technical issues concerning pressure and temperature management and remains suspended for future evaluation. The drilling and testing of the wells represented core experimental activities trialling techniques designed to acquire key data and establish flow characteristics of the various horizons.

In the 2015 year, the new contractor Condor Energy Services assembled new modern stimulation equipment in the USA which was used successfully to stimulate four of the wells. These wells, Hervey-1, Geoffrey-1, Redland-1 and ETTY-1 were all located in areas where the gas bearing sediments behaved with a wide variety of responses which yielded valuable knowledge and understanding of the methods used. The analysis of the results has led to a greater understanding of the basin centred gas accumulation in the Eastern Nappamerri Trough in the Cooper Basin.

In March 2015, DeGolyer and MacNaughton provided Beach and Icon with an update on the Contingent Resources in ATP 855, with a 2C Contingent Resource estimate of 1.57 TCF.¹ The 2C Contingent Resources were estimated over an area of between 6,500 acres and 13,000 acres around each of the five wells tested, depending on the particular formation, out of a total area of the ATP 855 permit of 414,000 acres.

¹ The following notes and statements are relevant to these Contingent and Prospective Resource estimates:

Icon's equity share of the abovementioned resources is 35.1 %;

· The resource estimates were evaluated in accordance with the Petroleum Resources Management System (**PRMS**);

· Probabilistic estimates have been made for each target formation and these have been statistically aggregated;

· Icon confirms that it is not aware of any new information or data that materially affects the information included in the announcements released on 19 June 2014 and 27 March 2015 and that all the material assumptions and technical parameters underpinning the estimates in the announcements continue to apply and have not materially changed.



Pictured: Mr Stephen Barry, Chairman and Non-Executive Director of Icon Energy Limited.

In June 2014, DeGolyer and MacNaughton provided Beach and Icon with a report on the Gross Unconventional Prospective Natural Gas Resources over the entire area of ATP 855, with a most likely (P50) Prospective Gas Resource of 28.49 TCF.

The Stage 2 program could raise the 2C Contingent Resource to the category of 2P Reserves. This would require demonstration of commercial flow rates, an infrastructure development plan and market contract for the gas. On 26 June 2015, Icon extended the Gas Sales Agreement with Shantou Sino Energy Co Ltd until 30 June 2018. This time frame is now our best estimate for reaching the 2 TCF reserve estimate needed to satisfy Icon's primary contract condition. Stage 2 of the research and development program, subject to Joint Venture approval, will be aimed at progressing towards confirming gas commerciality.

At the end of the 2015 financial year, Icon was in a strong cash position to go forward with Stage 2. Beach Energy has advised that prior to commencing a Stage 2 work programme, a new farmin partner is required to replace Chevron. Icon retains its 35.1% working interest in the ATP 855 Joint Venture.

On 28 February, Icon announced that it intended to undertake an on-market share buy-back (**Buy-back**) over the next 12 months of up to 10% of Icon ordinary

shares on issue (ie up to 61.9 million shares). The Buy-back provided Icon with an opportunity to strengthen the Company's capital position at a cyclical low point in the resources market and also demonstrates the Board's strong belief in the underlying value of the Company's assets. Burrell Stockbroking is acting as the transaction broker in relation to the Buy-back and a total of 16,207,299 shares purchased under the Buy-back have subsequently been cancelled.

Elsewhere in the Cooper Basin, Icon has revived a suspended permit area in ATP 594. The permit is located on the highly prospective eastern flank of the Cooper Basin which has been lightly explored in past years. This eastern flank of the Basin contains the Jackson Oilfield, which is the largest oil discovery in Queensland. The significant Kenmore and Bodalla South oilfields lie just to the east of ATP 594. Oil production from the area is a light diesel like crude which is refined in the Eromanga township and diesel distributed from there by IOR Energy Pty Ltd. A refining market exists in the area with the refinery capacity only 55% utilised. The Department of Natural Resources and Mines has renewed the ATP 594 permit for an initial period of four years but with opportunity to apply for renewals of up to a total of twelve years.

3D seismic acquisition is planned in Stage 1 exploration for ATP 594. This is anticipated in late 2015, depending on

availability of equipment, monsoon weather conditions and permitting.

In Victoria, Icon's Gippsland tenements comprise PEP 170 which has been awarded to Icon and also PEP 172 and PEP 173, both of which are pending. That acreage remains suspended due to the extended Moratorium on drilling oil and gas wells in Victoria. A commission has been conducting a review of the issues surrounding the Moratorium. A report is to be handed down to the Victorian Government in November 2015.

Icon must wait until the Victorian Government deliberates on the review and decides how future exploration is to be conducted. In the meantime Icon has prepared several independent reports on the Gippsland onshore area to satisfy part of the Government requirements for permit holders' work plans. Exploration which requires an extensive research and development programme will remain suspended until a clear path forward is established.

Icon remains fully compliant with the laws and

regulations in all Petroleum exploration operations in Queensland, Victoria and South Australia.

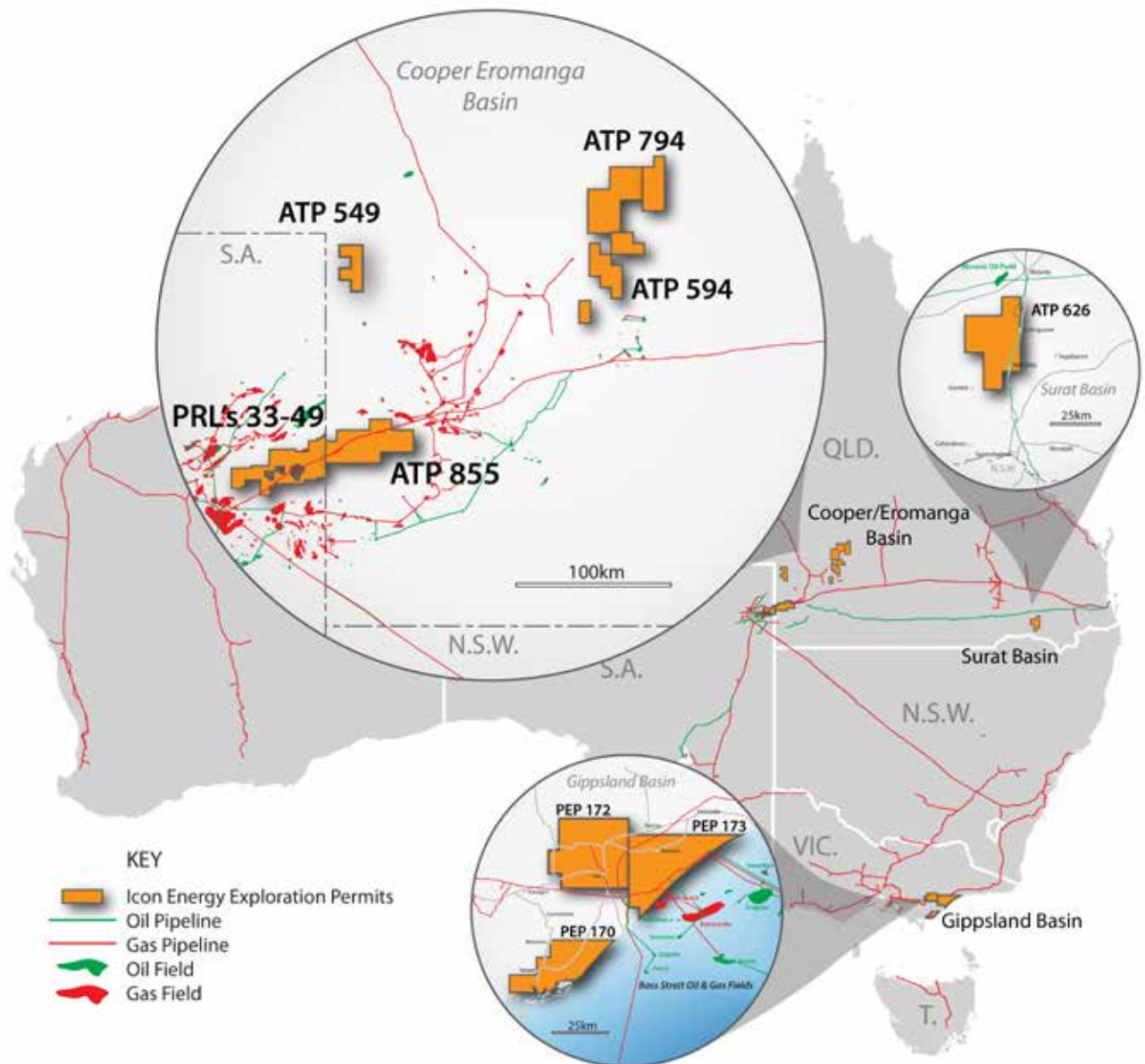
Icon would like to thank the Icon staff specialists who were active participants in the ATP 855 research programme and their expert contribution is acknowledged. The Directors wish to thank our management team and all staff for the work done by them during the last year.

As to the future, Icon has the financial resources and the determination of its management and staff to continue to prove up the resources in its tenements, in order to add value for our shareholders. We have faith in our vision for the future and look forward to success. We hope to reward your loyalty.



S M Barry
Chairman

ICON ENERGY LIMITED PERMIT ACREAGE



| Basin | Permit | Block | State | Operator | Area sq/km | % Int. |
|-------------------------|-----------|----------------------|-------|--------------|------------|--------|
| Cooper/ Eromanga | ATP 594 | | QLD | Icon Energy | 1,230 | 100.00 |
| | ATP 855 | | QLD | Beach Energy | 1,679 | 35.10 |
| | ATP 549 W | West | QLD | Drillsearch | 463 | 33.33 |
| | ATP 794 R | Regleigh | QLD | Icon Energy | 697 | 60.00 |
| | ATP 794 S | Springfield | QLD | Icon Energy | 1,548 | 60.00 |
| | PRL 33-49 | Post-Premian Section | SA | Beach Energy | 1,601 | 33.33 |
| Surat | ATP 626 | | QLD | Icon Energy | 758 | 100.00 |
| Gippsland | PEP 170 | | VIC | Icon Energy | 805 | 100.00 |
| | PEP 172* | | VIC | Icon Energy | 1,312 | 100.00 |
| | PEP 173* | | VIC | Icon Energy | 1,223 | 100.00 |

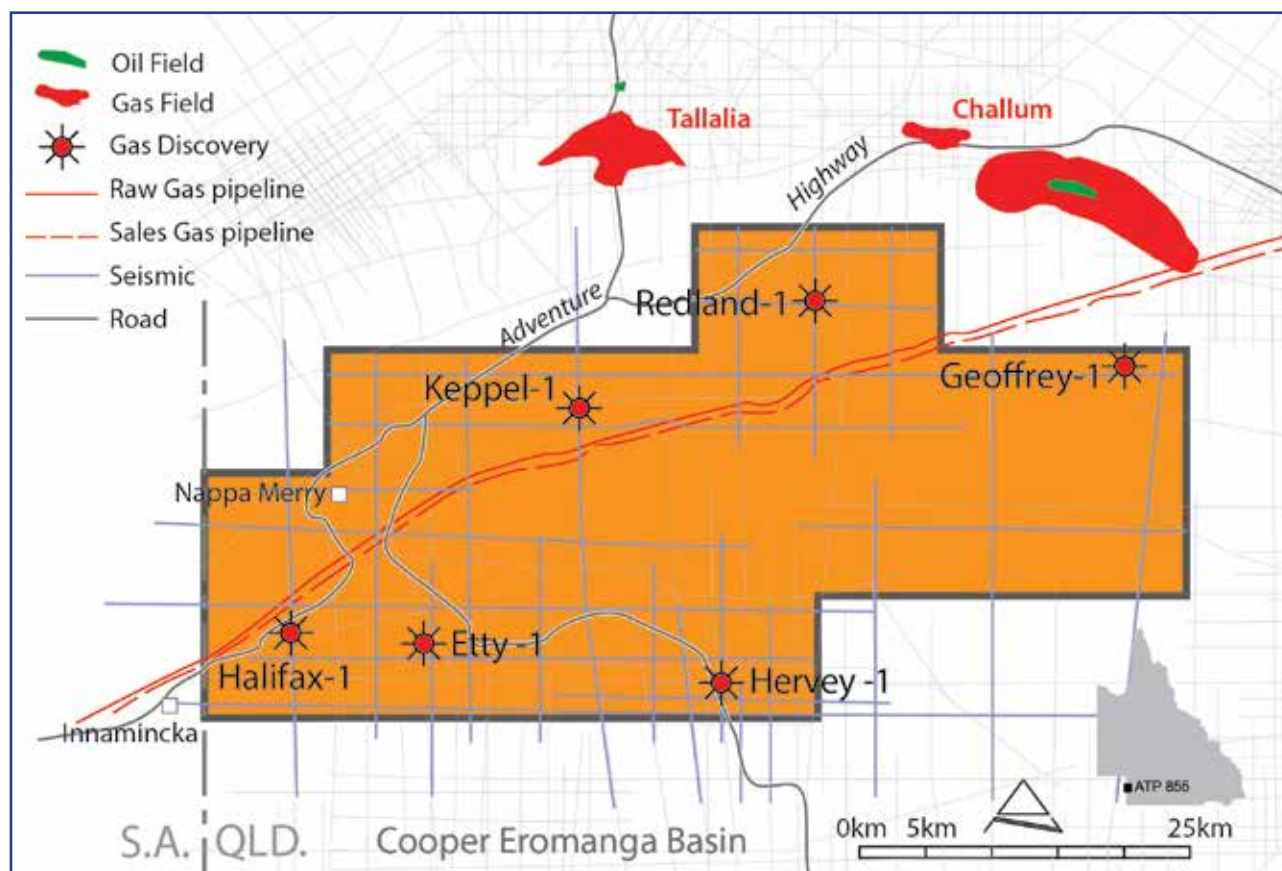
* Under Application



OPERATIONS REPORT

ATP 855 COOPER BASIN, QUEENSLAND

Icon Energy holds 35.1% equity in ATP 855 covering 414,000 acres and is located on the Queensland and South Australia border. The current interests in ATP 855 are Beach Energy (**Operator**) 64.9% and Icon Energy 35.1%.



Icon Energy, in conjunction with Beach Energy Limited (Operator) 46.9% and Chevron Australia 18%, continued to build on the excellent results achieved in the 2013-2014 financial year, during which the Joint Venture (**JV**) drilled five wells; Keppel-1, Hervey-1, Geoffrey-1, Redland-1 and Etty-1 following on from Halifax-1 well drilled the previous year. All wells drilled were reported as Petroleum Discoveries having exhibited good gas shows, confirming the continuation of the basin-centred gas play in the Nappamerri Trough, in Queensland, with ATP 855 containing the deepest sections of the Trough.

During the year a multi-well stimulation campaign using Condor Energy Services Ltd was carried out on four wells, Hervey-1, Geoffrey-1, Redland-1 and Etty-1. Key target reservoirs were identified for specific zone fracture stimulation and flow testing in each well. These tests were aimed at gathering information on the contribution from individual target zones, which represented only a proportion of each well's capability.

The campaign commenced at Hervey-1 on 15 September 2014 with the hydraulic stimulation of five zones; one in the Patchawarra Formation, one in the Daralingie Formation and three in the Toolachee Formation.

Hervey-1 was opened to flow on 22 October 2014 and by 29 October the well was flowing at a rate of 0.6MMscf/d with 335psi wellhead pressure through a 22/64" choke. The extended flow test was completed on 28 November 2014 after the flow rate had reduced to 0.2MMscf/d through a 40/64" choke and wellhead pressure of 27psi, and the well was shut in on pressure build up.

Results from Hervey-1 support the working hypothesis that these shallower zones are not as over-pressured in the south easterly part of ATP 855. The component parts of the gas at Hervey-1 were measured at 69% methane and 31% CO₂.

The hydraulic stimulation program at Etty-1 commenced on 11 October 2014 with one zone in the Daralingie Formation and three zones in the Toolachee Formation.

Etty-1 was subsequently put on extended flow test from 28 October 2014 with the well reaching a gas flow rate of 0.9MMscf/d and declining to 0.7MMscf/d over a period of 77 days, demonstrating excellent flow characteristics and better than forecast decline rates. Total flow during this period was 57 million standard cubic feet of gas with a measured methane content of 70% and CO₂ content of 30%.

Test results confirmed that at least 93% of the gas flow was being produced from the single interval stimulation in the Daralingie Formation. This new play has earmarked Etty-1 as a priority target for further appraisal (subject to Joint Venture approval). Etty-1 was shut in on 15 January 2015 on pressure build up.

The hydraulic stimulation at Redland-1 commenced on 28 October 2014 with three zones stimulated in the Toolachee Formation. However, a mechanical issue in the Redland-1 wellbore has prevented the Joint Venture from assessing the deliverability of these zones. The well has now been shut in.

The fracture stimulation program at Geoffrey-1 commenced on 12 November 2014 with four zones in the Patchawarra Formation and one zone in the Epsilon Formation.

Extended flow testing began on 7 December 2014 with Geoffrey-1 reaching a peak flow rate of 1.1MMscf/d via a 12/64" choke and a wellhead pressure of 3,058psi. Gas analysis was measured with a methane content of 75% and CO₂ content of 25%.

The hydraulic stimulation and testing program achieved its objective of obtaining diagnostic gas flows and decline rates from specific formations within the Permian sequence.

Summary of ATP 855 Drilling, Stimulation and Testing Results

| Well | Halifax-1 | Keppel-1 | Hervey-1 | Etty-1 | Redland-1 | Geoffrey-1 |
|----------------------------------------|------------------------------------------------------------------------------------------|------------------------------------|---------------------------------|---------------------------------------------------------------------------|---------------------------------------------------------|-----------------------------------------------------------------------------|
| Total Depth | 4,267m | 3,898m | 4,269m | 3,807m | 3,804m | 4,125m |
| Gas Shows | Yes | Yes | Yes | Yes | Yes | Yes |
| Stimulation stages | 14 | N/A | 5 | 4 | 3 | 5 |
| Max. flow rate | 4.5MMscf/d | Flowed gas to surface unstimulated | Flow rate of 0.6MMscf/d | Flow rate of 0.9MMscf/d primarily from a single stage | Flow rate of 0.1MMscf/d | 1.1MMscf/d |
| 2C Contingent Resources (gross) | Halifax-1, Hervey-1, Etty-1, Redland-1 and Geoffrey-1 1,572 Bcf | | | | | |
| Comments | Highest gas flow rate from unconventional shale gas and tight sands well in Cooper Basin | Flowed gas to surface unstimulated | Initial flow rate from 5 stages | Initial flow rate show 93% of gas primarily from the Daralingie Formation | Mechanical issues prevented on going extended flow test | Flow rate heavily choked back at 12/64" with well head pressure of 3,058psi |

On 27 March 2015 Icon announced that Beach Energy Limited, in its capacity as Operator of the ATP 855 Joint Venture, had engaged DeGolyer and MacNaughton, a well-respected and qualified international petroleum reserve and resource evaluation company, to undertake an update and provide a report on the Contingent Resources estimated in ATP 855. This report was an update of the report on Contingent Resources estimated in the areas around the Halifax-1 well prepared by DeGolyer and MacNaughton in 2013, results of which were announced by Icon Energy on 26 August 2013.

The report prepared by the consultants in respect of the estimated Contingent Resources attributable to ATP 855 had been disclosed by Beach Energy to Icon Energy, and the estimated Contingent Resources as at 31 December 2014 are as follows:

| Gross Contingent Resources¹ | | |
|-----------------------------------------------|-----------------|-----------------|
| 1C (Bcf) | 2C (Bcf) | 3C (Bcf) |
| 343 | 1,572 | 5,841 |

¹Contingent resources are those quantities of wet gas (produced gas minus carbon dioxide) that are potentially recoverable from known accumulations but which are not considered to be commercially recoverable due to the need for additional delineation drilling, further validation of deliverability and Original Hydrocarbon in Place (OHIP), and confirmation of prices and development costs. This is based on a statistical aggregation method using Monte Carlo simulation estimates for each formation.

Icon Energy's interest in the Contingent Resources is 35.1%.

The Contingent Resource estimate was evaluated in accordance with the Petroleum Resources Management System (**PRMS**) (March 2007).

DeGolyer and MacNaughton evaluated the well results from recent activities in ETTY-1, Hervey-1, Redland-1 and Geoffrey-1 as well as the historical results from Halifax-1. The consultant's utilised core, log and flow test data from the target intervals in these wells to determine whether a significant quantity of potentially moveable hydrocarbons had been penetrated, which is a key requirement for a discovery under PRMS. The results of this work showed that the flow rates from all of these wells passed the discovery test.

In the report, DeGolyer and MacNaughton stated, "when compared to the flow rates for Halifax-1 (ASX Release 26 August 2013), the flow rates for the most recent wells (ETTY-1, Hervey-1, Redland-1 and Geoffrey-1) appear much lower and this can be attributed to a reduced number of hydraulic stimulations in the wells and a conservative choke strategy implemented during the most recent flow-testing".

As a result of this work, DeGolyer and MacNaughton have estimated that the 1C Recoverable Gross Contingent Resource (as at 31 December 2014) in ATP 855 has increased by 25 Bcf, from 318 Bcf to 343 Bcf, the 2C Recoverable Gross Contingent Resource has increased by 943 Bcf, from 629 Bcf to 1,572 Bcf and the 3C Recoverable Gross Contingent Resource has increased by 4,726 Bcf, from 1,115 Bcf to 5,841 Bcf.

Gas In Place was estimated using the volumetric method and applying a statistical distribution to the parameters including recovery factor. These probabilistic estimates have been made for each target formation and these have been statistically aggregated. The key contingencies include the need for longer flow tests to confirm expected ultimate recovery with certainty, optimization of future well costs, Gas Sales Agreements and connection to production facilities.

The size of the area chosen for the assignment of Contingent Resources was based on guidance from PRMS, which indicates that a low estimate (**1C**) of area should consist of two to three well spacings surrounding the discovery well, a best estimate (**2C**) of area should be two to three well spacings beyond this, and a high estimate (**3C**) of area should be another two to three well spacings beyond this. Well spacings vary between 80 acres and 160

acres dependent on the well type applied to address the particular resource. As a result, the 2C resources were estimated over an area of between 6,500 acres and 13,000 acres around each of the five wells tested, depending on the particular formation. The total area of the ATP 855 permit is approximately 414,000 acres.

On 27 March 2015 Icon announced that Chevron Exploration Australia 1 Pty Ltd (**Chevron**) would not be participating in Stage 2 in ATP 855 in Queensland. The equity interests in ATP 855 following this decision are Beach Energy 64.9% and Icon Energy 35.1% (unchanged).

Chevron advised Icon that the extensive technical evaluation that the Joint Venture carried out has confirmed a large gas resource and the potential for further appraisal and development. However, at the time, the opportunity did not align strategically with Chevron's global exploration and development portfolio.

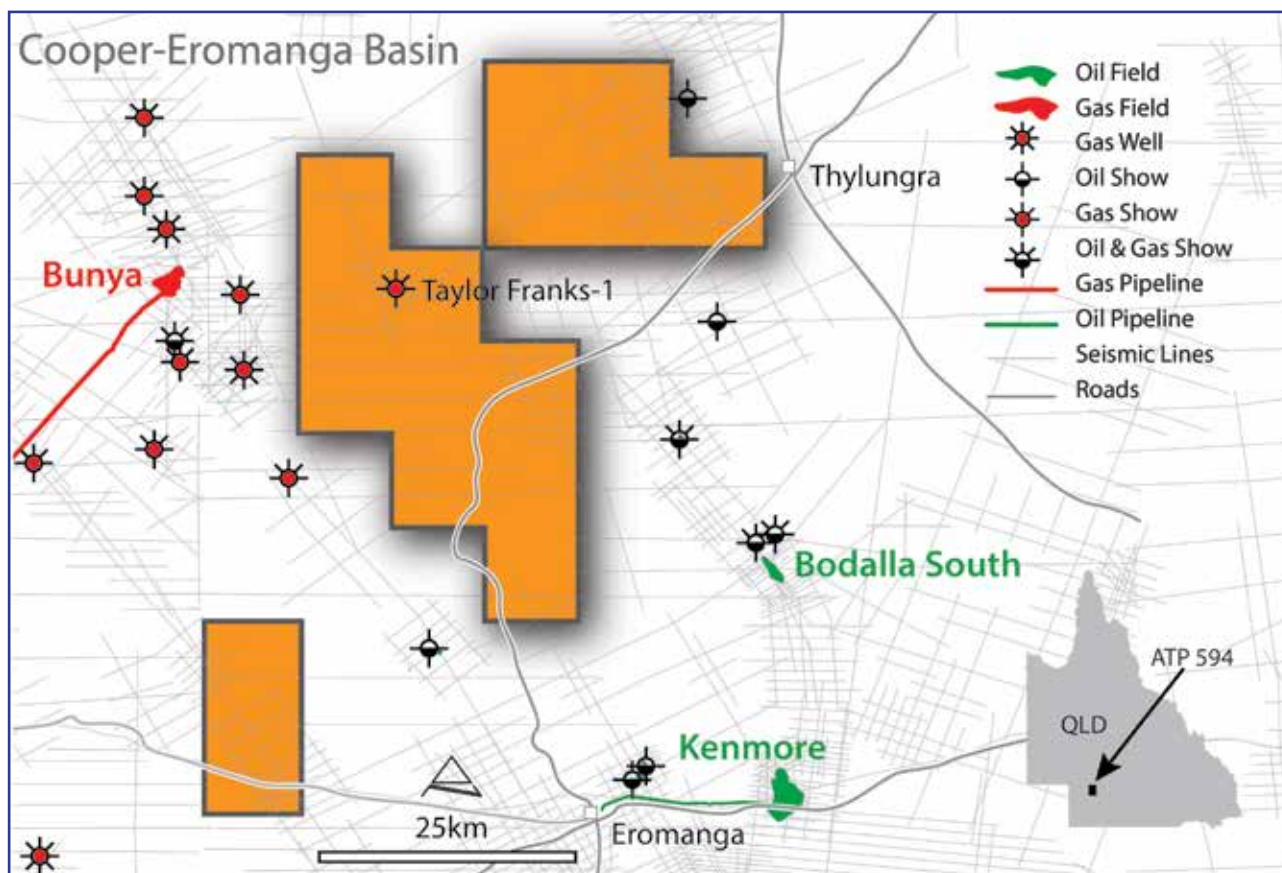
However, the Stage 1 program achieved all the exploration and technical objectives that were set by the Joint Venture partners. This included flowing natural gas from four wells, achieving the highest flow rate of 4.5 MMscf/d from a shale gas well (Halifax-1) in the Cooper Basin, having six Petroleum Discoveries in ATP 855 and identifying a significant natural gas resource within the Permian formations of the Nappamerri Trough.

The Joint Venture will now prepare a work program for the next phase of activity, which will work towards further defining the resource potential and ultimately progress the project towards commerciality.

Qualified Petroleum Resource Evaluator Requirements

The information in this Annual Report relates to Contingent Resources and is based on information compiled by Mr Martin Berry, Exploration Manager and full time employee at Icon Energy Limited. The Contingent Resources referred to in this Annual Report are taken from an independent report by DeGolyer and MacNaughton, a qualified international petroleum reserve and resource evaluation company. Mr Berry is a Qualified Petroleum Reserves and Resources Evaluator, a Fellow of the Geological Society of London and a Member of the American Association of Petroleum Geologists. Mr Berry has over 35 years' experience in the Petroleum Industry including sufficient experience that is relevant to the company's Reserves and Resources to qualify as a Reserves and Resources Evaluator as defined in the ASX Listing Rules. Mr Berry consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

ATP 594 COOPER/EROMANGA BASIN, QUEENSLAND



ATP 594 is located approximately 140 kilometres west of Quilpie in the Cooper-Eromanga Basin. The tenement covers three separate areas consisting of a total area of 1,230 km².

Following transfer by the Department of Natural Resources and Mines (**DNRM**) of the outstanding 50% interest in the tenement to Icon Energy in September 2014, Icon relinquished four blocks in the tenement as was required by Government regulation for renewal of the permit. This took effect on 12 March 2015 and the permit now consists of 16 blocks.

Icon submitted a Standard Application for an Environmental Authority for ATP 594 to the Department of Environment and Heritage Protection (**DEHP**). The application was approved on 25 March 2014 under Permit Number EPSX03049115.

Icon representatives met with the Boonthamurra and DNRM representatives on 7 April 2015 and the key agreements being Section 31 RTN Agreement, the Ancillary Agreement and Cultural Heritage Management Agreement were all successfully agreed and subsequently signed.

On 15 May 2015 Icon Energy announced the renewal of ATP 594 by the DNRM with a grant date of 17 April 2015. The current approved term of ATP 594 is for 4 years, with an opportunity to apply for a renewal at the end of the 4 year time period. A further renewal after 8 years is also an option, which if granted would make up the maximum term allowable for an ATP of 12 years.

The areas immediately adjacent to ATP 594 are resource rich in oil and gas. Several wells have been drilled in the proximity of ATP 594, mainly targeting conventional oil and gas, many with hydrocarbon shows. There are several oil fields to the southeast of the tenement, including the Kenmore and Bodalla South oilfields.

Icon Energy has conducted a preliminary technical evaluation and review of prospectivity of the permit which has included a review of the well data within ATP 594 and the adjacent tenements including formation tops, formation thickness, reservoir quality, source rock quality and maturity, migration and timing of generated hydrocarbons. ATP 594 is well positioned on the eastern flank of the Cooper Basin and is considered to be prospective for hydrocarbons; however, the permit is under-explored and has experienced a 17 year hiatus in exploration activity.

This review has provided focus for the first stage of exploration to be conducted within ATP 594, which is planned to involve the acquisition of 3D seismic and the drilling of one well.

The recent success on the Western flank of the Cooper Basin can be attributed to a combination of an improved understanding of the geology and enhanced definition of the sub-surface structure which was achieved with the application of 3D seismic acquisition. This led to better well placement and therefore improved the chance of success. Icon is hoping to emulate that success in ATP 594.

ATP 626 SURAT BASIN, QUEENSLAND

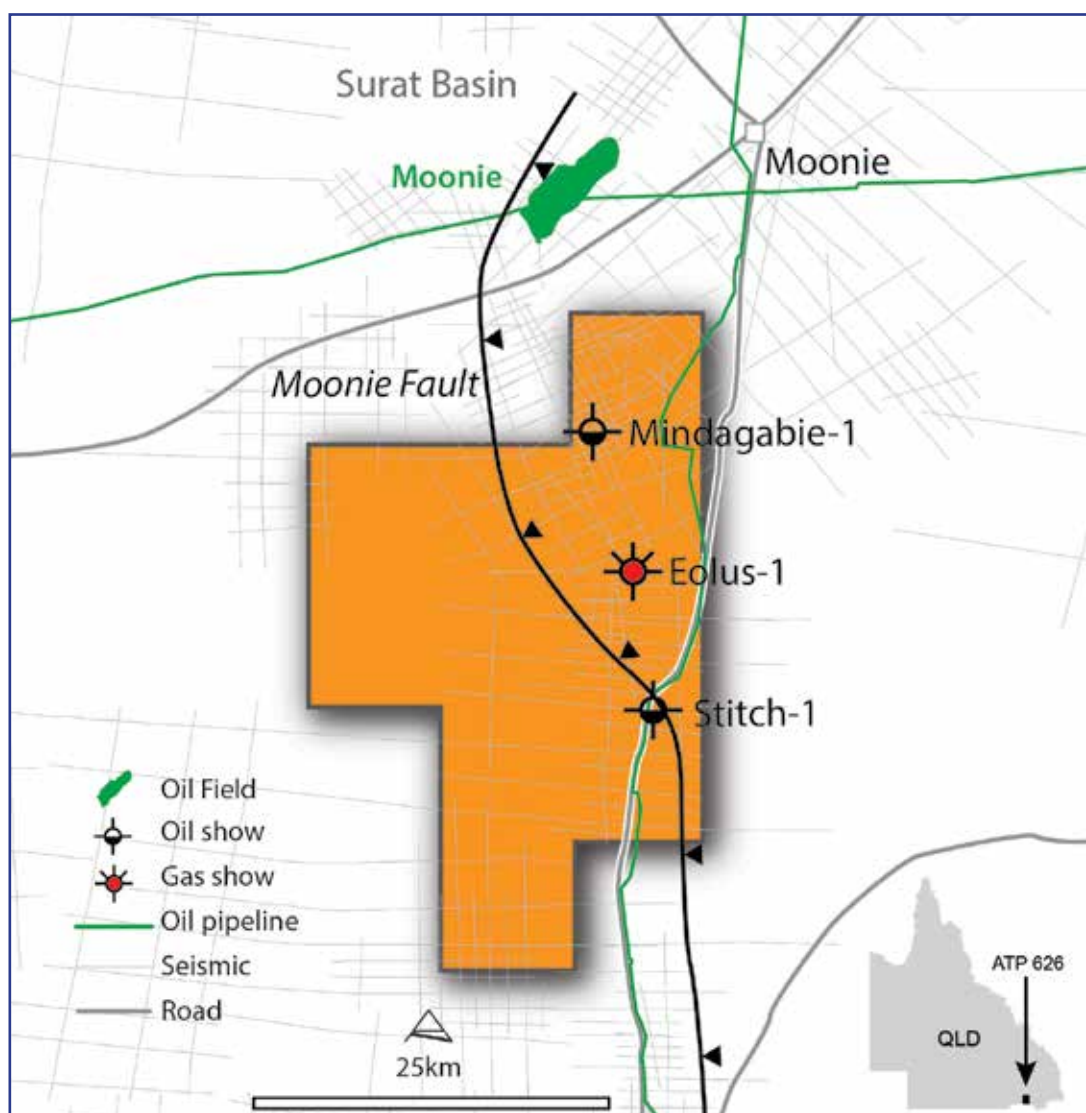
ATP 626 is located approximately 40 km north of Goondiwindi and 350 km west of Brisbane in the Surat Basin.

Following relinquishment of 20 sub-blocks in June 2014, Icon Energy has completed a thorough technical review of the remaining prospectivity within the permit.

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

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

Icon has a 100% interest in ATP 626.



SUSTAINABILITY REPORT



SUSTAINABILITY

At Icon Energy sustainable planning, practice and outcomes are paramount. We develop and operate systems and processes that lead to healthy, safe work practice and an ecologically sound environment. At Icon we are very proud of our record of zero Health, Safety and Environment incidents.

This group commitment to sustainability has led to business alliances that facilitate the conduct of sustainable operations. Whether that be aligning with a joint venture partner to develop the most sustainable and innovative exploration program or through talent sourced in the local community.

In the Surat Basin, local farmer and earthworks contractor, Jack Savill has been working with Icon Energy for the past seven years, completing all civil and rehabilitation works, and now is contracted as Icon Energy's routine monitor of the three remaining wells in ATP 626. Jack Savill is trained in all Icon Energy safety procedures, is fully compliant with the requirements of the *Petroleum and Gas (Production and Safety) Act 2004* Qld and as such is an accredited contractor with the Company.

ENVIRONMENT

We believe positive environmental performance is essential to our business success. An integral part of our business strategy is to minimise our effect on the natural environment and social surroundings for the benefit of current and future generations.

In the Surat Basin in Queensland, during September 2014 Icon Energy completed the rehabilitation for two-thirds of the original permit area in ATP 626. All environmental pre checks, routine monitoring and post rehabilitation work was compiled in the Rehabilitation Report which was accepted by the Department of Environment and Heritage Protection (**DEHP**). Subsequently, on 23 September 2014 a new approved Environmental Authority was granted for the remaining portion of ATP 626.

In the Cooper Basin, an in-field audit was conducted in ATP 855 during November 2014. The assessment was conducted against the ATP 855 Environmental Authority (**EA**) which included the inspection of a total of six well sites and two accommodation camps. The audit observed a high level of compliance with the EA.

In March 2015, DEHP approved the Environmental Authority for ATP 594 in the Cooper Basin in readiness for the

program of works to commence in the permit in the final quarter of 2015.

Icon Energy is committed to minimise the impact of our environmental footprint in all our activities and undertakings. We plan and conduct operations responsibly, and the environment is returned to its original/natural setting post exploration and development. Our activities are stringently controlled and often exceed regulatory requirements.

STAKEHOLDERS

Icon Energy's community engagement is focused on maintaining long-term, collaborative and trusting relationships amongst the communities in which we operate. At all stages of each project, we promote clear, accessible and transparent lines of communication to key stakeholders.

At Icon Energy our fundamental principle is to conduct our business through respectful and responsible partnerships. Within a six month period, Icon Energy successfully negotiated a Right to Negotiate and Cultural Heritage Agreement with the Boonthamurra applicants for ATP 594.

Over the last twenty years, Icon Energy has negotiated Right to Negotiate, Cultural Heritage and Indigenous Land Use Agreements with traditional owners in South Australia, Queensland and Victoria in the Cooper, Eromanga, Surat and Gippsland Basins. We have an excellent ongoing relationship with Native Title Holders, Cultural Heritage Officers and Service Providers alike.

We ensure that traditional owners of land are involved and consulted from the outset of program planning, to cultural heritage surveys, reporting and mitigation.

HEALTH AND SAFETY

Icon Energy cares about the health, safety and wellbeing of its employees, contractors and the community in which we operate.

In ATP 855, stringent Health and Safety requirements make it mandatory that all people onsite, whether working or visiting the field, must complete a suite of Icon Energy, Santos and Beach induction programs.

The Company's ethos is that it will not operate unless it can operate safely.



CORPORATE GOVERNANCE STATEMENT

SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

This statement outlines Icon Energy's Corporate Governance practices that were in place during the financial year.

ROLE OF THE BOARD

The Board of Directors of Icon Energy is responsible for the overall corporate governance of the group and oversees the Company's business and management for the benefit of shareholders and sets out to achieve this objective by:

- Establishing corporate governance and ethical standards;
- Maximising shareholder value by setting objectives and goals;
- Appointing and where appropriate, removing the Managing Director and monitoring the Managing Director's performance;
- Appointing and where appropriate, removing the Company Secretary and monitoring and holding to account through the direct monitoring of the Company Secretary's performance;
- Reviewing and ratifying systems of risk management and internal control, codes of conduct and legal compliance;
- Reviewing and ensuring the appropriate composition of the Board;
- Approving and monitoring the progress of major capital expenditure, capital management and acquisitions and divestitures; and
- Approving and monitoring financial and other reporting.

The Board has specifically reserved for its decision, the following matters:

- The appointment of the Managing Director;
- Approval of the structure of the direct reports to the Managing Director;
- Approval of the overall strategy;
- Approval of annual budgets of the business;
- Delegation of authority; and
- Formal determinations that are required by Icon Energy's

constitutional documents, by statute or by other external regulation.

The Board maintains the right to make changes to the matters reserved for its decision, subject to the limitations imposed by the constitutional documents and the law.

In particular, the Board has given authority to the Managing Director to achieve the corporate objectives. The Managing Director has the right to make decisions and take actions which, in the Managing Director's judgment, are reasonable and are within the authority given by the Board. The Managing Director continues to be responsible to the Board for the delegated authority and for the performance of the business. The Board monitors the decisions and actions of the Managing Director to ensure that progress is being made towards the corporate objectives, within the authority it has delegated. The Board also oversees the performance of the Company through its Board Committees.

The Managing Director is required to report on progress being made by the Company to the Board and key stakeholders. The Board and its Committees determine the nature and form of information required from the Managing Director, employees or external parties, including the external auditor. Openness and trust are encouraged between individual members of the Board and the Managing Director and other employees. This allows Directors to achieve a better understanding of the business.

ROLE OF MANAGEMENT

Through the Managing Director, the Board has delegated the following key functions to Senior Executives:

- The recommendation of Icon Energy's business, operational and corporate strategy to the Board for approval and following their approval, implementation;
- The day to day responsibility for complying with all laws and regulations relevant to Icon Energy's operations and business activities;
- The achievement of the corporate objectives set by the Board;
- The development and implementation of the Company's policies and procedures (including risk management and internal control processes); and
- The engagement of suitable staff and contractors so as to effectively discharge the Company's obligations and various strategic, operational and business objectives.

BOARD COMPOSITION

The principles applied to the composition of the Board are:

- Due diligence conducted prior to the appointment of each Director has ensured that the Company's Board is comprised of Directors who have a broad cross-section of experience in the petroleum exploration/production industry both in Australia and overseas, have general management and business development experience or legal or financial experience;
- The expertise of the Board encompasses the establishment of management strategy and monitoring achievement of these strategies;
- The Chairman of the Board is a Non-Executive Director. The Chairman has the casting vote in all Board decisions;
- The Board comprises of a majority of Non-Executive Directors. Currently the Board comprises four Non-Executive Directors and two Executive Directors;
- If a Board vacancy exists or where the Board considers that an additional Director is required, that appointment would be made from persons who possess the appropriate expertise, skills and sufficient time as determined by the Board. The Remuneration, Nominations and Succession Committee reviews the composition of the Board on a regular basis and conducts a skills gap analysis as part of the exercise to ensure the Board has the right balance of requisite skills and experience;
- In accordance with ASX listing rules and individual Director Service Agreements with the Company, no Director, except the Managing Director, shall hold office for a period in excess of three years, or past the third Annual General Meeting following the Director's appointment, whichever is the longer, without submitting themselves for re-election. At every Annual General Meeting one third of the Directors, or if their number is not a multiple of three, then the number nearest to but not exceeding one third shall retire from office and be eligible for re-election. All relevant information in relation to the re-election of a Director to be determined at an Annual General Meeting is set out in the Notice of Meeting and Explanatory Statements for all shareholders;
- In accordance with the Constitution of the Company the Board comprises of at least three Directors; and
- All Company Directors are members and participate in information sessions through the Australian Institute of Company Directors.

A copy of the Company's Board Charter and the Role of Management can be found in the Corporate Governance Section of the Company's website.

INDEPENDENCE OF NON-EXECUTIVE DIRECTORS

The Board considers an Independent Director to be a Non-Executive Director who meets the criteria for independence included in the Australian Securities Exchange's (**ASX**) Corporate Governance Council's Corporate Governance Principles and Recommendations (**ASX Principles**). The Board has determined that Messrs Stephen Barry, Derek Murphy, Howard Lu and Dr Keith Hilless AM meet the definition of an "independent director" as set out in the ASX Principles.

INDEPENDENT PROFESSIONAL ADVICE

The Directors are entitled to seek independent professional advice at the Company's expense if required in the performance of their duties.

The Directors are entitled to direct access to employees and Company advisers as may be required.

BOARD COMMITTEES

Two Committees of the Board have been formed to consider and make recommendations to the Board on important areas of decision making. These Committees are the Audit and Risk Management Committee and the Remuneration, Nominations and Succession Committee. Additional committees may be formed if the Board sees a need for them.

Membership of the two standing Committees is as follows:

Audit and Risk Management Committee

Keith Hilless AM (Chairman) (Non-Executive Director)
Stephen Barry (Non-Executive Director)
Derek Murphy (Non-Executive Director)

Remuneration, Nominations and Succession Committee

Stephen Barry (Chairman) (Non-Executive Director)
Derek Murphy (Non-Executive Director)

BOARD AND COMMITTEE MEMBERS AND MEETINGS

The current Icon Energy Board of Directors consists of four independent Directors and two Executive Directors, the Managing Director and the Chief Financial Officer. The Audit and Risk Management Committee comprises three independent Non-Executive Directors with two members having experience and expertise in financial matters. The

Chairman of the Audit and Risk Committee is Dr Keith Hilless AM an independent Non-Executive Director. The Remuneration, Nominations and Succession Committee consists of two independent Non-Executive Directors due to the small size of the Company. The Company Chairman is also the Chairman of the Remuneration, Nominations and Succession Committee.

Details of the number of Board and Committee meetings held during the reporting period and their attendees are set out in the Directors' Report. In addition, details of the qualifications and experience of each Board and Committee member are set out in the Directors' Report. The period of office held by each Director is also set out in the Directors' Report.

AUDIT AND RISK MANAGEMENT COMMITTEE

The purpose of the Committee is to assist the Board in its oversight of:

- The effectiveness of the systems of financial risk management, governance and internal control;
- The integrity of the Group's financial reporting;
- The integrity of the external audit process, including appointment, performance and independence of the external auditor; and
- Identification of potential risks and the review of the Company's risk management system.

The Committee's role is to report to the Board and provide appropriate advice and recommendations on matters relevant to its Charter in order to facilitate decision making by the Board.

The Audit and Risk Management Committee has in place a formal charter which defines the Committee's function, composition, mode of operation, authority and responsibilities. The Managing Director, Chief Financial Officer and External Auditor are invited to attend Committee meetings, at the discretion of the Committee.

The Committee conducted an annual review of the key identified risks for the Company in the 2014/15 period. The charter of the Audit and Risk Management Committee can be found in the Corporate Governance section on the Company's website.

REMUNERATION, NOMINATIONS AND SUCCESSION COMMITTEE

While larger companies may allocate the responsibilities for remuneration, nominations and succession to separate

committees, the Board has determined that a company of Icon Energy's size is better served by having one Committee with responsibility for all of these functions. The Committee meets at least two to three times a year and in fact, met six times in the reporting year.

The Remuneration, Nominations and Succession Committee reviews and makes recommendations to the Board on the following matters:

- The appointment and performance of the Managing Director;
- The remuneration structure for the Managing Director and other senior employees of the Company;
- The Company's recruitment, retention and termination policies and procedures for Senior Management;
- Staff and Executive incentive schemes;
- Board performance assessment and skills analysis;
- Board and management succession planning; and
- Staff superannuation arrangements.

The charter of the Remuneration, Nomination and Succession Committee can be found in the Corporate Governance Section on the Company's website.

BOARD AND SENIOR EXECUTIVE REMUNERATION

Remuneration levels and terms of employment for Executive Directors and Senior Executives are formalised in individual Service Agreements.

Details of the structure of and amounts paid to Non-Executive Directors, Executive Directors and other Senior Executives are contained in the Remuneration Report which forms part of the Directors' Report. The Remuneration Report also describes the nature of the relationship between the performance of Icon Energy and remuneration paid to Senior Executives.

The Remuneration, Nomination and Succession Committee reviews the Company's remuneration strategy and framework on an annual basis. At the 2010 AGM, the framework and rules for the Company's Performance Rights Plan were approved by shareholders. The Plan framework and rules was renewed and approved by shareholders at the 2014 AGM.

PERFORMANCE EVALUATION

A formal performance evaluation of the Board, each Committee of the Board, the Chairman and individual Directors was undertaken during the reporting period. As part of that review, the Board reviewed its composition and skills set to ensure it has the necessary skills to pursue the Company's strategic objectives.

The Managing Director and Senior Executives participate in annual performance reviews. Performance is measured against key performance indicators relevant to the Company's strategic, operational and business objectives and to each of the Managing Director's and Senior Executive's specific roles.

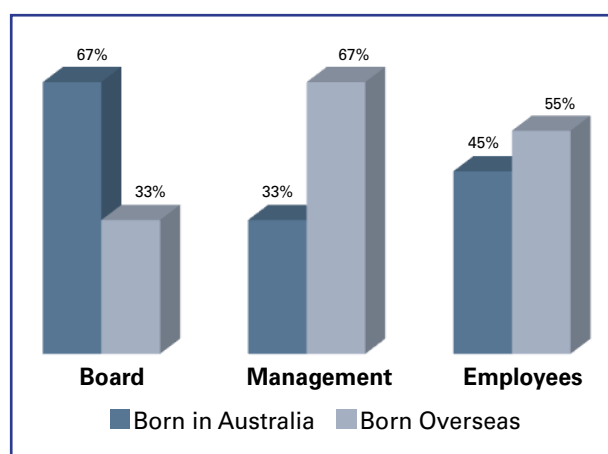
A performance evaluation for the Managing Director and Senior Executives was undertaken for the current reporting period in accordance with the process set by the Remuneration, Nomination and Succession Committee and as approved by the Board.

A summary of the performance evaluation process can be viewed in the Corporate Governance section of the Company's website.

- Our recruitment process is designed to ensure that the best people are chosen for the right positions; and
- We provide learning and development strategies and opportunities to develop skills and experience of employees for career advancement.

Details of the Policy are set out under the Corporate Governance section on the Company's website.

The Diversity Policy includes a commitment to promoting gender diversity each year. The 2014/15 objectives were measured as follows:



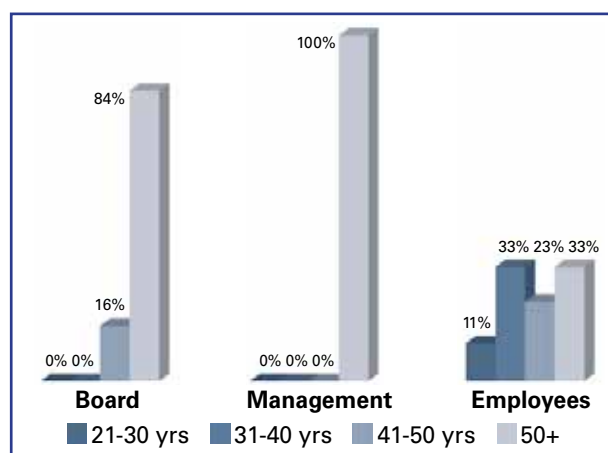
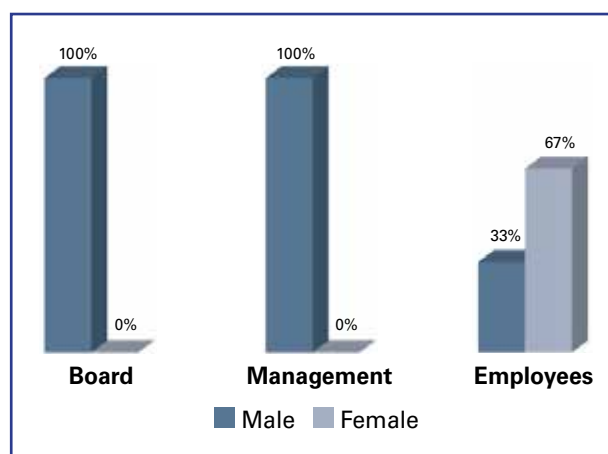
DIVERSITY

A key goal of the Board and Management is to contribute positively to the success of the Company by promoting a high performance culture that draws on the diverse and relevant experience, skills, expertise, perspectives and the unique personal attributes of its Board members and employees. As an employer, we are committed to managing diversity by reflecting our Company values of respect, integrity, honesty and personal commitment in maintaining and valuing the differences a diverse workforce brings.

The Company applies its Diversity Policy to all Icon Energy Limited Directors and employees, including contractors and consultants acting on the Company's behalf. The Policy covers and includes the recruitment and selection process, terms and conditions of employment including pay, promotion, work assignment and training as well as any other aspect of employment.

Key principles of the Policy include:

- We treat all employees, prospective employees, partners, contractors, consultants and suppliers fairly and equally;
- We promote a corporate culture that values diversity and tolerates differences;
- We recruit employees and Directors impartially from a diverse field of suitably qualified candidates;



| 2014 – 2015 Diversity Objectives | Results |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------|
| To support and promote the Company's Diversity Policy | In place |
| To ensure that candidate lists for permanent employee positions are recognisably diverse by age, sex or ethnicity | In place |
| To consider diversity when reviewing Board succession plans with the aim to improve gender representation and diversity | In place |
| To increase the representation of women in senior management roles by ensuring that any interview process includes male and female candidates to be interviewed for a senior executive position | To be achieved. Senior management numbers were reduced and no new senior management positions were available in the 2014-15 year |
| To ensure the voluntary turnover in female employees is no greater than organisation turnover levels | Achieved. Retention of female employees was proportionally higher in the 2014-15 year |

| 2015 – 2016 Diversity Objectives | Results |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|
| To support and promote the Company's Diversity Policy, including, where reasonably practicable, identification of additional suitably qualified external female candidates | In place |
| To ensure that candidate lists for permanent employee positions are recognisably diverse by age, sex or ethnicity | In place |
| To consider diversity when reviewing Board succession plans with the aim to improve gender representation and diversity | In place |
| To increase the representation of women in senior management roles by ensuring that any interview process includes male and female candidates to be interviewed for a senior executive position | To be achieved when positions arise |
| To ensure the voluntary turnover in female employees is no greater than organisation turnover levels | To be achieved |

ETHICAL STANDARDS

The aim of the Company is to ensure that all Directors, managers and employees act with integrity and promote ethical and responsible behaviour which will enhance the reputation and performance of the Group.

The Company has an approved Code of Conduct and Ethics and a Share Trading Policy.

A copy of these Policies and all Corporate Governance information, can be found in the Corporate Governance Section on the Company's website.

- Them to act honestly and with integrity and fairness in all dealings with each other and third parties;
- Compliance with all laws and regulations which govern the group and its operations; and
- Avoidance or management of conflicts of interest.

The Company has a process in place for Directors, employees and third parties to report potential breaches of the Code of Conduct and Ethics.

CODE OF CONDUCT AND ETHICS

The standard of behaviour required of Icon Energy's Directors and employees, as well as of contractors engaged to perform work on behalf of the Company requires:

PRINCIPLES OF CONDUCT

Further general principles of conduct under the Company's Code of Conduct and Ethics, include:

- Ethical and responsible business practices;

- Sustainable development considerations and principles integrated into Company decision making;
- Fostering economic growth and business development, generating government revenue, providing commercial returns to the industry and contributing to the wealth generated by Australia's natural resource base;
- Health, safety, environmental and community risk management strategies that are based on sound science, transparency and effective communication;
- Continuously seeking opportunities to improve health, safety and environmental performance in addressing risks posed by our operations to employees, contractors, the public and the environment;
- Contributing to the conservation of biodiversity and protection of the environment through responsible management of our operations and their impacts;
- Fostering economic and social development of the communities in which we operate;
- Respecting and protecting human rights and dignity at our operations and dealing fairly with employees and others;
- Openly and effectively engaging and reporting with our communities; and
- Directors and Executives of the Company shall notify the Chairman or Managing Director before trading in the Company's shares and shall not trade in the shares other than in accordance with the Company's Share Trading Policy.

TRADING IN THE COMPANY'S SECURITIES BY DIRECTORS AND EMPLOYEES

The Board has a formal Policy regarding trading in the securities of the Company by Directors and employees. The Company's Share Trading Policy provides for specified periods (known as "Trading Windows") in which share trading is permitted and blackout periods when trading is not permitted.

All Icon Energy personnel not in possession of unpublished price-sensitive information may buy, sell or otherwise deal in Icon Energy's securities during Trading Windows which occur in the three week period commencing after:

- The announcement of the half yearly financial results;
- The announcement of the annual financial results;
- The holding of Icon Energy's Annual General Meeting;
- The Company issues a prospectus or a cleansing statement; or

- As the Board otherwise determines.

Under the Policy, Directors and employees who wish to trade in the Company's securities must seek prior clearance in writing from the Chairman (in the case of Directors), the Managing Director (for the Chairman or Secretary) or the Secretary (for other employees). The provisions of the Corporations Act 2001 and the Listing Rules of the ASX require advice to the ASX of any transactions by the Directors in the securities of the Company.

IDENTIFICATION OF SIGNIFICANT BUSINESS RISK

The Board receives comprehensive monthly management reports which enables Directors to identify emerging risk factors and monitor management's response to these risks.

MANAGEMENT OF ENTERPRISE AND OPERATIONAL RISK

The Board has the responsibility for setting the Company's Risk Management Policy.

The Managing Director, in conjunction with senior executives, is responsible for the development, implementation and management of Icon Energy's risk management and internal control framework.

The Managing Director reports to the Board on the management of these functions, including as to the manner in which the Group's material operational and business risks are being effectively managed.

In the 2014 - 2015 financial year, the Company's Audit and Risk Management Committee conducted a review of the Company's risk management framework and register of key risks.

All Company policies and procedures were reviewed and updated where appropriate during the financial year.

Under its charter, the Audit and Risk Management Committee is responsible for:

- Monitoring the establishment and implementation by management of the Company's risk management system;
- Monitoring the effectiveness of the systems of financial risk management, governance and internal control;
- Endorsing a Risk Management Policy which describes the manner in which both risk and the opportunity are identified, assessed, monitored and managed, including how:

- o Significant decisions affecting and changes to the business are subject to risk assessment;
- o Any operational incidents are to be analysed in order to learn from them and successes reviewed in order to repeat them;
- o All acquisitions and divestments of assets are subject to assessment and management;
- o Risks and associated control systems are regularly reviewed; and
- o Performance against risk management plans is monitored and reported upon to the Board.

The Managing Director regularly reports to the Board on the effectiveness of the Company's management of material operational and business risks.

The Board has also received assurance from the Managing Director, Chief Financial Officer and Company Secretary that:

- The declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control; and
- The system is operating effectively in all material aspects in relation to financial reporting risks.

The Company's Enterprise-wide Risk Management Policy which encapsulates the Company's management of material business risks, including economic, environmental, social sustainability and operational risks, can be found in the Corporate Governance section of the Company's website.

CONTINUOUS DISCLOSURE

The Board has in place a Disclosure and Communications Policy that is available under the Corporate Governance section on the Company's website. The Disclosure and Communications Policy defines the legal and regulatory obligations, materiality guidelines and reporting process, and is designed to ensure compliance with the continuous and periodic disclosure obligations under the Corporations Act 2001 and ASX Listing Rules. Responsibility for meeting ASX disclosure requirements and accountability for compliance rests primarily with the Company Secretary.

The Company conducts regular briefings with all staff to ensure they understand the Company's continuous disclosure obligations, and their role in fulfilling them. The Board reviews continuous disclosure matters, if any, at each Board meeting. Copies of Icon Energy Limited's releases to the ASX, investor presentations and Annual Reports are available on the Company's website.

SHAREHOLDER COMMUNICATION

The Disclosure and Communications Policy sets out the manner in which Icon Energy promotes communication with shareholders and other key stakeholders. The Board of Directors ensures that shareholders are fully informed as to any significant Group developments which are generally communicated through:

- Continuous disclosure to the ASX;
- Email broadcast of all ASX announcements to all email alert subscribers from the Company's website;
- The Company's website information updates on all activities;
- Annual reports to shareholders;
- Half-yearly financial reports lodged with the ASX;
- Quarterly reports; and
- Notices of shareholder meetings and explanatory notes.

Copies of the above documents are published on the Company's website: www.iconenergy.com

Shareholders are encouraged to contact the Company's office if they have any questions on the Company's affairs and participate in the Annual General Meeting by attending and asking questions of the Company's Directors. The Company's external auditors attend the Annual General Meeting each year and any securityholder questions are invited by the Chair to be asked at the meeting or after the meeting.

A copy of the Disclosure and Communications Policy can be found in the Corporate Governance section of the Company's website.

ASX CORPORATE GOVERNANCE COUNCIL PRINCIPLES AND RECOMMENDATIONS

The ASX Corporate Governance Council has recognised that its Corporate Governance Principles and Recommendations do not represent a "one size fits all" solution. Icon Energy has considered and, where appropriate, applied the ASX Corporate Governance Recommendations. The following table shows that Icon Energy has adopted all of the ASX Corporate Governance Recommendations with the exception of Recommendation 8.1(a)(1) which recommends that Remuneration Committees comprise at least three members. The Board of Directors has formed the view that it is more practical for a Company the size of Icon Energy to have a Committee of at least two independent Directors rather than three Directors.

2015 CORPORATE GOVERNANCE CHECKLIST

Icon's Corporate Governance Policies conform to the Principles (being those under ASX's 3rd edition of Corporate Governance Principles and Recommendations dated March 2014). A summary of our disclosure against the Principles is set out below:

| Corporate Governance Council Recommendation | Does Icon follow the recommendation? |
|-------------------------------------------------------------------------------------------------------------------|--------------------------------------|
| Principle 1 - Lay solid foundations for management and oversight | |
| 1.1 Disclose roles and responsibilities of board and management | ✓ |
| 1.2 Undertake appropriate checks before appointing or electing a person as director | ✓ |
| 1.3 Written agreement with each Director and Senior Executive | ✓ |
| 1.4 Company Secretary accountable directly to Board | ✓ |
| 1.5 Diversity Policy disclosures reported | ✓ |
| 1.6 Board performance evaluation undertaken | ✓ |
| 1.7 Senior Executive performance evaluation undertaken | ✓ |
| Principle 2 – Structure the board to add value | |
| 2.1 Nomination committee requirements met | X |
| 2.2 Board skills matrix disclosed | ✓ |
| 2.3 Director independence and tenure disclosed | ✓ |
| 2.4 Majority of the Board are independent Directors | ✓ |
| 2.5 Chair of the Board is an independent Director and not the same person as the CEO | ✓ |
| 2.6 Director induction and ongoing training program | ✓ |
| Principle 3 – Act ethically and responsibly | |
| 3.1 Code of conduct available on website | ✓ |
| Principle 4 – Safeguard integrity in corporate reporting | |
| 4.1 Audit committee requirements met | ✓ |
| 4.2 CEO and CFO financial statements declarations received | ✓ |
| 4.3 External auditors attend AGM and available to answer questions from securityholders | ✓ |
| Principle 5 – Make timely and balanced disclosure | |
| 5.1 Continuous Disclosure Policy available on website | ✓ |
| Principle 6 – Respect the rights of securityholders | |
| 6.1 Corporate and governance information available on website | ✓ |
| 6.2 Investor relations program | ✓ |
| 6.3 Processes to facilitate and encourage participation at securityholders meetings | ✓ |
| 6.4 Electronic securityholder communication functionality | ✓ |
| Principle 7 – Recognise and manage risk | |
| 7.1 Risk committee requirements met | ✓ |
| 7.2 Annual review of risk management framework | ✓ |
| 7.3 No internal audit function but internal control processes in place | ✓ |
| 7.4 Disclosure of material exposure to, and management of, economic, environmental and social sustainability risk | ✓ |
| Principle 8 | |
| 8.1 Remuneration committee requirements | X |
| 8.2 Remuneration practices disclosed | ✓ |
| 8.3 Remuneration Policy disclosures regarding equity based remuneration | ✓ |



MR RAYMOND JAMES MANAGING DIRECTOR

Qualifications:

BSc Physics (Geology, Maths) University of NSW, T.C. University of Sydney, FAIM, FAICD

Experience:

Mr Ray James has been the Managing Director of Icon Energy Limited and its subsidiaries since 1993. He is also the President of Icon Oil US LLC a position held since 1999. Ray has over 40 years experience in the petroleum industry in Australia, USA, Indonesia, South East Asia, Middle East and Russia. He worked with Chevron in Perth and Houston from 1969-74 and with Gulf Oil from 1974-80. He was the Managing Director of Australian Hydrocarbons from 1980-81 and the Managing Director of Omega Oil from 1987-91.

Ray was a Director of Australian Petroleum Production & Exploration Association Ltd (APPEA) from 1999-2007 and Vice Chairman of APPEA from 2003-2005.

Ray is a Fellow of the Australian Institute of Management. He is a Fellow of the Australian Institute of Company Directors and Vice Chairman of the Gold Coast Committee. Ray is a member of the Advisory Council of the Griffiths School of Business and Board member of the Gold Coast Waterways Authority.

MR MARTIN BERRY EXPLORATION MANAGER

Qualifications:

BSc Hons (Geology) University of London, FGS, AAPG

Experience:

Mr Martin Berry joined Icon Energy Limited as Exploration Manager in August 2013. Martin has over 30 years' experience in the Petroleum Industry in Australia, North America, Europe and the Middle East. Martin graduated from the University of London in 1975 and began working in the British and Norwegian sectors of the North Sea. In 1983, Martin moved to Australia and worked as a Senior Geologist for Magellan Petroleum and as Consultant Geologist for numerous active exploration companies. Most recently, Martin was employed as Chief Geologist for Celtique Energie Holdings Limited, in London, working on exploration projects in the United Kingdom, France, Switzerland, Germany, Poland, Italy and Romania. Martin has a broad range of technical experience, having worked on exploration and development projects in a variety of sedimentary basins, gaining extensive experience in the evaluation and exploitation of clastic and carbonate reservoirs, CSG, fractured reservoirs and unconventional resource plays. He also has considerable experience in field operations and drilling, including under-balanced drilling technologies. Martin is a Fellow of the Geological Society of London and a member of the American Association of Petroleum Geologists.

DR KEVIN JIH CHIEF FINANCIAL OFFICER AND EXECUTIVE DIRECTOR

Qualifications:

BA, MBA, MAcc, PhD(Bond), CPA, FAIM, FAICD

Experience:

Kevin Jih joined Icon Energy as Deputy Chief Financial Officer in November 2008 and was promoted as Chief Financial Officer in July 2010. Dr Jih was appointed an Executive Director in December 2011 and appointed Company Secretary in May 2015 following an internal restructure of the Company.

Kevin graduated with a Master of Business Administration in 1994 and a Master of Accounting both from Bond University. In 2008 he was awarded a Doctor of Philosophy in Accounting from Bond University. He is a Certified Practising Accountant and has wide experience in the private and public sectors specialising in management accounting, financial accounting, human resource management and corporate governance.

Kevin has held no other Australian listed company directorships during the past three financial years. He is a Fellow of the Australian Institute of Management and the Australian Institute of Company Directors, as well as a member of the CPA Australia.



DR KEVIN JIH

CHIEF FINANCIAL OFFICER AND EXECUTIVE DIRECTOR

Qualifications:

BA, MBA, MAcc, PhD(Bond), CPA, FAIM, FAICD

Experience:

Kevin Jih joined Icon Energy as Deputy Chief Financial Officer in November 2008 and was promoted as Chief Financial Officer in July 2010. Dr Jih was appointed an Executive Director in December 2011 and appointed Company Secretary in May 2015 following an internal restructure of the Company.

Kevin graduated with a Master of Business Administration in 1994 and a Master of Accounting both from Bond University. In 2008 he was awarded a Doctor of Philosophy in Accounting from Bond University. He is a Certified Practising Accountant and has wide experience in the private and public sectors specialising in management accounting, financial accounting, human resource management and corporate governance.

Kevin has held no other Australian listed company directorships during the past three financial years. He is a Fellow of the Australian Institute of Management and the Australian Institute of Company Directors, as well as a member of the CPA Australia.

Director Since: 30 November 2011

DR KEITH HILLESS AM

NON-EXECUTIVE DIRECTOR

Qualifications:

AM, BE (Elec) Qld, DUUniv QUT, FIE Aust, FAIM, FAICD

Experience:

Dr Keith Hilless was appointed to the Board on 3 April 2009 as a Non-Executive Director of Icon Energy Limited. Keith is the Chairman of the Board's Audit and Risk Management Committee. Keith was Electricity Commissioner of the Queensland Electricity Commission (QEC) for a time, CEO of the Queensland Transmission and Supply Corporation (QTSC), responsible for high voltage supply throughout Queensland and for forecasting changes in electricity demand and expanding Queensland's electricity network.

In addition to his corporate experience, Keith is a Doctor of the University QUT. He was also Deputy Chancellor of Queensland University of Technology for a time, is a Member in the General Division - Order of Australia, and is a Fellow of the Institution of Engineers Australia, The Australian Institute of Management and the Australian Institute of Company Directors.

Director Since: 3 April 2009

MR DEREK MURPHY

NON-EXECUTIVE DIRECTOR

Qualifications:

BA, LLB (UQ), LLM (Lond), FAIM, FAICD, FHKIoD, SF Fin

Experience:

Mr Derek Murphy was appointed to the Board on 20 March 2009 as a Non-Executive Director of Icon Energy Limited. Derek is a member of the Board's Remuneration, Nominations and Succession Committee and a member of its Audit and Risk Management Committee. He is a Fellow of the Australian Institute of Management, a Fellow of the Australian Institute of Company Directors, a Fellow of the Hong Kong Institute of Directors and a Senior Fellow of the Financial Services Institute of Australasia.

He was admitted as a Barrister of the Supreme Court of Queensland and the Federal and High Courts of Australia. Before practicing as a Barrister in Brisbane for some years, he was the Queensland partner of ABS White and Company, a Sydney based stock broking firm. During a career spanning 20 years in Hong Kong, he was a Crown Counsel, Deputy Commissioner for Securities and Commodities Trading, Managing Director of what is now HSBC Asset Management, and Group Vice President, Corporate Communications, of First Pacific Company Limited, a publicly listed conglomerate.

Derek is a Non-Executive Director of Hayco Manufacturing Limited, a large manufacturing Company in Hong Kong and China. He is Chairman of the Clem Jones Research Centre for Stem Cell and Tissue Regenerative Therapies at Bond University, and a Member of the Gold Coast Advisory Council at Griffith University. He retired as Chairman of the School Council of The Southport School (TSS) at the end of 2009 after 12 years on Council.

Director Since: 20 March 2009



MR RAYMOND JAMES MANAGING DIRECTOR

Qualifications:

BSc Physics (Geology, Maths) University of NSW, T.C. University of Sydney, FAIM, FAICD

Experience:

Mr Ray James has been the Managing Director of Icon Energy Limited and its subsidiaries since 1993. Ray has over 40 years experience in the petroleum industry in Australia, USA, Indonesia, South East Asia, Middle East and Russia. He worked with Chevron in Perth and Houston from 1969-74 and with Gulf Oil from 1974-80. He was the Managing Director of Australian Hydrocarbons from 1980-81 and the Managing Director of Omega Oil from 1987-91.

Ray was a Director of Australian Petroleum Production & Exploration Association Ltd (APPEA) from 1999-2007 and Vice Chairman of APPEA from 2003-2005.

Ray is a Fellow of the Australian Institute of Management. He is a Fellow of the Australian Institute of Company Directors and Vice Chairman of the Gold Coast Committee. Ray is a member of the Advisory Council of the Griffiths School of Business and Board member of the Gold Coast Waterways Authority.

Director Since: 1 February 1993

MR STEPHEN BARRY NON-EXECUTIVE CHAIRMAN

Qualifications:

LLB University of Sydney, FAICD

Experience:

Stephen Barry has been a Director of Icon Energy Limited since 1993 and was appointed as the Chairman of the Board on 18 December 2008. He is also a member of the Board's Audit and Risk Management Committee.

He is a member and Chairman of the Board's Remuneration Nominations and Succession Committee.

Stephen has been a key player in the development of the strategic direction of the Company. As a practicing solicitor he has extensive experience in joint venture and farmin agreements together with a wealth of knowledge on commercial law and corporate litigation.

Stephen has held no other Australian listed company directorships during the past three financial years. He is a Fellow of the Australian Institute of Company Directors.

Director Since: 5 January 1993

MR HOWARD LU NON-EXECUTIVE DIRECTOR

Experience:

Mr Howard Lu was appointed to the Board on 7 January 2011 as a Non-Executive Director of Icon Energy Limited. Howard is currently the Executive Chairman of a number of Chinese based companies, including Shin Zu Shing Precision Electronic (Suzhou) Co., Ltd, Ningbo Chang Shing Precision Electronic Co. Ltd and Zhi Qun Precision Electronic (Suzhou) Co. Ltd and the Vice Chairman of Qingyuan China Datang Real Estate Development Co., Ltd. He has previously also been the Senior Executive of Shin Zu Shing Co., Ltd.

As Senior Executive of Shin Zu Shing Co.,Ltd (SZS) manufacturer of precision wire and planar springs for medical apparatus, mechanical equipment and electronic products, Howard expanded SZS's business in China and has established four factories in Suzhou, Shenzhen and Ningbo. He has managed all SZS business operations in China since 2002 and now SZS has a market capital of approximately AUD 373,824,000.

Howard has extensive business interests in China and elsewhere overseas. He is extremely well connected with Chinese energy and resources companies, including LNG importers. He also maintains a residence in Brisbane, Queensland, and is an Australian citizen. Howard Lu is Icon Energy's third largest shareholder, holding 16,068,181 fully paid ordinary shares in the Company.

Director Since: 7 January 2011



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The Directors of Icon Energy Limited (**Icon Energy** or **Company**) present their report together with the financial statements of the Company and its controlled entities ("the Group" or "the Consolidated Entity") for the financial year ended 30 June 2015. 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 Kevin Jih | Executive Director, Chief Financial Officer & Company Secretary | Director since 30/11/2011 |
| Dr Keith Hilless AM | Non-Executive Director | Director since 03/04/2009 |
| Howard Lu | Non-Executive Director | Director since 07/01/2011 |
| Derek James Murtagh Murphy | Non-Executive Director | Director since 20/03/2009 |

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 8 of Remuneration Report for Directors' interests in shares and performance rights .

REVIEW OF OPERATIONS AND RESULTS

A review of operations of the consolidated entity during the financial year and the results of those operations is included in the Review of Operations section of this Annual Report.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

ATP 594 Cooper-Eromanga Basin Queensland

- In September 2014, DNRM transferred the outstanding 50% interest in the tenement from former joint owner Triple J Resources to Icon Energy following the de-registration of Triple J Resources.

- ATP 594 is positioned on the eastern flank of the Cooper Basin and is of particular interest to Icon as the permit includes both structural and stratigraphic plays targeting conventional reservoir types so the wells are expected to be vertical conventional oil and gas wells.
- Icon Energy has conducted a preliminary technical evaluation and review of prospectivity of ATP 594. This was primarily designed to provide a basis for the first stage of exploration within the permit, which will be a seismic and drilling program.
- A Standard Conditions Environmental Authority granted by the Department of Environment and Heritage Protection on 25 March 2015 and A Right to Negotiate Agreement was successfully concluded with the Traditional Owners on 7 April 2015.
- ATP 594 was renewed by the Department of Natural Resources and Mines, with a renewal date of 17 April 2015. The current approved term of ATP 594 is for 4 years, with an opportunity to apply for a renewal at the end of the 4 year time period. There is a further opportunity to renew after 8 years, which if granted, would take the maximum term allowable for the ATP to 12 years.

Preparations are now being made to acquire a 3D seismic survey in the permit with an expected start date in the second half of 2015, which will be followed by a well in 2016.

ATP 855 Cooper-Eromanga Basin Queensland

- On 19 June 2014, DeGolyer and MacNaughton, a leading United States based independent consulting firm focused on the petroleum industry, reported their findings on the entire ATP 855 tenement to include a best estimate (P50) of 28Tcf of Gross Unconventional Prospective Raw Natural Gas Resources¹.
- All wells drilled within ATP 855 to date, Halifax-1, Hervey-1, Keppel-1, Redland-1 Etty-1 and Geoffrey-1, have confirmed the continuation of the Basin-Centred Gas play in the Nappamerri Trough, with ATP 855 containing the deepest sections of the Trough.

¹ Unconventional Prospective Resources are defined as those quantities of petroleum that are estimated, as of a given date, to be potentially recoverable from undiscovered unconventional accumulations by application of future development projects. Unconventional Prospective Resources may exist in petroleum accumulations that are pervasive throughout a large potential production area and would not be significantly affected by hydrodynamic influences (also called continuous-type deposits). The estimated quantities of petroleum that may potentially be recovered by the application of a future development project relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons. These Unconventional Prospective Resources are based on probabilistic estimates for each target formation and these have been statistically aggregated.

Notices of Petroleum Discovery were lodged with the Department of Natural Resources and Mines (**DNRM**) for all of the six wells drilled.

ATP 855 Joint Venture Stage 1

The Stage 1 2014 multi-well stimulation campaign in ATP 855 commenced in September 2014. Key target reservoirs in Hervey-1, ETTY-1, Redland-1 and Geoffrey-1 were stimulated and flow tested.

- The program commenced at Hervey-1 on 15 September 2014 with the hydraulic stimulation of five zones: one in the Patchawarra Formation; one in the Daralingie Formation; and three in the Toolachee Formation. The well was opened to flow on 22 October 2014 at 0.4MMscf/d and 50psi wellhead pressure through a 22/64" choke. The extended flow test was completed on 28 November 2014 after the flow rate had reduced to 0.2MMscf/d through a 40/64" choke and wellhead pressure of 27psi.
- The fracture stimulation program at ETTY-1 commenced on 11 October 2014 with one zone in the Daralingie Formation and three zones in the Toolachee Formation. ETTY-1 was subsequently put on extended flow test for 77 days flowing between 900,000 and 700,000 cubic feet per day and has demonstrated strong flow characteristics with better than forecast decline rates. Total flow during this period was 57 million standard cubic feet of gas with an approximate methane content of 70% and CO₂ content of 30%. Test results confirmed that at least 93% of the gas flow was being produced from the single interval stimulation in the Daralingie Formation. This new play has earmarked ETTY-1 as a priority target for further appraisal.
- The fracture stimulation at Redland-1 commenced on 28 October 2014 with three zones targeted in the Toolachee Formation. However, a mechanical issue in the Redland-1 wellbore has prevented the Joint Venture from assessing the deliverability of these zones.
- The fracture stimulation program at Geoffrey-1 commenced on 12 November 2014, with four zones in the Patchawarra Formation and one zone in the Epsilon Formation. Extended flow testing began on 7 December 2014 with Geoffrey-1 reaching a peak flow rate of 1.1MMscf/d of gas via a 12/64" choke and a wellhead pressure of 3,058psi. Gas analysis indicates an approximate methane content of 75% and CO₂ content of 25%.

Stage 1 achieved all the exploration and technical objectives that were set by the Joint Venture partners. The Joint Venture is currently in the process of preparing a work program for the next phase of activity.

Update of Contingent Resource Estimate

On 27 March 2015 Icon announced DeGolyer and MacNaughton, an independent consulting firm focused on the petroleum industry, had provided an updated report on the Contingent Resources (as at 31 December 2014) around the Halifax-1, Etty-1, Hervey-1, Redland-1 and Geoffrey-1 wells in ATP 855 of 1,572Bcf 2C (551.7Bcf Icon share)². The Contingent Resources estimate was evaluated in accordance with the Petroleum Resources Management System (**PRMS**) (March 2007). The size of the area chosen for the assignment of Contingent Resources was based on guidance from PRMS, which indicates that a low estimate (1C) of area should consist of two to three well spacings surrounding the discovery well, a best estimate (2C) of area should be two to three well spacings beyond this, and a high estimate (3C) of area should be another two to three well spacings beyond this. Well spacings vary between 80 acres and 160 acres dependent on the well type applied to address the particular resource. As a result, the 2C resources were estimated over an area of between 6,500 acres and 13,000 acres around each of the five wells tested, depending on the particular formation. The total area of the ATP 855 permit is approximately 414,000 acres.

Realignment of Joint Venture interests

On 27 March 2015 Icon Energy announced that Chevron Exploration Australia 1 Pty Ltd ("Chevron") will not participate in Stage 2 in ATP 855 in Queensland. Chevron advised Icon that while extensive technical evaluation has confirmed a large gas resource and the potential for further appraisal and development, at this time the opportunity does not align strategically with Chevron's global exploration and development portfolio.

The exploration expenditure will be modest over the remaining months of the 2015-2016 financial year.

ATP 626 Surat Basin Queensland

- Following a strategic review of ATP 626, Icon relinquished 20 sub-blocks or two-thirds of ATP 626 in the southern portion of the tenement. In October 2014 Icon completed a rehabilitation program of old Joint Venture wells that would not be utilized in the future of the permit.
- The Later Work Program for the period 1 January 2014 to 31 August 2017 was lodged on 28 April 2014 and was subsequently approved by DNRM.

² Contingent Resources are those quantities of wet gas (produced gas minus carbon dioxide) that are potentially recoverable from known accumulations but which are not considered to be commercially recoverable due to the need for additional delineation drilling, further validation of deliverability and original hydrocarbon in place (**OHIP**), and confirmation of prices and development costs. This is based on a statistical aggregation method using Monte Carlo simulation estimates for each formation.

- The remaining wells in the tenement are Eolus-1, Mindagabie-1 and Stitch-1, which are currently suspended.
- A technical review of the remaining prospectivity of the permit is currently nearing completion.

PEP 170, 172 and 173 Gippsland Basin Victoria

On 24 August 2012 the Victorian Government declared a moratorium on fracture stimulation of unconventional gas wells in Victoria. As at the end of the reporting period the Victorian Government had not lifted the moratorium. Icon has deferred its work program in Victoria until the suspension has been lifted.

Corporate

- Icon Energy held the Company's 2014 Annual General Meeting on 24 November 2014 with all resolutions adopted on a show of hands.
- On 26 February 2015, the Company announced it intended to undertake an on-market share buy-back over the next 12 months of up to 10% of Icon Energy ordinary shares on issue, totalling up to 61.9 million shares. The buy-back provides Icon with an opportunity to strengthen the Company's capital position at a cyclical low point in the resources market and also demonstrates the Board's strong belief in the underlying value of the Company's assets. The timing and actual number of shares purchased under the buyback will depend on the prevailing share price, market conditions and other considerations. The Company reserves the right to suspend or terminate the buy-back at any time and to buy-back less than the full amount of 61.9 million shares. All shares purchased will be cancelled.
- Icon and Shantou SinoEnergy Co Ltd, of the Peoples' Republic of China, have agreed to extend the completion date for conditions precedent in the GSA to 30 June 2018. The Shantou SinoEnergy Gas Sale Agreement is for a total of 40 million tonnes of LNG, (2Mtpa) for 20 years.

Research and Development Activity

Icon Energy lodged a Research and Development (**R&D**) claim for the full year ended 30 June 2014. In November 2014, Icon Energy received a Research and Development (**R&D**) tax rebate of \$11.3 million.

Icon Energy is currently in the process of preparing another R&D claim for the full year ended 30 June 2015. This claim will cover activities carried out in one project area ATP 855 in the Nappamerri Trough, Cooper Basin in south west Queensland. The overall technical objective of this project is to develop new methods and techniques that enable gas to be extracted efficiently from the deep Nappamerri Trough. Deloitte's will be assisting Icon in the preparation and lodgement of this claim.

EVENTS AFTER THE BALANCE DATE

Other than the above transactions there has not arisen in the interval between 30 June 2015 and the date of this report, 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 unless otherwise noted in the Annual Report.

CORPORATE STRATEGIES AND FUTURE DEVELOPMENTS

Reference to corporate strategies and future development is included in the Chairman's and Managing Director's Report. Other than matters included in this Report or elsewhere in the Annual Report, likely developments in the operations of the consolidated entity and expected results of those operations have not been disclosed as the Directors believe that the inclusion would most likely result in unreasonable prejudice to the Company (in accordance with Section 299A(3) of the *Corporations Act 2001*).

FINANCIAL POSITION

The net loss after tax for the Company and its controlled entities for the financial year ended 30 June 2015 was \$5,863,547 (30 June 2014: \$1,017,551). Further information on the company's financial position is included in the Chairman's and Managing Director's Report.

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 2014: Nil).

REMUNERATION REPORT

The Remuneration Report for the financial period which forms part of the Director's Report can be found on page 38 of this Annual Report.

COMPANY SECRETARY

Dr Kevin Jih was appointed as Company Secretary on 13 May 2015. Details of Dr Jih's 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 (including committees) 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 | 7 | 7 | - | - | - | - |
| S M Barry | 7 | 7 | 3 | 3 | 6 | 6 |
| D Murphy | 7 | 7 | 3 | 3 | 6 | 6 |
| K Hilless | 7 | 7 | 3 | 3 | - | - |
| H Lu | 7 | 7 | - | - | - | - |
| K Jih | 7 | 7 | - | - | - | - |

ENVIRONMENTAL REGULATION

The consolidated entity's operations are subject to various environmental regulations. The Company has a policy of at least complying, but in most cases exceeding environmental performance obligations. Further information on the Company's environmental performance can be found in the Sustainability section of this Annual Report.

The Directors are not aware of any environmental breaches nor has the Company 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 Horwath, the Company's auditor, has the benefit of indemnity to the extent Crowe Horwath 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 2015 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 \$28,772.88 (30 June 2014: \$24,479.61).

NON-AUDIT SERVICES

The auditors did not perform any non-audit services during the year (2014: none)

There are no officers of the Company who are former audit partners of Crowe Horwath.

Assurance of Section 295A Declaration

The Board of Directors has received assurance from the Managing Director and the Chief Financial Officer that the declaration provided in accordance with Section 295A of the *Corporations Act 2001* is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.

Lead Auditor's Independence Declaration under Section 307C of the *Corporations Act 2001*

The lead auditor's independence declaration is set out on page 46 and forms part of the Directors' Report for the period ended 30 June 2015. Crowe Horwath 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
Chairman
25 August 2015



R S James
Managing Director
25 August 2015

KEY POINTS

- No short-term incentives or long-term incentives were issued by Icon for the 2014-2015 financial year.
- Remuneration framework structured to reward executives for achievement of goals that add shareholder value
- Short and long term incentives only vest on achievement of corporate and individual performance goals
- Long term incentives will not vest unless the share price at least doubles and share price growth performs well when benchmarked against other energy companies
- Executive and employee salary increases for 2014-2015 restricted to CPI increases plus 1% to compensate for loss of insurance benefits

The Directors of Icon Energy Limited present this Remuneration Report for the consolidated entity for the year ended 30 June 2015. 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 |
| Keith Hillless | Director |
| Howard Lu | Director |
| Derek Murphy | Director |
| Executive & Senior Managers | |
| Ray James | Managing Director |
| Kevin Jih (i) | Executive Director, Chief Financial Officer & Company Secretary |
| Ross Mallett (ii) | Company Secretary & Legal Counsel |
| Martin Berry | Exploration Manager |
| Richard Holliday (iii) | Commercial Manager |

(i) Appointed as Company Secretary on 13 May 2015

(ii) Terminated (Redundant) 13 May 2015

(iii) Terminated (Redundant) 1 May 2015

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;
- Employees and Executive and Senior Managers who perform well have the opportunity to be rewarded through an annual short term incentive plan;
- Long term incentives are aligned to the achievement of strategic objectives and creation of value for shareholders.

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 Company has structured an executive remuneration framework that is competitive and complementary to the reward strategy of the organisation.

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 performance of the Managing Director is evaluated by the Committee on an annual basis in July in accordance with the procedures set out in the Committee's Charter. The Corporate Governance Statement provides further information on the role of the Committee. The Committee also reviews and approves the outcomes for the Managing Director's direct reports on the recommendation of the Managing Director and reviews incentive programs and employment terms offered to the wider group.

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. 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 \$371,752. During the year the Board approved the payment of additional fees to Directors serving on Board Committees to recognise their contribution to the Company. 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. 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);
- Short-term Incentive (STI) – an annual cash and/or equity based incentive awarded at the discretion of the Board on achievement of specified company and individual performance goals;
- Long-term Incentive (LTI) – equity grants which may be granted on an annual basis, at the discretion of the Board, and have the potential to vest following achievement of specified company objectives measured over a 3 year period

STI and LTI represent the 'at-risk' portions of remuneration.

Consistent with market practice, the proportion of remuneration attributable to each component of the Icon Energy Remuneration Policy is dependent on the level of seniority of the employee. The Managing Director has the highest level of 'at-risk' remuneration reflecting the greater level of responsibility of this role. Table 2 sets out the relative proportion of at-risk remuneration for senior executives and managers.

Generally, the LTI will only be available to the executive directors and senior executives; whereas STI may be made available to employees throughout the Company.

Table 2: Relative Proportions of Remuneration Packages

| Position | Fixed | | At Risk | |
|--------------------|-------|------|---------|--|
| | FR% | STI% | LTI% | |
| Managing Director | 50 | 25 | 25 | |
| Executive Managers | 56 | 22 | 22 | |
| Senior Managers | 67 | 20 | 13 | |
| Other Employees | 91 | 9 | - | |

The Icon Energy Limited Performance Rights Plan ("Plan") was presented and approved by shareholders at the Annual General Meeting held on 22 April 2010, under which the Company is able to grant appropriately structured short and long-term incentives to employees (including Executive Directors) in addition to their fixed remuneration. The structure of the STI and LTI plans and achievement of predefined STI and LTI targets is reviewed by the Board, and modified where appropriate, on an annual basis. In accordance with ASX listing rule 7.2 Exception 9 the Plan was resubmitted to shareholders for approval and was approved at the 2014 AGM.

4. FIXED REMUNERATION

Fixed remuneration consists of the base remuneration calculated on a total cost basis and including FBT charges on employee benefits, 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 Incentive (STI) for the 2014-15.

6. LONG-TERM INCENTIVES

The Company did not issue Long-term Incentives (LTI) for the 2014-15. The only LTI plan awards in operation during the year were the 2012-13 LTIs and 2013-14 LTIs.

Table 3: Details of LTI Performance Rights on Issue

| Name | Date of Grant | Rights on issue at 30 June 2014 (number) | Issued during the year (number) | Fair Value at Grant Date \$ (i) | Exercise Price \$ | Exercised during the year (number) | Vested during the year (number) | Lapsed during the year (number) | Rights on issue at 30 June 2015 (number) | Date Rights First Vest & Can Be Exercised |
|--------------|---------------|------------------------------------------|---------------------------------|---------------------------------|-------------------|------------------------------------|---------------------------------|---------------------------------|------------------------------------------|-------------------------------------------|
| Ray | 4-Mar-14 | 1,800,310 | - | 147,625 | - | - | - | - | 1,800,310 | 30-Jun-16 |
| James | 14-Dec-12 | 1,192,658 | - | 226,605 | - | - | - | - | 1,192,658 | 30-Jun-15 |
| Kevin | 4-Mar-14 | 1,041,175 | - | 85,376 | - | - | - | - | 1,041,175 | 30-Jun-16 |
| Jih | 14-Dec-12 | 689,751 | - | 131,053 | - | - | - | - | 689,751 | 30-Jun-15 |
| Martin Berry | 4-Mar-14 | 410,604 | - | 33,670 | - | - | - | - | 410,604 | 30-Jun-16 |
| Total | | 5,134,498 | - | 624,329 | - | - | - | - | 5,134,498 | |

NOTES ON 2014 LTI Performance Rights:

(i) At 30 June 2014, the total fair value of the LTI rights granted during the year was \$368,552 of which \$122,851 was expensed in the 2013/14 and 2014/15 financial year, with the remainder to be expensed in 2015/16.

7. RELATIONSHIP BETWEEN REMUNERATION POLICY AND PERFORMANCE

Icon Energy's remuneration policy seeks to encourage an alignment between the performance of the Company and remuneration of its executive KMPs. It does this by including short-term and long-term 'at risk' incentives that only vest when executives achieve pre-determined key corporate performance objectives. The long-term incentive plan in particular links vesting of LTI plan rights to achievement of long-term company objectives such as growth in share price and market capitalisation and exploration performance which contributes to long-term shareholder value.

The following table shows the Company's Profit/Loss (after tax) for the last four years as well as the share price and market capitalisation over those years. The graph below the table shows the relative performance of the Company's share price against the S&P ASX 200 Energy Index (XEJ) during the financial year.

Table 4: Relative Proportions of Remuneration Packages

| | 30 June 2012 | 30 June 2013 | 30 June 2014 | 30 June 2015 |
|-------------------------|---------------|--------------|---------------|---------------|
| Closing Share Price | 0.18 | 0.145 | 0.14 | 0.05 |
| Number of Shares | 469,301,394 | 533,391,210 | 615,774,351 | 607,026,150 |
| Market Cap | \$84,474,251 | \$77,341,725 | \$86,208,409 | \$30,351,307 |
| Profit (Loss) after tax | (\$4,618,666) | \$3,720,392 | (\$1,017,551) | (\$5,863,547) |



Short Term & Long Term Incentive

The Icon Energy Limited Performance Rights Plan allows the Icon Board to make offers of performance rights to eligible employees in the Board's absolute and unfettered discretion. The Board set corporate key performance indicators at its October 2014 Meeting in anticipation of offers being made under the Plan later in FY15 (Corporate KPIs). However, due to the Company's changed circumstances, as discussed at the February 2015 Board Meeting and as resolved at the April 2015 Meeting, the Board agreed not to make any offers under the Plan in respect of either the FY15 STI or FY15 LTI.

8. SERVICE AGREEMENTS

The Company has a policy that service agreements with Executive and Senior Managers are limited in term and include termination clauses of between one and twelve months.

Service agreements are in place for the Managing Director (Mr Raymond James), the Chief Financial Officer & Company Secretary (Dr Kevin Jih) and the Exploration Manager (Mr Martin Berry).

The service agreements with the Company run for a period of five years, from the date of engagement or renewal and set out the duties and obligations of the respective senior executives.

The contracts provide that the agreements may be terminated by either party providing up to twelve months' notice as shown in the table below. The Company may make a payment in lieu of notice equal to the base amount prescribed in the service agreement for a specified period. In addition, accrued statutory benefits and superannuation benefits are payable.

For the Executives, if the Board terminates an Executive's employment, the Executive will receive, in addition to any payment in lieu of notice:

- i. a termination payment of the greater of the amount calculated under subsection 3 and subsection 4 of Sec of Section 200G of the Corporations Act 2001 or that determined by the Board and subject to shareholder approval at the time.
- ii. a pro-rata payment in respect of the Executives' participation in the Performance Rights Plan for the year in which the Executive's termination occurs in accordance with the Plan Rules as varied from time to time. As the employment relationship has ceased, the Executive will not be eligible to any further share or option grants in that year. The Executive will receive the equivalent value of this benefit in cash based on achievement of the Plan's performance targets for the part year that the Executive serves with the Company running from the date of the yearly grant to the Executive's Termination Date.
- iii. Any shares or bonuses that would be paid are payable and all "rights" granted but have not vested will vest as at the termination date;

Table 5: Service Agreements with Executive 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 |
|--------------------------|-------------------------|--------------------------------------------|--------------------------------|------------------------------------------------------------------------------------------|----------------------------------------------------------------|
| R James | 1 January 12 | 12 months | 6 months | Payment in lieu of notice based on FR Discretion of Board to pay portion of STI & LTI | STI: May earn up to 50% of FR LTI: May earn up to 50% of FR |
| K Jih | 11 August 10 | 12 months | 6 months | Payment in lieu of notice based on FR Discretion of Board to pay portion of STI & LTI | STI: May earn up to 40% of FR LTI: May earn up to 40% of FR |
| M Berry | 1 August 13 | 2 months | 2 months | Payment in lieu of notice based on FR Discretion of Board to pay portion of STI & LTI | STI: May earn up to 30% of FR LTI: May earn up to 20% of FR |

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

Table 6: Directors and Key Management Personnel Remuneration for the year ended 30 June 2015

| | Salaries & Fees (i) | Short Term | | | Post employ- ment | | | Share- based Payment | Total | Portion of Remune- ration Based on Perform- ance |
|--------------------------------------|---------------------------|---------------|------------------------------|---------------------------|-------------------------|--------------------------------------------|------------------------------|--------------------------------|------------------|-----------------------------------------------------------------------|
| | \$ | Cash Bonus | Non- monetary Benefits | Other Benefits (ii) | Super- annuation | Long-term Employee Benefits (iii) | Terminat- ion Benefits | Shares and Units (iv) | \$ | % |
| Non-Executive Directors | | | | | | | | | | |
| Stephen Barry | 106,000 | - | - | - | 10,070 | - | - | - | 116,070 | - |
| Keith Hilless | 47,300 | - | - | - | 38,657 | - | - | - | 85,957 | - |
| Derek Murphy | 85,000 | - | - | - | 8,075 | - | - | - | 93,075 | - |
| Howard Lu | 70,000 | - | - | - | 6,650 | - | - | - | 76,650 | - |
| Executive and Senior Managers | | | | | | | | | | |
| Ray James | 513,846 | - | - | 45,000 | 54,414 | 14,619 | - | 124,743 | 752,622 | 17% |
| Kevin Jih (iv) | 419,534 | - | - | 40,000 | 41,178 | 7,535 | - | 72,143 | 580,390 | 12% |
| Ross Mallett (iv) | 274,756 | - | - | - | 43,345 | - | 388,619 | - | 706,720 | - |
| Martin Berry | 307,573 | - | - | - | 30,568 | 881 | - | 11,223 | 350,209 | 3% |
| Richard Holliday (v) | 237,765 | - | - | - | 30,670 | - | 99,227 | - | 367,662 | - |
| Total | 2,061,738 | - | - | 85,000 | 263,627 | 23,035 | 487,846 | 208,109 | 3,129,355 | |

(i) Salaries & Fees include annual leave paid during the year. Dr Jih received a payout of accrued annual leave amounting to \$53,392.

(ii) Other Benefits represent car allowance received during the year for Ray James of \$45,000 and for Dr Jih of \$40,000.

(iii) Long-term employee benefits represent only the long service leave accrued during the year.

(iv) Dr Jih was appointed as Company Secretary effective 13 May 2015. R Mallett was made redundant effective 13 May 2015.

(v) R Holliday was made redundant effective 1 May 2015.

Table 7: Directors and Key Management Personnel Remuneration for the year ended 30 June 2014

| | Salaries & Fees (i) | Short Term | | | Post employ- ment | Long-term Employee Benefits (iii) | Terminat ion Benefits | Share- based Payment | Total | Portion of Remune- ration Based on Perform- ance |
|--------------------------------------|---------------------------|----------------|------------------------------|---------------------------|-------------------------|--------------------------------------------|-----------------------------|--------------------------------|------------------|-----------------------------------------------------------------------|
| | \$ | Cash Bonus | Non- monetary Benefits | Other Benefits (ii) | Super- annuation | | | Shares and Units (iv) | \$ | % |
| Non-executive Directors | | | | | | | | | | |
| Stephen Barry | 99,333 | - | - | - | 9,188 | - | - | - | 108,521 | - |
| Keith Hilless | 33,358 | - | - | - | 48,534 | - | - | - | 81,892 | - |
| Derek Murphy | 78,750 | - | - | - | 7,284 | - | - | - | 86,034 | - |
| Howard Lu | 70,000 | - | - | - | 6,475 | - | - | - | 76,475 | - |
| Executive and Senior Managers | | | | | | | | | | |
| Ray James | 491,264 | 182,016 | - | 45,000 | 63,537 | 14,057 | - | 261,477 | 1,057,351 | 25% |
| Kevin Jih | 356,097 | 161,651 | 28,715 | 23,333 | 48,184 | 6,227 | - | 151,220 | 775,427 | 20% |
| Ross Mallett | 293,973 | 27,032 | - | - | 29,820 | 1,943 | - | 119,787 | 472,539 | 25% |
| Martin Berry (iv) | 254,413 | 18,827 | - | - | 23,254 | 405 | - | 52,724 | 349,620 | 15% |
| Richard Holliday | 267,269 | 18,579 | - | - | 26,509 | 770 | - | 68,394 | 381,521 | 18% |
| Total | 1,944,457 | 408,105 | 28,715 | 68,333 | 262,785 | 23,402 | - | 653,602 | 3,389,380 | |

(i) Salaries & Fees include annual leave paid during the year.

(ii) Other Benefits represent car allowance received during the year for Ray James of \$45,000 and Kevin Jih of \$23,333.

(iii) Long-term employee benefits represent only the long service leave accrued during the year.

(iv) M Berry was appointed effective 1 August 2013.

10. DIRECTORS' AND SENIOR MANAGEMENT'S INTERESTS

As at 30 June 2015, the interests of the directors and senior management or entities associated with them in shares and options of Icon Energy Limited are:

Table 8: Directors' and Executive and Senior Management's Interests

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:

| 2015 | Balance 1.07.2014 No | Employee Performance Rights Plan No | Purchases No | Options Exercised No | Sold/ Other** No | Balance 30.06.2015 No |
|--------------------------|----------------------------|----------------------------------------------|-----------------|----------------------------|---------------------|-----------------------------|
| Directors | | | | | | |
| Stephen Barry* | 1,623,593 | - | 30,000 | - | - | 1,623,593 |
| Derek Murphy* | 288,181 | - | 12,000 | - | - | 300,181 |
| Keith Hilless | 46,727 | - | 46,500 | - | - | 93,227 |
| Howard Lu | 16,068,181 | - | - | - | - | 16,068,181 |
| Raymond James* | 22,376,492 | 1,010,023 | - | - | - | 23,386,515 |
| Kevin Jih* | 788,337 | 564,838 | - | - | - | 1,353,175 |
| Senior Management | | | | | | |
| Ross Mallett* | 928,614 | 433,175 | - | - | 1,361,789 | - |
| Richard Holliday* | 1,350,150 | 296,051 | 153,799 | - | 1,800,000 | - |
| Martin Berry | - | 296,416 | - | - | - | 296,416 |
| | 43,470,275 | 2,600,503 | 220,299 | - | 3,161,789 | 43,151,288 |
| 2014 | Balance 1.07.2013 No | Employee Performance Rights Plan No | Purchases No | Options Exercised No | Sold/ Other** No | Balance 30.06.2014 No |
| Directors | | | | | | |
| Stephen Barry* | 1,623,593 | - | - | - | - | 1,623,593 |
| Derek Murphy* | 288,181 | - | - | - | - | 288,181 |
| Keith Hilless | 46,727 | - | - | - | - | 46,727 |
| Howard Lu | 16,068,181 | - | - | - | - | 16,068,181 |
| Raymond James* | 21,345,517 | 780,975 | 250,000 | - | - | 22,376,492 |
| Kevin Jih* | 201,766 | 436,571 | 150,000 | - | - | 788,337 |
| Senior Management | | | | | | |
| Ross Mallett* | 593,872 | 334,742 | - | - | - | 928,614 |
| Richard Holliday* | 907,517 | 228,777 | 213,856 | - | - | 1,350,150 |
| Martin Berry | - | - | - | - | - | - |
| | 41,075,354 | 1,781,065 | 613,856 | - | - | 43,470,275 |

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

**Sold/Other shares include shares removed as a result of no longer being a KMP.

11. 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 2015 or as at 30 June 2014.



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Auditor's Independence Declaration

As auditor of Icon Energy Limited for the year ended 30 June 2015, I declare that, to the best of my knowledge and belief, 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.

This declaration is in respect of Icon Energy Limited and the entities it controlled during the year.

A handwritten signature in dark ink that reads "Crowe Horwath Brisbane".

CROWE HORWATH BRISBANE

A handwritten signature in dark ink that reads "B Worrall".

BRENDAN WORRALL

Partner

Signed at Brisbane, 25 August 2015

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Independent Auditor's Report

To the members of Icon Energy Limited

Report on the Financial Statements

We have audited the accompanying financial report of Icon Energy Limited, which comprises the consolidated statements of financial position as at 30 June 2015, the consolidated statements of profit or loss and other comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the company and the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility 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 Note 1, the directors also state, in accordance with the Accounting Standard AASB101 *Presentation of Financial Statements* that the financial statements comply with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view 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 company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

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Opinion

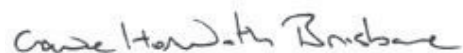
- a) In our opinion the financial report of Icon Energy Limited is in accordance with the *Corporations Act 2001*, including:
- i. giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the year ended on that date; and
 - ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001*.
- b) The consolidated financial statements and notes also comply with the International Financial Reporting Standards as disclosed in Note 1.

Report on Remuneration Report

We have audited the Remuneration Report included in pages 38 to 45 of the directors' report for the year ended 30 June 2015. 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 responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Icon Energy Limited for the year ended 30 June 2015, complies with section 300A of the *Corporations Act 2001*.



CROWE HORWATH BRISBANE



BRENDAN WORRALL

Partner

Signed at Brisbane, 26 August 2015



DIRECTORS' DECLARATION

The Directors of the Company declare that:

- 1) The financial statements and notes, as set out on pages 50 to 75, are in accordance with the *Corporations Act 2001* and other mandatory professional reporting requirements and:
 - a) comply with Accounting Standards; and
 - b) give a true and fair view of the financial position as at 30 June 2015 and of the performance for the year ended on that date of the consolidated entity;
- 2) The Managing Director and Chief Financial Officer have each declared 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 notes for the financial period comply with the Accounting Standards; and
 - c) 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;
- 4) The attached financial statements are in compliance with International Financial Reporting Standards, as stated in note 1 to the financial statements.

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

A handwritten signature in blue ink, appearing to read "Stephen Barry".

Stephen Barry

Chairman

25 August 2015

CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2015

| | NOTES | Restated | |
|-------------------------------------------------------------------|-------|--------------------|--------------------|
| | | 30 June 2015 \$ | 30 June 2014 \$ |
| Continuing operations | | | |
| Income from research and development claim | 24 | - | 4,897,215 |
| Interest Income | | 599,743 | 1,045,484 |
| Other income | | 7,957 | 28,609 |
| Administration expenses | | (3,555,899) | (3,541,466) |
| Depreciation expense | | (308,409) | (305,232) |
| Employee benefits and expenses | | (2,551,149) | (3,138,198) |
| Occupancy expenses | | (39,309) | (40,005) |
| Profit/(Loss) on sale of property, plant and equipment | | 19,732 | (33,753) |
| Impairment expense | | (9,657) | (92,097) |
| Reversal of excess provision | 10 | - | 217,778 |
| Finance costs | | (26,556) | (55,889) |
| Profit/(Loss) before income tax | | (5,863,547) | (1,017,551) |
| Income tax expense | 2 | - | - |
| Net Profit/(Loss) for the year from continuing operations | | (5,863,547) | (1,017,551) |
| Other comprehensive income | | | |
| <i>Items that will be reclassified to profit and loss</i> | | | |
| Exchange differences arising on translation of foreign operations | | 3,338 | (257) |
| Other comprehensive income/(loss) for the year, net of tax | | 3,338 | (257) |
| Total comprehensive income/(loss) for the year | 24 | (5,860,209) | (1,017,809) |
| Net Profit/(Loss) for the year attributable to: | | | |
| Owners of the parent entity | | (5,863,547) | (1,017,551) |
| Non-controlling interests | | - | - |
| Net Profit/(Loss) for the year | | (5,863,547) | (1,017,551) |
| Total comprehensive income/(loss) for the year attributable to: | | | |
| Owners of the parent entity | | (5,860,209) | (1,017,809) |
| Non-controlling interests | | - | - |
| Total comprehensive income/(loss) for the year | | (5,860,209) | (1,017,809) |
| Earnings per share | | | |
| From continuing operations | | | |
| Basic earnings/(loss) per share (cents per share) | 14 | (0.95) | (0.17) |
| Diluted earnings/(loss) per share (cents per share) | 14 | (0.95) | (0.17) |

The accompanying notes form part of these financial statements.

| | NOTES | Restated | |
|----------------------------------------|-------|--------------------|--------------------|
| | | 30 June 2015 \$ | 30 June 2014 \$ |
| CURRENT ASSETS | | | |
| Cash and cash equivalents | 4 | 8,748,520 | 7,605,461 |
| Trade and other receivables | 5 | 111,360 | 9,080,045 |
| Financial assets | 6 | 5,000,000 | 12,000,000 |
| TOTAL CURRENT ASSETS | | 13,859,880 | 28,685,506 |
| NON-CURRENT ASSETS | | | |
| Property, plant, and equipment | 7 | 5,129,843 | 5,234,606 |
| Exploration and evaluation expenditure | 8 | 42,267,462 | 34,657,934 |
| Performance guarantee bonds | | 199,950 | 198,877 |
| TOTAL NON-CURRENT ASSETS | | 47,597,255 | 40,091,418 |
| TOTAL ASSETS | | 61,457,135 | 68,776,924 |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 9 | 776,665 | 1,471,170 |
| Employee benefits | | 487,330 | 533,387 |
| TOTAL CURRENT LIABILITIES | | 1,263,995 | 2,004,557 |
| NON-CURRENT LIABILITIES | | | |
| Employee benefits | | 118,561 | 116,340 |
| Provisions | 10 | 1,499,699 | 1,570,110 |
| TOTAL NON-CURRENT LIABILITIES | | 1,618,260 | 1,686,450 |
| TOTAL LIABILITIES | | 2,882,255 | 3,691,007 |
| NET ASSETS | | 58,574,880 | 65,085,917 |
| EQUITY | | | |
| Issued capital | 11 | 102,346,082 | 102,724,971 |
| Reserves | 13 | (1,632,736) | (1,364,134) |
| Accumulated losses | | (42,138,466) | (36,274,920) |
| TOTAL EQUITY | | 58,574,880 | 65,085,917 |

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2015

| | Ordinary Share Capital (Note 11) \$ | Share-Based Payments Reserve (Note 12, 13) \$ | Foreign Exchange Reserve (Note 13) \$ | Accumula- ted Losses \$ | Total \$ |
|--------------------------------------------------------------------------|----------------------------------------------|-----------------------------------------------------------|---------------------------------------------------|-------------------------------|-------------------|
| Balance 1 July 2013 | 83,842,452 | 646,222 | (2,241,465) | (35,257,369) | 46,989,840 |
| Total comprehensive income: | | | | | |
| Loss for the year | - | - | - | (1,017,551) | (1,017,551) |
| Other comprehensive income | - | - | (257) | - | (257) |
| Total Comprehensive Income for the year | - | - | (257) | (1,017,551) | (1,017,809) |
| Transactions with owners in their capacity as owners: | | | | | |
| Shares issued | 18,874,823 | - | - | - | 18,874,823 |
| Reserve transfer for performance rights vested | 474,892 | (474,874) | - | - | 18 |
| Share issue costs | (467,196) | - | - | - | (467,196) |
| Increase in share based payments reserve | - | 706,240 | - | - | 706,240 |
| Total transactions with owners | 18,882,519 | 231,366 | - | - | 19,113,885 |
| Balance at 30 June 2014 - attributable to owners of parent entity | 102,724,971 | 877,588 | (2,241,722) | (36,274,920) | 65,085,917 |
| Balance 1 July 2014 | 102,724,971 | 877,588 | (2,241,722) | (36,274,920) | 65,085,917 |
| Total comprehensive income: | | | | | |
| Loss for the year | - | - | - | (5,863,547) | (5,863,547) |
| Other comprehensive income | - | - | 3,338 | - | 3,338 |
| Total Comprehensive Income for the year | - | - | 3,338 | (5,863,547) | (5,860,209) |
| Transactions with owners in their capacity as owners: | | | | | |
| Shares issued | - | - | - | - | - |
| Share buyback | (761,499) | - | - | - | (761,499) |
| Reserve transfer for performance rights vested | 382,610 | (412,041) | - | - | (29,432) |
| Share issue costs | - | - | - | - | - |
| Increase in share based payments reserve | - | 140,102 | - | - | 140,102 |
| Total transactions with owners | (378,889) | (271,938) | - | - | (650,829) |
| Balance at 30 June 2015 - attributable to owners of parent entity | 102,346,082 | 605,649 | (2,238,385) | (42,138,467) | 58,574,880 |

The accompanying notes form part of these financial statements.

NOTES

| | 30 June 2015 | 30 June 2014 |
|-----------------------------------------------------------------|-----------------------|-----------------------|
| | \$ | \$ |
| | Inflows (Outflows) | Inflows (Outflows) |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Cash receipts from customers | 7,957 | 29,881 |
| Cash payments to suppliers and employees | (7,324,749) | (5,540,996) |
| Interest received | 762,850 | 755,471 |
| Finance costs | - | (26,337) |
| Income from research and development tax incentive | 4,897,215 | - |
| Net Cash used in operating activities | (1,656,727) | (4,781,981) |
| CASH FLOWS FROM INVESTMENT ACTIVITIES | | |
| Redemption\Investment in financial assets | 7,000,000 | (637,662) |
| Payments for property, plant & equipment | (111,785) | (17,673) |
| Payments for deferred exploration and evaluation expenditure | (18,543,012) | (23,040,100) |
| Prepayments for deferred exploration and evaluation expenditure | 1,197,920 | (1,197,920) |
| Research and development tax incentive | 13,971,362 | - |
| Proceeds from sale of property, plant and equipment | 46,800 | 38,500 |
| Proceeds from joint venture contributions | - | 423,594 |
| Net Cash from/(used in) investment activities | 3,561,286 | (24,431,260) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Proceeds from issue of share capital | - | 18,874,823 |
| Capital raising costs | - | (467,196) |
| Payment for buy-back of shares | (761,499) | - |
| Repayment of borrowings | - | (3,429,500) |
| Net cash from/(used in) financing activities | (761,499) | 14,978,127 |
| Net increase/(decrease) in cash and cash equivalents held | 1,143,059 | (14,235,113) |
| Cash and cash equivalents at beginning of the financial year | 7,605,461 | 21,840,575 |
| Cash and cash equivalents at the end of the financial year | 8,748,520 | 7,605,461 |

4

The accompanying notes form part of these financial statements.

NOTE 1 - STATEMENT OF ACCOUNTING POLICIES

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

The financial statements cover Icon Energy Limited and controlled entities as a consolidated entity. Icon Energy Limited is a listed public company, incorporated and domiciled in Australia.

The financial statements have been prepared on an accruals basis and are based on historical costs modified by the revaluation of selected non-current assets and financial assets for which the fair value basis of accounting is applied. 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) in their entirety.

The financial report was authorised for issue by the Board of Directors on 25 August 2015.

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 new and revised accounting standards that are mandatory for the first time for the year ended 30 June 2015.

Standards and Interpretations affecting presentation and disclosure

- AASB 2014-1 Amendments to Australian Accounting Standards' (Part A: Annual Improvements 2010-2012 and 2011-2013 Cycles).

Part A of AASB 2014-1 makes amendments to various Australian Accounting Standards arising from the issuance by the IASB of International Financial Reporting Standards *Annual Improvements to IFRSs 2010-2012 Cycle and Annual Improvements to IFRSs 2011-2013 Cycle*.

Among other improvements, the amendments arising from Annual Improvements to IFRSs 2010-2012 Cycle:

- The amendments to AASB 2 change the definitions of 'market condition' and 'vesting' and add the definition of 'performance condition' and 'service condition'.
- The amendments to AASB 3 clarify that contingent consideration, irrespective of whether the contingent consideration is a financial instrument within or not within the scope of AASB 9, should be measured at fair value at each reporting date and changes in fair value shall be recognised in profit or loss.
- The amendments to AASB 8 (i) require an entity to disclose the judgements made by management in applying the aggregation criteria to operating segments, including a description of the operating segments aggregated and economic indicators assessed in determining whether the operating segments have similar economic characteristics; and (ii) provide reconciliations of the total of the reportable segments' assets to the entity's assets only if the segment assets are regularly provided to the chief operating decision-maker (Note 19).
- The amendments to AASB 13 clarify that that the issue of AASB 13 and consequential amendments to AASB 139 and AASB 9 did not remove the ability to measure short-term receivables and payables with no stated interest rate at their invoice amounts without discounting, if the effect of discounting is immaterial.
- The amendments to AASB 116 and AASB 138 remove perceived inconsistencies in the accounting for accumulated depreciation/amortisation when an item of property, plant and equipment or an intangible asset is revalued. The amended standards clarify that the gross carrying amount is adjusted in a manner consistent with the revaluation of the carrying amount of the asset and that accumulated depreciation/amortisation is the difference between the gross carrying amount and the carrying amount after taking into account accumulated impairment losses.
- The amendments to AASB 124 clarify that a management entity providing key management personnel services to a reporting entity is a related party of the reporting entity. Amounts incurred by the entity for the provision of key management personnel services that are provided by a separate management entity shall be disclosed as related party transactions. However, disclosure of the components of such compensation is not required.

Part A of AASB 2014-1 is applicable to annual reporting periods beginning on or after 1 July 2014. The adoption of these amendments has not had a material impact on the Group as they are largely of the nature of clarification of existing requirements.

NOTE 1 - STATEMENT OF ACCOUNTING POLICIES (Continued)

Standards and Interpretations issued but not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2015 reporting periods. They are available for early adoption at 30 June 2014, but have not been applied in preparing this financial report. The consolidated entity's assessment of the impact of these new standards and interpretations is set out below:

- *AASB 9 Financial Instruments* includes requirements for the classification and measurement of financial assets resulting from the first part of Phase 1 of the project to replace *AASB 139 Financial Instruments: Recognition and Measurement*. AASB 9 is applicable to annual reporting periods beginning on or after 1 January 2017. The entity has not yet determined the potential effect of the standard.
- *AASB 15 Revenue from Contracts with Customers* establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. AASB 15 will supersede the current revenue recognition guidance including *AASB 118 Revenue*, *AASB 111 Construction Contracts* and the related Interpretations when it becomes effective. Effective for annual reporting periods beginning on or after 1 January 2017.
- *AASB 2014-3 Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations*. The amendments to AASB 11 provide guidance on how to account for the acquisition of a joint operation that constitutes a business as defined in *AASB 3 Business Combinations*. The amendments to AASB 11 apply prospectively for annual periods beginning on or after 1 January 2016.
- *AASB 2014-4 Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation*. The amendments to AASB 116 prohibit entities from using a revenue-based depreciation method for items of property, plant and equipment. The amendments apply prospectively for annual periods beginning on or after 1 January 2016.
- *AASB 2014-10 Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*. Effective for annual reporting periods beginning on or after 1 January 2016.
- *AASB 2015-1 Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012-2014 Cycle*. Effective for annual reporting periods beginning on or after 1 January 2016.
- *AASB 2015-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101*. Effective for annual reporting periods beginning on or after 1 January 2016.

(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 18 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) Income Tax

The income tax expense/(benefit) for the year comprises current income tax expense/(income) and deferred tax expense/(income).

Current income tax expense/(benefit) charged or credited to the profit or loss is the tax payable/(receivable) on taxable income 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.

NOTE 1 - STATEMENT OF ACCOUNTING POLICIES (Continued)

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.

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.

(d) 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 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.

(e) Property, Plant, and Equipment

Property, plant and equipment are brought to account at cost less, where applicable, any accumulated depreciation or amortisation. 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 assets 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% |
| Buildings | 2.50% |
| Fixtures and Fittings | 3 - 20% |

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.

NOTE 1 - STATEMENT OF ACCOUNTING POLICIES (Continued)

(f) 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 reasonable assessment of the existence of economically recoverable reserves and active and significant.

Accumulated costs in relation to an abandoned area are written off in full against profit/(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. Any costs of site restoration are provided for during the relevant production stages and included in the costs of that stage. The capitalised costs relating to site restoration are amortised over the life of the petroleum asset.

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.

Any changes in the estimates for the costs are accounted on a prospective basis. 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.

(g) Research and Development Tax Incentive

The Research and Development Tax Incentive (RDTI) is a 45% Refundable tax offset that is calculated as 45% of the eligible research and development expenditure that has been incurred by the company. The Directors consider any payment arising from the RDTI to be a form of government assistance and are of the view that it is appropriate to develop an accounting policy that is analogous to AASB120 *Accounting for Government Grants and Disclosure of Government Assistance*.

As such, RDTI refund are recognised when there is sufficient degree of certainty that the company will comply with the conditions attaching to RDTI and that the payment will be received. Such refund are recognised in the Statement of Profit or loss and Other Comprehensive Income on a systematic basis over the periods in which the company recognises as expenses the related costs for which the assistance is intended to compensate. The proportion of the refund that relates to capitalised exploration expenditure is deducted against the carrying amount of the related non-current assets. Any remaining proportion that cannot be recognised on either of the preceding basis is recognised in the Statement of Profit or loss and Other Comprehensive Income as "income from research and development claim".

(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 financial position and consolidated statement of comprehensive income.

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 company 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.

NOTE 1 - STATEMENT OF ACCOUNTING POLICIES (Continued)

(k) Provisions

Other 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 interest expense.

Restoration provision

The entity 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 the profit and loss. The capitalised costs are amortised over the life of the petroleum asset. The periodic unwinding of the discount is recognised in the consolidated statement of profit or loss and other comprehensive income 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 the consolidated statement of profit or loss and other comprehensive income.

(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 Managing Director.

(m) Comparative Figures

Where required by Accounting Standards, comparative figures have been adjusted to conform with changes in presentation for the current financial year. Refer to note 24 for more information on correction of prior period error.

(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.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired. Loans and receivables are classified as current assets, except for those with maturities greater than 12 months after the reporting period which are classified as non-current assets. The entity classifies cash and cash equivalents, trade and other receivables and performance guarantees as loans and receivables.

Held-to-maturity investments

These investments have fixed or determinable payments and fixed maturities, and it is the group's intention to hold these investments to maturity. Any held-to-maturity investments held by the group are stated at amortised cost using the effective interest rate method. Gains or losses are recognised in profit or loss when the investments are derecognised or impaired, as well as through the amortisation process. These assets are included in non-current assets, except for those with maturities less than 12 months from the end of the reporting period, which would be classified as current assets. The entity classifies term deposits as held-to-maturity investments.

NOTE 1 - STATEMENT OF ACCOUNTING POLICIES (Continued)

Financial liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation. The entity classifies trade and other payables and borrowings as financial liabilities.

Amortised cost

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility.

Impairment

At each reporting date, the consolidated entity assesses whether there is objective evidence that a financial instrument has been impaired.

(o) Impairment of Assets

At each reporting date, the directors review the carrying values of its 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.

Group

The financial results and position of foreign operations whose functional currency is different from the group's presentation currency are translated as follows:

- assets and liabilities are translated at year-end exchange rates prevailing at that reporting date;
- income and expenses are translated at average exchange rates for the period; and
- retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations are transferred directly to the group's foreign currency translation reserve in the consolidated statement of financial position and are recognised as other comprehensive income.

(q) 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.

Impairment

The directors assess impairment at each reporting date by evaluating conditions specific to the entity that may lead to impairment of assets including exploration and evaluation expenditure. Where an impairment trigger exists, the recoverable amount of the asset is determined. Any excess of asset's carrying value over recoverable amount is expensed and included in profit and loss.

NOTE 1 - STATEMENT OF ACCOUNTING POLICIES (Continued)

Share based payments

Fair value of each share option granted in the Short Term Incentive Plan and Long Term Incentive plan was calculated by applying the Black Scholes model. The model requires inputs where estimation is required for expected volatility in line with the company's share trading history. Refer to note 12 for key assumptions.

Exploration and evaluation expenditure

The application of entity's policy for exploration and evaluation discussed in Note 1(f) 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. If, after having capitalised exploration and evaluation expenditure, a judgement is made that the capitalised expenditure is unlikely to be recovered, the relevant capitalised amount will be impaired through the consolidated statement of profit and loss and other comprehensive income.

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 10 for key assumptions.

Useful life of property, plant and equipment

In preparation of the financial statements, estimates and assumptions have been made by the management regarding the estimated useful lives of property, plant and equipment. The management estimates that the useful life of these assets, being the period of time during which the assets can be utilised without any significant modifications, repairs or replacements, is noted in 1e. However, the actual useful life may be shorter or longer.

(r) Share buy-back

The buy-back provides Icon with an opportunity to strengthen the Company's capital position at a cyclical low point in the resources market and also demonstrates the Board's strong belief in the underlying value of the Company's assets. From March 2015, on-market share buy-back will be undertaken from market over the 12 months of up to 10% of Icon ordinary shares on issue.

In accordance with ASX listing rules, the price paid for shares purchased under the buy-back is no more than 5% above the volume weighted average share price of Icon shares over the 5 days of trading before the share purchase is made.

The timing and actual number of shares purchased under the buy-back will depend on the prevailing share price, market conditions and other considerations. The Company reserves the right to suspend or terminate the buy-back at any time and to buy-back less than 10% shares. All shares purchased are cancelled.

There are two conditions set by Icon Board:

1. Our cash position is sufficient to meet our near term exploration and administrative commitments and we retain the ability to pursue valuable growth opportunities that may arise in the near future."
2. The fund for Share buy-back should come from our income such as interest.

(t) Share based payments

Share based payment benefits are provided to employees through the Icon's Employee Performance Rights Plan. Information relating to this scheme is set out in Note 12. The fair value of performance rights granted under the Icon's Employee Performance Rights Plan is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the rights granted, which includes any market performance conditions and the impact of any non-vesting conditions but excludes the impact of any service and non-market performance vesting conditions.

Non-market vesting conditions are included in assumptions about the number of rights that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of rights that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

NOTE 2 - INCOME TAX EXPENSE

| | Restated | |
|-------------------------------------------------------------------------------|----------------------------|---------------------|
| | CONSOLIDATED ENTITY | |
| | 30 June 2015 | 30 June 2014 |
| | \$ | \$ |
| Profit/(Loss) before tax expense | (5,863,547) | (1,017,551) |
| Prima facie tax payable on profit/(loss) before income tax at 30% (2014: 30%) | (1,759,064) | (305,265) |
| Increase/(decrease) in income tax expense due to: | | |
| Non deductible expenses | 116,392 | 214,031 |
| Non-assessable income | - | (1,469,165) |
| Under/(over) provision in prior year | 7,942,180 | 291,876 |
| Deferred tax benefits not brought to account | (6,299,508) | 1,268,523 |
| Income Tax Attributable to Profit/(loss) before tax | - | - |

Deferred Tax Assets not brought to account, the benefits of which will only be realised if the conditions for deductibility of tax losses set out in Note 1 occur based on corporate tax rate of 30% (2014: 30%) for Australian companies.

| | CONSOLIDATED ENTITY | |
|--------------------------------------------------------|----------------------------|---------------------|
| | 30 June 2015 | 30 June 2014 |
| | \$ | \$ |
| Tax losses | 60,212,977 | 35,185,064 |
| Potential tax benefit | 18,063,893 | 10,555,519 |
| Temporary differences | | |
| Other | 644,579 | 947,397 |
| Provisions | 2,105,592 | 2,219,838 |
| Potential tax benefit | 825,051 | 950,171 |
| Total deferred tax benefits not brought to account | 18,888,944 | 11,505,690 |
| Deferred Tax Liabilities | | |
| Mining and exploration costs | 42,267,462 | 34,657,934 |
| Total deferred tax liabilities not brought to account | 12,680,239 | 10,397,380 |
| Total deferred tax assets not brought to account - net | 6,208,706 | 1,108,310 |

NOTE 3 - KEY MANAGEMENT PERSONNEL REMUNERATION

| | CONSOLIDATED ENTITY | |
|-------------------------------------------|----------------------------|---------------------|
| | 30 June 2015 | 30 June 2014 |
| | \$ | \$ |
| (a) Key management personnel compensation | | |
| • Short term employee benefits | 2,146,738 | 2,449,610 |
| • Long term benefits | 23,035 | 23,402 |
| • Post employment benefits | 263,627 | 262,785 |
| • Termination payments | 487,846 | - |
| • Share-based payments | 208,109 | 653,599 |
| | 3,129,355 | 3,389,396 |

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 2014 and there were no material contracts involving Directors' interests existing at year end.

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 key management personnel (KMP) for the year ended 30 June 2015.

(b) **Performance rights provided as remuneration**

Details of performance rights granted as remuneration, together with their terms and conditions, can be found in the remuneration report.

Performance rights holdings

The numbers of performance rights granted under the executive short-term and long-term incentive scheme that were held during the financial year by each director of Icon and other key management personnel of the group are set out in the remuneration report contained in the directors' report.

There were no options held by Key Management Personnel during the period ended 30 June 2015 (30 June 2014: Nil).

NOTE 3 - KEY MANAGEMENT PERSONNEL REMUNERATION (Continued)

(c) Transactions with Directors and Director Related Entities

Legal fees paid in the ordinary course of business to CKB Associates Lawyers, a firm with which Mr. S Barry is associated.

| CONSOLIDATED ENTITY | |
|---------------------|--------------|
| 30 June 2015 | 30 June 2014 |
| \$ | \$ |
| 4,230 | - |

All services provided by the director-related entities were at normal commercial terms and conditions.

NOTE 4 - CASH AND CASH EQUIVALENTS

Cash on hand
Cash at Bank

| CONSOLIDATED ENTITY | |
|---------------------|------------------|
| 30 June 2015 | 30 June 2014 |
| \$ | \$ |
| 488 | 128 |
| 8,748,031 | 7,605,332 |
| 8,748,520 | 7,605,461 |

NOTE 5 - TRADE AND OTHER RECEIVABLES - CURRENT

Prepayments for deferred exploration and evaluation expenditure
Research and development offset refund
Other receivables

| | |
|----------------|------------------|
| - | 1,197,920 |
| - | 7,492,356 |
| 111,360 | 389,768 |
| 111,360 | 9,080,045 |

Trade and other receivables are not past due and are not impaired at 30 June 2015. All amounts are expected to be received in less than 12 months.

NOTE 6 - FINANCIAL ASSETS

Current

Held to maturity financial assets:
Term deposit - investment

| CONSOLIDATED ENTITY | |
|---------------------|-------------------|
| 30 June 2015 | 30 June 2014 |
| \$ | \$ |
| 5,000,000 | 12,000,000 |
| 5,000,000 | 12,000,000 |

NOTE 7 - PROPERTY, PLANT, AND EQUIPMENT

Plant and Equipment and motor vehicles - at cost
less: accumulated depreciation

Building - at cost
less: accumulated depreciation

Fixtures and Fittings - at cost
less: accumulated depreciation

Land at cost

Plant and Equipment - under lease
less: accumulated amortisation

Total property, plant and equipment at written down value

| CONSOLIDATED ENTITY | |
|---------------------|------------------|
| 30 June 2015 | 30 June 2014 |
| \$ | \$ |
| 916,445 | 1,014,626 |
| (771,338) | (797,648) |
| 145,107 | 216,978 |
| 2,172,934 | 2,172,934 |
| (285,238) | (236,836) |
| 1,887,696 | 1,936,098 |
| 1,086,103 | 1,004,328 |
| (429,063) | (362,798) |
| 657,040 | 641,530 |
| 2,440,000 | 2,440,000 |
| 5,129,843 | 5,234,606 |
| 154,571 | 154,571 |
| (154,571) | (154,571) |
| 5,129,843 | 5,234,606 |

NOTE 7 - PROPERTY, PLANT, AND EQUIPMENT (Continued)

Movements in carrying amounts

Movements in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

| Consolidated Entity | Plant & Equipment and Motor Vehicles | Building | Fixture and Fittings | Land | Total |
|--------------------------------|--------------------------------------|------------------|----------------------|------------------|------------------|
| | \$ | \$ | \$ | \$ | \$ |
| Balance at 1 July 2013 | 361,832 | 1,985,742 | 703,191 | 2,440,000 | 5,490,765 |
| Additions | 14,207 | - | 3,466 | - | 17,673 |
| Disposals | (72,253) | - | - | - | (72,253) |
| Depreciation | (86,808) | (49,644) | (65,127) | - | (201,579) |
| Balance at 30 June 2014 | 216,978 | 1,936,098 | 641,530 | 2,440,000 | 5,234,606 |
| Balance at 1 July 2014 | 216,978 | 1,936,098 | 641,530 | 2,440,000 | 5,234,606 |
| Additions | 16,760 | - | 95,025 | - | 111,785 |
| Disposals | (27,068) | - | (9,657) | - | (36,725) |
| Depreciation | (61,563) | (48,402) | (69,858) | - | (179,823) |
| Balance at 30 June 2015 | 145,107 | 1,887,696 | 657,040 | 2,440,000 | 5,129,843 |

NOTE 8 - EXPLORATION AND EVALUATION EXPENDITURE

| CONSOLIDATED ENTITY | |
|---------------------|--------------|
| 30 June 2015 | 30 June 2014 |
| \$ | \$ |

Exploration and Evaluation Expenditure at cost

42,267,462 **34,657,934**

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 | Total |
|-------------------------------------------|-------------------|
| Balance at 1 July 2013 | 12,576,227 |
| Additions | 25,192,539 |
| Less: Impairment | (92,097) |
| Less: Joint venture contributions applied | (423,594) |
| Less: RDTI applied | (2,595,141) |
| Balance at 30 June 2014 | 34,657,934 |
| Balance at 1 July 2014 | 34,657,934 |
| Additions | 18,985,749 |
| Less: RDTI applied | (11,376,221) |
| Balance at 30 June 2015 | 42,267,462 |

In 2014 financial year, the exploration and evaluation expenditure was \$34.6 million plus an additional \$18.9 million was incurred in the 2015 financial year which comes to a total of \$53.5 million. An RDTI amount of \$11.3 million was applied and the balance as at 30 June 2015 was \$42.2 million.

In 2015, exploration and evaluation expenditure immediately expensed in the consolidated statement of profit or loss and other comprehensive income amounted to \$155,142 (30 June 2014: \$225,302) and consisted of amortisation costs of restoration asset and unwinding of discounting on the restoration provision.

NOTE 8 - EXPLORATION AND EVALUATION EXPENDITURE (Continued)

Liabilities arising from exploration and evaluation activities amounted to \$565,410 and formed part of trade and other payables (Note 9) (30 June 2014: \$52,063)

Exploration and evaluation expenditure incurred is carried forward for each area of interest. This expenditure is only carried forward if it is expected to be recovered through the successful development, commercial exploitation or alternatively sale of respective areas of interest or where the activities in the area of interest have not reached a stage which permits a reasonable assessment of economically recoverable reserves and active and significant operations in the area of interest are continuing. In assessing the recoverability of exploration and evaluation expenditure in the financial report, the directors have considered the impacts of relationships with joint venture operators, future funding arrangements and planned future expenditure in relation to mining leases held.

NOTE 9 - TRADE AND OTHER PAYABLES

Current

Payables and accruals to a joint operations partner
Trade and sundry payables

| CONSOLIDATED ENTITY | |
|---------------------|------------------|
| 30 June 2015 | 30 June 2014 |
| \$ | \$ |
| 565,410 | 46,151 |
| 211,255 | 1,425,019 |
| 776,665 | 1,471,170 |

Payables and accruals to a joint operations partner represent expenses are non-interest bearing.

NOTE 10 - 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 balance sheet by adjusting both the restoration and rehabilitation asset and provision. Such changes trigger a change in future depreciation and 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

Balance at beginning of the year

Additional provision recognised
Reduction due to change in estimate
Reversal of provision
Charged/(credited) to profit or loss:
- unwinding of discount
Amounts used during the year

Balance at end of the year

| CONSOLIDATED ENTITY | |
|---------------------|------------------|
| 30 June 2015 | 30 June 2014 |
| \$ | \$ |
| 1,570,110 | 1,773,973 |
| - | 613,720 |
| - | (61,211) |
| - | (217,778) |
| 26,556 | 29,552 |
| (96,967) | (568,146) |
| 1,499,699 | 1,570,110 |

NOTE 11 - ISSUED CAPITAL

Authorised and Issued Share Capital

Issued share capital 607,026,150 (30 June 2014: 615,774,351) fully paid, no par value ordinary shares.

| | 30 JUNE 2015 | | 30 JUNE 2014 | |
|---------------------------------------------------------------------|---------------------|--------------------|---------------------|--------------------|
| | Number of shares | \$ | Number of shares | \$ |
| Fully Paid Shares | | | | |
| Balance at beginning of the year | 615,774,351 | 102,724,971 | 533,391,210 | 83,842,452 |
| Shares issued: | | | | |
| • December 2013 - Shares issued for cash | - | - | 80,318,393 | 18,874,823 |
| • August 2013 - Shares issued under Employee Share Ownership Plan | - | - | 2,064,748 | 474,892 |
| • Capital Raising Costs | - | - | - | (467,196) |
| • November 2014 - Shares issued under Employee Share Ownership Plan | 2,943,152 | 382,610 | - | - |
| • April 2015 - Share buyback | (7,324,919) | (532,423) | - | - |
| • June 2015 - Share buyback | (4,366,434) | (229,076) | - | - |
| Balance at the end of the year | 607,026,150 | 102,346,082 | 615,774,351 | 102,724,971 |

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 12 - SHARE BASED PAYMENTS

Performance rights issued under STI and LTI performance plan (approved at the AGM) are recognised on the date the service are provided from each key management personnel.

Refer to Note 3 Key Management Personnel remuneration and the remuneration report.

Under the plan, participants are granted rights which only vest if certain performance standards are met. Participation in the plan is at the board's discretion and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits.

The amount of rights that will vest depends on the extent the performance criteria are met and are granted under the plan for no consideration. Rights granted under the plan carry no dividend or voting rights. When exercisable, each right is convertible into one ordinary share.

The exercise price is nil.

Set out below is a summary of performance rights granted under the plan:

2015

There were no performance rights granted during the period ended 30 June 2015.

NOTE 12 - SHARE BASED PAYMENTS (Continued)

2014

Short-term Incentives

| Grant date | Expiry date | Balance at start of the year | Granted during the year | Exercised during the year | Lapsed during the year | Balance at the end of the year | Vested and exercisable at the end of the year |
|---------------|--------------|------------------------------|-------------------------|---------------------------|------------------------|--------------------------------|-----------------------------------------------|
| | | No | No | No | No | No | No |
| 1 July 2012 | | | | | | | |
| | 30 June 2015 | 2,064,748 | - | (2,064,748) | - | - | - |
| 1 July 2013 | | | | | | | |
| | 30 June 2016 | - | 3,883,186 | - | (940,034) | 2,943,152 | 2,943,152 |
| Total: | | 2,064,748 | 3,883,186 | (2,064,748) | (940,034) | 2,943,152 | 2,943,152 |

Long-term incentives

| Grant date | Expiry date | Balance at start of the year | Granted during the year | Exercised during the year | Lapsed during the year | Balance at the end of the year | Vested and exercisable at the end of the year |
|------------------|--------------|------------------------------|-------------------------|---------------------------|------------------------|--------------------------------|-----------------------------------------------|
| | | No | No | No | No | No | No |
| 29 November 2012 | | | | | | | |
| | 30 June 2017 | 2,705,497 | - | - | - | 2,705,497 | - |
| 25 November 2013 | | | | | | | |
| | 30 June 2018 | - | 4,494,537 | - | - | 4,494,537 | - |
| Total: | | 2,705,497 | 4,494,537 | - | - | 7,200,034 | - |

Expenses arising from share-based payment transactions

Total expenses arising from share-based payment transactions recognised during the year as part of employee benefit expense were as follows:

| | 30 June 2015 | 30 June 2014 |
|---------------------------------------------------|----------------|----------------|
| | \$ | \$ |
| Rights issued under Performance Rights Plan - STI | 30,136 | 412,041 |
| Rights issued under Performance Rights Plan - LTI | 109,966 | 294,199 |
| | 140,102 | 706,240 |

Share Based Payments Reserve

| | 30 June 2015 | 30 June 2014 |
|------------------------------------------------|----------------|----------------|
| | \$ | \$ |
| Opening Balance | 877,588 | 646,222 |
| Reserve transfer for performance rights vested | (412,041) | (474,874) |
| Fair value of shares/rights granted | 140,102 | 706,240 |
| Closing balance | 605,649 | 877,588 |

NOTE 12 - SHARE BASED PAYMENTS (Continued)

Performance Rights on Issue

During the financial year ended 30 June 2015, there were no STI or LTI performance rights granted.

During the financial year ended 30 June 2014, the STI and LTI performance rights were granted at nil consideration in accordance with the approval of shareholders at the 2010 AGM. The fair value of these rights has been calculated using the Black-Scholes Option Pricing Model for STI and EOS5 Model for LTI. The assessed fair value at grant date of performance rights granted during the year ended 30 June 2014 was 14.9 cents per right for STI and 8.2 cents per right for LTI.

The model inputs for the year ended 30 June 2014 included:

| | STI Granted 1 July 2013 | LTI Granted 25 November 2013 |
|--------------------------------|-------------------------------|---------------------------------------|
| Exercise price | Nil | Nil |
| Expiry date | 30 June 2016 | 30 June 2018 |
| Total fair value at grant date | \$ 543,646 | \$ 368,552 |
| Number of rights granted | 3,883,186 | 4,494,537 |
| Share price at grant date | \$0.140 | \$0.082 |
| The expected price volatility | 50% | 50% |
| Risk free interest rate | 2.69% | 2.69% |
| Dividend yield | 0.00% | 0.00% |

The expected price volatility is based on the historic volatility (based on the remaining life of the rights), adjusted for any expected changes to future volatility due to publicly available information.

A summary of services and performance criteria to be met before beneficial interests vest to individuals is provided in the Remuneration Report.

NOTE 13 - RESERVES

| | 30 June 2015 | 30 June 2014 |
|-----------------------------------------|--------------------|--------------------|
| | \$ | \$ |
| Share based payments reserve * | 605,649 | 877,588 |
| Foreign currency translation reserve ** | (2,238,385) | (2,241,722) |
| Total reserves | (1,632,736) | (1,364,134) |

* Share based payments reserve is used to recognise the fair value of shares and rights issued to employees of the company.

** The foreign currency translation reserve records exchange differences arising on translation of a foreign controlled subsidiary.

NOTE 14 - EARNINGS PER SHARE

| | CONSOLIDATED ENTITY | |
|------------------------------------------------------------------------------------------------------------------|---------------------|--------------|
| | 30 June 2015 | 30 June 2014 |
| | \$ | \$ |
| (a) Reconciliation of Earnings to Net Profit/(Loss) | | |
| Net Profit/(Loss) for the year | (5,863,547) | (1,017,551) |
| Earnings used in the calculation of basic EPS | (5,863,547) | (1,017,551) |
| Earnings used in the calculation of diluted EPS | (5,863,547) | (1,017,551) |
| (b) Weighted average number of ordinary shares outstanding during the year used in the calculation of basic EPS. | 615,926,074 | 581,541,523 |
| Adjustment for calculation of diluted earnings per share | - | 5,672,484 |
| Weighted average number of ordinary shares outstanding during the year used in the calculation of diluted EPS. | 615,926,074 | 587,214,008 |
| Basic earnings/(loss) per share (cents per share) | (0.95) | (0.17) |
| Diluted earnings/(loss) per share (cents per share) | (0.95) | (0.17) |

NOTE 15 - CASH FLOW INFORMATION

Reconciliation of net cash used in operating activities to Profit/(loss) after income tax:

Profit/(loss) after income tax (5,863,547) (1,017,551)

Add/(less) non-cash items:

| | | |
|-------------------------------------------------------------|----------|---------|
| Depreciation and amortisation | 308,409 | 305,232 |
| Loss/(Gain) on sale of property, plant and equipment assets | (10,075) | 33,753 |
| Impairment of property, plant and equipment assets | - | 92,097 |
| Movement in foreign currency reserve | 3,337 | (238) |
| Movement in share based payments reserve | 110,671 | 706,240 |

Adjustment for changes in assets and liabilities

| | | |
|---------------------------------------|--------------------|--------------------|
| Performance guarantee bonds* | (1,075) | 19,135 |
| Trade and other receivables | 5,083,520 | (5,185,957) |
| Trade and other payables** | (1,173,723) | 293,702 |
| Employee provisions | (43,835) | 175,469 |
| Lease provisions | - | - |
| Restoration provision | (70,411) | (203,863) |
| Net cash used in operating activities | (1,656,727) | (4,781,981) |

* Other non-current assets amount is exclusive of deferred exploration expenditure movement.

** 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 16 - CAPITAL AND LEASING COMMITMENTS

Work Programme Commitments

The total commitments for work programmes for ATP549, ATP594P, ATP794P, ATP855P and PEP170 are as follows:

| | CONSOLIDATED ENTITY | |
|-----------------------------------------------------|---------------------|-------------------|
| | 30 June 2015 | 30 June 2014 |
| | \$ | \$ |
| Exploration expenditure commitments | | |
| • not later than 1 year | 4,332,998 | 3,494,774 |
| • later than one year but not later than five years | 37,822,488 | 35,830,485 |
| | 42,155,486 | 39,325,259 |

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

The entity's share of the above commitments that relate to its interests in joint operations are \$12,600,259 (30 June 2014: \$9,358,079).

NOTE 17 - JOINT ARRANGEMENTS AND MINING TENEMENTS HELD

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

| Oil and Gas | Basin | Interest % 30 June 2015 | Interest % 30 June 2014 |
|---------------------------------|-----------------|----------------------------|----------------------------|
| ATP 549P West | Cooper Eromanga | 33.33% | 33.33% |
| ATP 594P* | Cooper Eromanga | 100.00% | 50.00% |
| ATP 794P Regleigh & Springfield | Cooper Eromanga | 60.00% | 60.00% |
| ATP 626P | Surat | 100.00% | 100.00% |
| ATP 855P | Cooper Eromanga | 35.10% | 35.10% |
| PRLs33-49** | 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% |

NOTE 17 - JOINT ARRANGEMENTS AND MINING TENEMENTS HELD (Continued)

* In September 2014, the Department of Natural Resources and Mines transferred the outstanding 50% interest from former joint owner Triple J Resources to Icon Energy following the de-registration of Triple J Resources.

** 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 ventures that are material to the consolidated entity are set out below:

| | | CONSOLIDATED ENTITY | |
|--------------------------------------------------------|-------------|----------------------------|---------------------|
| | | 30 June 2015 | 30 June 2014 |
| | | \$ | \$ |
| CURRENT ASSETS | NOTE | | |
| Prepayments for deferred exploration and evaluation | 5 | - | 1,197,920 |
| Total current assets | | - | 1,197,920 |
| NON CURRENT ASSETS | | | |
| Exploration and evaluation expenditure at cost | 8 | 39,575,300 | 30,801,476 |
| Total non current assets | | 39,575,300 | 30,801,476 |
| Share of total assets in joint arrangements | | 39,575,300 | 31,999,396 |
| CURRENT LIABILITIES | NOTE | | |
| Joint arrangements liabilities | 9 | 565,410 | 46,151 |
| Total joint arrangements liabilities | | 565,410 | 46,151 |
| NON CURRENT LIABILITIES | | | |
| Restoration provision | | 1,196,835 | 1,196,835 |
| Total joint arrangements liabilities | | 1,196,835 | 1,196,835 |
| Share of total liabilities in joint arrangements | | 1,762,245 | 1,242,986 |
| EXPENSES | | | |
| Exploration and evaluation related expenses | | 155,142 | 225,302 |
| Share of total expenses related to joint arrangements* | | 155,142 | 225,302 |

Expenses do not include impairment of exploration and evaluation joint arrangement assets (30 June 2014: \$92,097).

NOTE 18 - CONTROLLED ENTITIES

Parent entity:

Icon Energy Limited

Australia

Subsidiaries of Icon Energy Limited:

| | Country of Incorporation | Date of Incorporation | % Owned | |
|------------------------------|-------------------------------------|----------------------------------|---------------------|---------------------|
| | | | 30 June 2015 | 30 June 2014 |
| Jakabar Pty Ltd | Australia | 18 Dec 1992 | 100 | 100 |
| Icon Drilling Pty Ltd | Australia | 18 Nov 1994 | 100 | 100 |
| Icon Gas Productions Pty Ltd | Australia | 16 Dec 2008 | 100 | 100 |
| Icon Oil US (LLC) | USA | 5 Jan 1993 | 100 | 100 |

During the year ended 30 June 2014, the consolidated entity deregistered four subsidiaries: Icon Domestic LNG Pty Ltd, Icon Geothermal Pty Ltd, Icon LNG (China) Pty Ltd and Icon Cooper Pty Ltd.

NOTE 19 - SEGMENT INFORMATION

The consolidated entity operates in the oil exploration and petroleum sector, predominantly within Queensland. The majority of its exploration activities are conducted in the Cooper/Eromanga and Surat Basins in Australia. Icon's Board of Directors reviews internal management reports on at least a monthly basis.

INFORMATION ABOUT GEOGRAPHICAL AREAS

In presenting the information on the basis of geographical areas, the Australian geographical areas include a majority of corporate head office expenses on the basis that all resources within the corporate head office are applied to these exploration activities. Information by geographical areas are as follows:

| | Australia | | USA | | Consolidated Entity | |
|-------------------------------------------------|--------------|--------------|--------------|--------------|---------------------|--------------|
| | 30 June 2015 | 30 June 2014 | 30 June 2015 | 30 June 2014 | 30 June 2015 | 30 June 2014 |
| | \$ | \$ | \$ | \$ | \$ | \$ |
| REVENUE | | | | | | |
| Income from research and development claim | - | 4,897,215 | - | - | - | 4,897,215 |
| Royalty income | 7,957 | 25,643 | - | - | 7,957 | 25,643 |
| Total segment revenues | 7,957 | 4,922,858 | - | - | 7,957 | 4,922,858 |
| Interest Revenue | 599,743 | 1,045,484 | - | - | 599,743 | 1,045,484 |
| Other Income | - | 2,967 | - | - | - | 2,967 |
| Total revenue | 607,700 | 5,971,309 | - | - | 607,700 | 5,971,309 |
| RESULT | | | | | | |
| Segment net operating profit after tax | (5,858,563) | (1,016,774) | (4,983) | (777) | (5,863,547) | (1,017,551) |
| Finance cost | 26,556 | 55,889 | - | - | 26,556 | 55,889 |
| Impairment of Assets | 9,657 | 92,097 | - | - | 9,657 | 92,097 |
| Gain/(loss) on sale of non-current assets | 19,732 | (33,753) | - | - | 19,732 | (33,753) |
| Segment Assets | 61,443,442 | 68,762,492 | 13,693 | 14,432 | 61,457,135 | 68,776,924 |
| Segment Liabilities | 2,882,255 | 3,691,007 | - | - | 2,882,255 | 3,691,007 |
| OTHER | | | | | | |
| Acquisition of non-current segment assets | 111,785 | 17,673 | - | - | 111,785 | 17,673 |
| Depreciation and amortisation of segment assets | 308,409 | 305,232 | - | - | 308,409 | 305,232 |

Assumptions regarding the identification of reportable operating segments (refer note 1a):

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 Managing Director. The operating segments have been aggregated on the basis of geographic location.

NOTE 20 - FINANCIAL INSTRUMENTS

Financial instruments comprise of the following:

Financial Assets

Cash and cash equivalents

Loans and receivables:

- Trade and other receivables

Held to maturity financial assets:

- Term deposit

Financial Liabilities

Held at amortised cost

- Trade and other payables

NOTE

| CONSOLIDATED ENTITY | |
|---------------------|--------------|
| 30 June 2015 | 30 June 2014 |
| \$ | \$ |

| | | |
|---|-----------|-------------|
| 4 | 8,748,520 | 7,605,461 |
| 5 | 111,360 | 9,080,045 |
| 6 | 5,000,000 | 12,000,000 |
| 9 | (776,665) | (1,471,170) |

The carrying values of loans and receivables, held to maturity financial assets and held at amortised cost financial liabilities 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 operations.

The consolidated entity does not have any derivative instruments at 30 June 2015 (30 June 2014: 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 1 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 4 and 11 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 2014.

Financial Risk Management

The main risks the consolidated entity is exposed through its financial assets and liabilities are credit risk and liquidity 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.

Interest rate risk

The consolidated entity's interest rate risk arises mainly from the term deposits and cash and cash equivalents. The entity does not have any borrowing facilities. Therefore, it is not exposed to the interest rate risk.

NOTE 20 - FINANCIAL RISK MANAGEMENT (CONTINUED)

The consolidated entity does not use long-term debt to finance its exploration activities. The company has a policy that when 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:

| Consolidated Entity | | Weighted Average Interest Rate % | Floating Interest \$ | Fixed Interest Rate Maturing | | Non interest bearing \$ | Total \$ |
|------------------------------------|---|----------------------------------|----------------------|------------------------------|-----------------|-------------------------|-------------------|
| | | | | Within 1 year \$ | 1 to 5 years \$ | | |
| 30 June 2015 NOTES | | | | | | | |
| Financial assets | | | | | | | |
| Cash and cash equivalents | 4 | 2.51% | 8,748,031 | - | - | 489 | 8,748,520 |
| Term deposits | 6 | 3.34% | 5,000,000 | - | - | - | 5,000,000 |
| Trade and other receivables | 5 | | - | - | - | 111,360 | 111,360 |
| Total Financial Assets | | | 13,748,031 | - | - | 111,849 | 13,859,878 |
| Financial liabilities | | | | | | | |
| Trade and other payables | 9 | | - | - | - | 776,665 | 776,665 |
| Total Financial Liabilities | | | - | - | - | 776,665 | 776,665 |
| 30 June 2014 NOTES | | | | | | | |
| Financial assets | | | | | | | |
| Cash and cash equivalents | 4 | 2.26% | 7,605,332 | - | - | 129 | 7,605,461 |
| Term deposits | 6 | 3.77% | 12,000,000 | - | - | - | 12,000,000 |
| Trade and other receivables | 5 | | - | - | - | 9,080,045 | 9,080,045 |
| Total Financial Assets | | | 19,605,332 | - | - | 9,080,173 | 28,685,505 |
| Financial liabilities | | | | | | | |
| Trade and other payables | 9 | | - | - | - | 1,471,170 | 1,471,170 |
| Total Financial Liabilities | | | - | - | - | 1,471,170 | 1,471,170 |

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.

NOTE 20 - FINANCIAL RISK MANAGEMENT (CONTINUED)

At 30 June 2015, 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 \$64,420 higher/\$64,149 lower (30 June 2014: \$111,312 higher/\$112,113 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 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

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.

Credit quality of financial assets neither past due or impaired.

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 |
|--------------------------|-------|------------------|-----------------------|------------------|-----------|
| | NOTES | \$ | \$ | \$ | \$ |
| 30 June 2015 | | | | | |
| Trade and other payables | 9 | 776,665 | 776,665 | 776,665 | - |
| | | 776,665 | 776,665 | 776,665 | - |
| 30 June 2014 | | | | | |
| Trade and other payables | 9 | 1,471,170 | 1,471,170 | 1,471,170 | - |
| | | 1,471,170 | 1,471,170 | 1,471,170 | - |

The consolidated entity's liquidity risk relating to financial liabilities at 30 June 2015 is limited to the repayment of the trade payables. 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 Statement of Financial Position and accompanying explanatory notes at 30 June 2015, 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 21 - RELATED PARTY TRANSACTIONS

- Interests in subsidiaries are disclosed in note 18.
- Transactions with Directors and Director Related Entities are disclosed in note 3.
- There were no other related party transactions during the year ended 30 June 2015 or 30 June 2014.

NOTE 22 - CONTINGENT LIABILITIES

On 3 February 2015, Justice McMurdo handed down the judgement to strike out the majority of the dispute between Icon Energy Ltd and Jakabar Pty Ltd and Southern Fairway Investments Pty Ltd (formerly Babcock & Brown Australia Infrastructure Pty Ltd) ("B&B") and Ronald Baldwin where B&B and Mr Baldwin are claiming damages arising from an alleged breach of a memorandum of understanding entered into by the parties in June 2008 in the vicinity of \$221.75 million and an agency agreement entered into by Icon with Mr Baldwin in May 2008 in the vicinity of \$52.4 million. Subsequent to the 3 February judgement, Southern Fairway Investments Pty Ltd (formerly Babcock & Brown Australia Infrastructure Pty Ltd) ("B&B") and Ronald Baldwin submitted an Amended Statement of Claim for a significantly lesser amount (\$4 million).

Icon gives no credence to the alleged estimate of loss given by B&B and Mr Baldwin. Proceedings following the Further Amended Statement of Claim (FASOC) are adjourned and his Honour will review the FASOC filed by B&B and Mr Baldwin in August 2015 in the Queensland Supreme Court. It is estimated that the extent of the Company's exposure to this dispute will be limited to approximately \$200,000 to \$500,000 representing legal fees. Icon is undertaking a recovery of costs for the portion of the strike out judgement already handed down.

NOTE 23 - EVENTS AFTER BALANCE DATE

There are no after balance sheet date events at the date of signing.

NOTE 24 - CORRECTION OF PRIOR PERIOD ERROR

During the year, \$7.49 million was reclassified for the 2014 financial year from the income tax benefit: \$4.8 million to income from research and development claim and \$2.5 million as an offset to exploration and evaluation expenditure. The research and development claim was incorrectly included in tax benefit instead of being split between income from research and development claim and exploration and evaluation expenditure.

The abovementioned misstatements in the previous year's consolidated financial statements represents a prior period accounting error which must be accounted for retrospectively. Consequently, the Group shall adjust all comparative amounts presented in the current period's financial statements affected by the accounting errors as follows:

| | Previously Reported 30 June 2014 \$ | Adjustment \$ | Restated 30 June 2014 \$ |
|-------------------------------------------------------------------|----------------------------------------------|--------------------|--------------------------------|
| Statement of profit or loss and other comprehensive income | | | |
| Income from research and development claim | - | 4,897,215 | 4,897,215 |
| Profit/(Loss) before income tax | (5,914,766) | 4,897,215 | (1,017,551) |
| Income tax benefit | 7,492,356 | (7,492,356) | - |
| Net Profit/(Loss) for the year from continuing operations | 1,577,590 | (2,595,141) | (1,017,551) |
| Earnings per share | | | |
| From continuing operations | | | |
| Basic earnings/(loss) per share (cents per share) | 0.27 | (0.44) | (0.17) |
| Diluted earnings/(loss) per share (cents per share) | 0.27 | (0.44) | (0.17) |
| Statement of financial position | | | |
| Non-current assets | | | |
| Exploration and evaluation expenditure | 37,253,075 | (2,595,141) | 34,657,934 |
| Total current assets | 37,253,075 | (2,595,141) | 34,657,934 |
| Total assets | 71,372,065 | (2,595,141) | 68,776,924 |
| Net assets | 67,681,058 | (2,595,141) | 65,085,917 |
| Equity | | | |
| Accumulated losses | (33,679,779) | (2,595,141) | (36,274,920) |
| Total equity | 67,681,058 | (2,595,141) | 65,085,917 |

NOTE 25 - 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 1 for a summary of the significant accounting policies relating to the consolidated entity.

Financial position

| | 30 June 2015 | 30 June 2014 |
|--------------------------|-------------------|-------------------|
| | \$ | \$ |
| Assets | | |
| Current assets | 13,740,946 | 28,435,146 |
| Non-current assets | 49,388,999 | 41,047,557 |
| Total assets | 63,129,945 | 69,482,703 |
| Liabilities | | |
| Current liabilities | 1,250,652 | 1,949,875 |
| Non-current liabilities | 106,699 | 94,010 |
| Total liabilities | 1,357,352 | 2,043,886 |
| Net Assets | 61,772,594 | 67,438,818 |
| Equity | | |
| Issued capital | 102,346,081 | 102,724,970 |
| Reserves | 605,649 | 877,588 |
| Accumulated losses | (41,179,135) | (36,163,740) |
| Total equity | 61,772,594 | 67,438,818 |

Financial performance

| | 30 June 2015 | 30 June 2014 |
|------------------------------------------|--------------------|--------------------|
| | \$ | \$ |
| Profit/(Loss) for the year | (5,015,395) | (7,210,550) |
| Other comprehensive income | - | - |
| Total comprehensive income/(loss) | (5,015,395) | (7,210,550) |

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

| | 30 June 2015 | 30 June 2014 |
|-------------------------------------------------|--------------|--------------|
| | \$ | \$ |
| 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 liabilities are disclosed in note 22.

Contractual commitments for the acquisition of property, plant and equipment by the parent entity

The parent entity did not have any contractual commitments for the acquisition of property, plant or equipment as at 30 June 2015 or 30 June 2014.

On-market buy-back

At 31 August 2015, the company purchased and cancelled total of 16,207,299 shares on market.

Distribution of Shareholdings

The distribution of ordinary shareholders ranked according to size at 29 September 2015 was as follows:

| Range | Total Holders | Units | % of Issued Capital |
|------------------|---------------|--------------------|---------------------|
| 1 - 1,000 | 400 | 61,584 | 0.01 |
| 1,001 - 5,000 | 1,305 | 4,339,187 | 0.72 |
| 5,001 - 10,000 | 1,077 | 9,220,411 | 1.53 |
| 10,001 - 100,000 | 2,847 | 103,983,610 | 17.26 |
| Over 100,001 | 720 | 484,905,412 | 80.48 |
| TOTAL | 6,349 | 602,510,204 | 100.00 |

| Unmarketable Parcels as at 29 September 2015 | Minimum Parcel Size | Holdings | Units |
|-----------------------------------------------|---------------------|----------|------------|
| Minimum \$ 500.00 parcel at \$ 0.037 per unit | 13,514 | 3,060 | 16,941,420 |

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 29 September 2015:

| Rank | Name | Shares Held | % of Issued Capital |
|---------------------------------------------------------------------|---------------------------------------------------------------------------------|--------------------|---------------------|
| 1 | HK PROSPEROUS TECHNOLOGY LIMITED | 80,318,393 | 13.33 |
| 2 | HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2 | 49,108,609 | 8.15 |
| 3 | RAY JAMES | 23,193,655 | 3.85 |
| 4 | HOWARD LU | 16,068,181 | 2.67 |
| 5 | CITICORP NOMINEES PTY LIMITED | 9,240,087 | 1.53 |
| 6 | TAIWAN FRUCTOSE CO LTD | 9,000,000 | 1.49 |
| 7 | MRS DIANNE BETH BALDWIN | 8,509,600 | 1.41 |
| 8 | HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED | 7,569,726 | 1.26 |
| 9 | J P MORGAN NOMINEES AUSTRALIA LIMITED | 5,863,345 | 0.97 |
| 10 | MR TIMOTHY ALLEN KENNEDY + MRS GLENDA KAY KENNEDY <TA & GK KENNEDY S/F NO2 A/C> | 5,025,825 | 0.83 |
| 11 | CABLEX INDUSTRIES PTY LTD | 4,991,332 | 0.83 |
| 12 | SAMBOR NOMINEES PTY LTD <SUSANNE & MONIAK SAMBOR A/C> | 4,522,256 | 0.75 |
| 13 | MR CHIEN HUA LEE | 4,500,000 | 0.75 |
| 14 | ALPHA GEM PTY LTD | 4,304,581 | 0.71 |
| 15 | MR CHRISTOPHER JOHN MARTIN | 4,012,056 | 0.67 |
| 16 | MOROHI PTY LTD | 3,620,058 | 0.60 |
| 17 | LINK ORANGE PTY LTD | 3,393,181 | 0.56 |
| 18 | JOHN E GILL TRADING PTY LTD | 3,178,378 | 0.53 |
| 19 | ZONEX CAPITAL PTY LTD | 3,077,829 | 0.51 |
| 20 | IAN PETHERBRIDGE RETIREMENT FUND PTY LTD <IAN PETHERBRIDGE R/F A/C> | 2,900,678 | 0.48 |
| Totals: Top 20 holders of FULLY PAID ORDINARY SHARES (TOTAL) | | 252,397,770 | 41.89 |
| Total Remaining Holders Balance | | 350,112,434 | 58.11 |

Substantial Holders

| Rank | Name | Shares Held | % of Issued Capital |
|------------------------------------------------------------------|--------------------------------------------------------------------------------------|--------------------|---------------------|
| 1 | HK PROSPEROUS TECHNOLOGY LIMITED | 80,318,393 | 13.33 |
| 2 | MR CHING-TANG LI (HOLDING THROUGH HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2) | 39,347,341 | 6.53 |
| Totals: Substantial holders of FULLY PAID ORDINARY SHARES | | 119,665,734 | 19.86 |



CORPORATE DIRECTORY

ICON ENERGY LIMITED

ABN 61 058 454 569

ASX Code: ICN

DIRECTORS

Stephen Barry

(Chairman)

Raymond James

(Managing Director)

(Executive Director)

Kevin Jih

(Executive Director)

Derek Murphy

(Non-Executive Director)

Keith Hilless

(Non-Executive Director)

Howard Lu

(Non-Executive Director)

COMPANY SECRETARY AND CHIEF FINANCIAL OFFICER

Kevin Jih

REGISTERED OFFICE

4 Miami Key

Broadbeach Waters

Gold Coast Queensland 4218

PO Box 2004

Broadbeach Queensland 4218

Telephone: +61 7 5554 7111

Fax: +61 7 5554 7100

Email: contact@iconenergy.com

Website: www.iconenergy.com

SHARE REGISTRY

Computershare Investor Services Pty Limited

117 Victoria Street

West End

Brisbane Queensland 4101

GPO Box 523

Brisbane Queensland 4101

Telephone: +61 7 3237 2100

Fax: +61 7 3237 2152

AUDITORS

Crowe Horwath

Level 16, 120 Edward Street

Brisbane Queensland 4000

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INFORMATION ENQUIRIES

contact@iconenergy.com

This Annual Report is printed on paper stocks
manufactured with the environment in mind



www.iconenergy.com



CORPORATE GOVERNANCE STATEMENT

SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

This statement outlines Icon Energy's Corporate Governance practices that were in place during the financial year.

ROLE OF THE BOARD

The Board of Directors of Icon Energy is responsible for the overall corporate governance of the group and oversees the Company's business and management for the benefit of shareholders and sets out to achieve this objective by:

- Establishing corporate governance and ethical standards;
- Maximising shareholder value by setting objectives and goals;
- Appointing and where appropriate, removing the Managing Director and monitoring the Managing Director's performance;
- Appointing and where appropriate, removing the Company Secretary and monitoring and holding to account through the direct monitoring of the Company Secretary's performance;
- Reviewing and ratifying systems of risk management and internal control, codes of conduct and legal compliance;
- Reviewing and ensuring the appropriate composition of the Board;
- Approving and monitoring the progress of major capital expenditure, capital management and acquisitions and divestitures; and
- Approving and monitoring financial and other reporting.

The Board has specifically reserved for its decision, the following matters:

- The appointment of the Managing Director;
- Approval of the structure of the direct reports to the Managing Director;
- Approval of the overall strategy;
- Approval of annual budgets of the business;
- Delegation of authority; and
- Formal determinations that are required by Icon Energy's

constitutional documents, by statute or by other external regulation.

The Board maintains the right to make changes to the matters reserved for its decision, subject to the limitations imposed by the constitutional documents and the law.

In particular, the Board has given authority to the Managing Director to achieve the corporate objectives. The Managing Director has the right to make decisions and take actions which, in the Managing Director's judgment, are reasonable and are within the authority given by the Board. The Managing Director continues to be responsible to the Board for the delegated authority and for the performance of the business. The Board monitors the decisions and actions of the Managing Director to ensure that progress is being made towards the corporate objectives, within the authority it has delegated. The Board also oversees the performance of the Company through its Board Committees.

The Managing Director is required to report on progress being made by the Company to the Board and key stakeholders. The Board and its Committees determine the nature and form of information required from the Managing Director, employees or external parties, including the external auditor. Openness and trust are encouraged between individual members of the Board and the Managing Director and other employees. This allows Directors to achieve a better understanding of the business.

ROLE OF MANAGEMENT

Through the Managing Director, the Board has delegated the following key functions to Senior Executives:

- The recommendation of Icon Energy's business, operational and corporate strategy to the Board for approval and following their approval, implementation;
- The day to day responsibility for complying with all laws and regulations relevant to Icon Energy's operations and business activities;
- The achievement of the corporate objectives set by the Board;
- The development and implementation of the Company's policies and procedures (including risk management and internal control processes); and
- The engagement of suitable staff and contractors so as to effectively discharge the Company's obligations and various strategic, operational and business objectives.

BOARD COMPOSITION

The principles applied to the composition of the Board are:

- Due diligence conducted prior to the appointment of each Director has ensured that the Company's Board is comprised of Directors who have a broad cross-section of experience in the petroleum exploration/production industry both in Australia and overseas, have general management and business development experience or legal or financial experience;
- The expertise of the Board encompasses the establishment of management strategy and monitoring achievement of these strategies;
- The Chairman of the Board is a Non-Executive Director. The Chairman has the casting vote in all Board decisions;
- The Board comprises of a majority of Non-Executive Directors. Currently the Board comprises four Non-Executive Directors and two Executive Directors;
- If a Board vacancy exists or where the Board considers that an additional Director is required, that appointment would be made from persons who possess the appropriate expertise, skills and sufficient time as determined by the Board. The Remuneration, Nominations and Succession Committee reviews the composition of the Board on a regular basis and conducts a skills gap analysis as part of the exercise to ensure the Board has the right balance of requisite skills and experience;
- In accordance with ASX listing rules and individual Director Service Agreements with the Company, no Director, except the Managing Director, shall hold office for a period in excess of three years, or past the third Annual General Meeting following the Director's appointment, whichever is the longer, without submitting themselves for re-election. At every Annual General Meeting one third of the Directors, or if their number is not a multiple of three, then the number nearest to but not exceeding one third shall retire from office and be eligible for re-election. All relevant information in relation to the re-election of a Director to be determined at an Annual General Meeting is set out in the Notice of Meeting and Explanatory Statements for all shareholders;
- In accordance with the Constitution of the Company the Board comprises of at least three Directors; and
- All Company Directors are members and participate in information sessions through the Australian Institute of Company Directors.

A copy of the Company's Board Charter and the Role of Management can be found in the Corporate Governance Section of the Company's website.

INDEPENDENCE OF NON-EXECUTIVE DIRECTORS

The Board considers an Independent Director to be a Non-Executive Director who meets the criteria for independence included in the Australian Securities Exchange's (**ASX**) Corporate Governance Council's Corporate Governance Principles and Recommendations (**ASX Principles**). The Board has determined that Messrs Stephen Barry, Derek Murphy, Howard Lu and Dr Keith Hilless AM meet the definition of an "independent director" as set out in the ASX Principles.

INDEPENDENT PROFESSIONAL ADVICE

The Directors are entitled to seek independent professional advice at the Company's expense if required in the performance of their duties.

The Directors are entitled to direct access to employees and Company advisers as may be required.

BOARD COMMITTEES

Two Committees of the Board have been formed to consider and make recommendations to the Board on important areas of decision making. These Committees are the Audit and Risk Management Committee and the Remuneration, Nominations and Succession Committee. Additional committees may be formed if the Board sees a need for them.

Membership of the two standing Committees is as follows:

Audit and Risk Management Committee

Keith Hilless AM (Chairman) (Non-Executive Director)
Stephen Barry (Non-Executive Director)
Derek Murphy (Non-Executive Director)

Remuneration, Nominations and Succession Committee

Stephen Barry (Chairman) (Non-Executive Director)
Derek Murphy (Non-Executive Director)

BOARD AND COMMITTEE MEMBERS AND MEETINGS

The current Icon Energy Board of Directors consists of four independent Directors and two Executive Directors, the Managing Director and the Chief Financial Officer. The Audit and Risk Management Committee comprises three independent Non-Executive Directors with two members having experience and expertise in financial matters. The

Chairman of the Audit and Risk Committee is Dr Keith Hilless AM an independent Non-Executive Director. The Remuneration, Nominations and Succession Committee consists of two independent Non-Executive Directors due to the small size of the Company. The Company Chairman is also the Chairman of the Remuneration, Nominations and Succession Committee.

Details of the number of Board and Committee meetings held during the reporting period and their attendees are set out in the Directors' Report. In addition, details of the qualifications and experience of each Board and Committee member are set out in the Directors' Report. The period of office held by each Director is also set out in the Directors' Report.

AUDIT AND RISK MANAGEMENT COMMITTEE

The purpose of the Committee is to assist the Board in its oversight of:

- The effectiveness of the systems of financial risk management, governance and internal control;
- The integrity of the Group's financial reporting;
- The integrity of the external audit process, including appointment, performance and independence of the external auditor; and
- Identification of potential risks and the review of the Company's risk management system.

The Committee's role is to report to the Board and provide appropriate advice and recommendations on matters relevant to its Charter in order to facilitate decision making by the Board.

The Audit and Risk Management Committee has in place a formal charter which defines the Committee's function, composition, mode of operation, authority and responsibilities. The Managing Director, Chief Financial Officer and External Auditor are invited to attend Committee meetings, at the discretion of the Committee.

The Committee conducted an annual review of the key identified risks for the Company in the 2014/15 period. The charter of the Audit and Risk Management Committee can be found in the Corporate Governance section on the Company's website.

REMUNERATION, NOMINATIONS AND SUCCESSION COMMITTEE

While larger companies may allocate the responsibilities for remuneration, nominations and succession to separate

committees, the Board has determined that a company of Icon Energy's size is better served by having one Committee with responsibility for all of these functions. The Committee meets at least two to three times a year and in fact, met six times in the reporting year.

The Remuneration, Nominations and Succession Committee reviews and makes recommendations to the Board on the following matters:

- The appointment and performance of the Managing Director;
- The remuneration structure for the Managing Director and other senior employees of the Company;
- The Company's recruitment, retention and termination policies and procedures for Senior Management;
- Staff and Executive incentive schemes;
- Board performance assessment and skills analysis;
- Board and management succession planning; and
- Staff superannuation arrangements.

The charter of the Remuneration, Nomination and Succession Committee can be found in the Corporate Governance Section on the Company's website.

BOARD AND SENIOR EXECUTIVE REMUNERATION

Remuneration levels and terms of employment for Executive Directors and Senior Executives are formalised in individual Service Agreements.

Details of the structure of and amounts paid to Non-Executive Directors, Executive Directors and other Senior Executives are contained in the Remuneration Report which forms part of the Directors' Report. The Remuneration Report also describes the nature of the relationship between the performance of Icon Energy and remuneration paid to Senior Executives.

The Remuneration, Nomination and Succession Committee reviews the Company's remuneration strategy and framework on an annual basis. At the 2010 AGM, the framework and rules for the Company's Performance Rights Plan were approved by shareholders. The Plan framework and rules was renewed and approved by shareholders at the 2014 AGM.

PERFORMANCE EVALUATION

A formal performance evaluation of the Board, each Committee of the Board, the Chairman and individual Directors was undertaken during the reporting period. As part of that review, the Board reviewed its composition and skills set to ensure it has the necessary skills to pursue the Company's strategic objectives.

The Managing Director and Senior Executives participate in annual performance reviews. Performance is measured against key performance indicators relevant to the Company's strategic, operational and business objectives and to each of the Managing Director's and Senior Executive's specific roles.

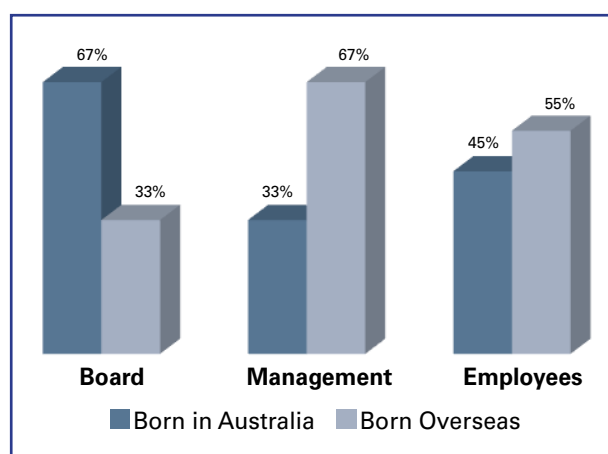
A performance evaluation for the Managing Director and Senior Executives was undertaken for the current reporting period in accordance with the process set by the Remuneration, Nomination and Succession Committee and as approved by the Board.

A summary of the performance evaluation process can be viewed in the Corporate Governance section of the Company's website.

- Our recruitment process is designed to ensure that the best people are chosen for the right positions; and
- We provide learning and development strategies and opportunities to develop skills and experience of employees for career advancement.

Details of the Policy are set out under the Corporate Governance section on the Company's website.

The Diversity Policy includes a commitment to promoting gender diversity each year. The 2014/15 objectives were measured as follows:



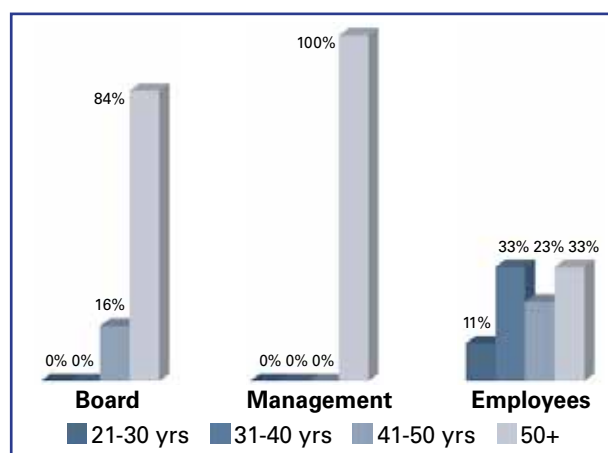
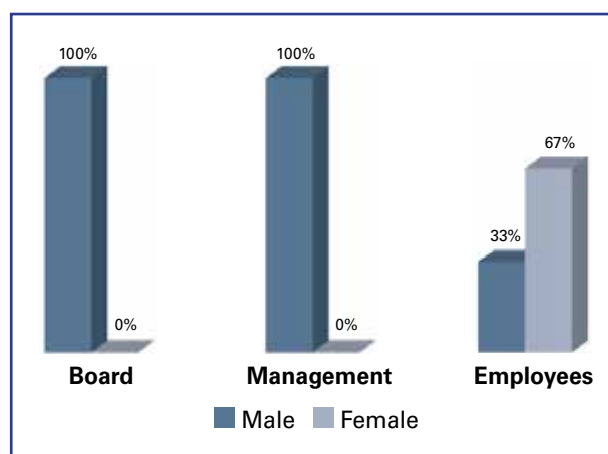
DIVERSITY

A key goal of the Board and Management is to contribute positively to the success of the Company by promoting a high performance culture that draws on the diverse and relevant experience, skills, expertise, perspectives and the unique personal attributes of its Board members and employees. As an employer, we are committed to managing diversity by reflecting our Company values of respect, integrity, honesty and personal commitment in maintaining and valuing the differences a diverse workforce brings.

The Company applies its Diversity Policy to all Icon Energy Limited Directors and employees, including contractors and consultants acting on the Company's behalf. The Policy covers and includes the recruitment and selection process, terms and conditions of employment including pay, promotion, work assignment and training as well as any other aspect of employment.

Key principles of the Policy include:

- We treat all employees, prospective employees, partners, contractors, consultants and suppliers fairly and equally;
- We promote a corporate culture that values diversity and tolerates differences;
- We recruit employees and Directors impartially from a diverse field of suitably qualified candidates;



| 2014 – 2015 Diversity Objectives | Results |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------|
| To support and promote the Company's Diversity Policy | In place |
| To ensure that candidate lists for permanent employee positions are recognisably diverse by age, sex or ethnicity | In place |
| To consider diversity when reviewing Board succession plans with the aim to improve gender representation and diversity | In place |
| To increase the representation of women in senior management roles by ensuring that any interview process includes male and female candidates to be interviewed for a senior executive position | To be achieved. Senior management numbers were reduced and no new senior management positions were available in the 2014-15 year |
| To ensure the voluntary turnover in female employees is no greater than organisation turnover levels | Achieved. Retention of female employees was proportionally higher in the 2014-15 year |

| 2015 – 2016 Diversity Objectives | Results |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|
| To support and promote the Company's Diversity Policy, including, where reasonably practicable, identification of additional suitably qualified external female candidates | In place |
| To ensure that candidate lists for permanent employee positions are recognisably diverse by age, sex or ethnicity | In place |
| To consider diversity when reviewing Board succession plans with the aim to improve gender representation and diversity | In place |
| To increase the representation of women in senior management roles by ensuring that any interview process includes male and female candidates to be interviewed for a senior executive position | To be achieved when positions arise |
| To ensure the voluntary turnover in female employees is no greater than organisation turnover levels | To be achieved |

ETHICAL STANDARDS

The aim of the Company is to ensure that all Directors, managers and employees act with integrity and promote ethical and responsible behaviour which will enhance the reputation and performance of the Group.

The Company has an approved Code of Conduct and Ethics and a Share Trading Policy.

A copy of these Policies and all Corporate Governance information, can be found in the Corporate Governance Section on the Company's website.

- Them to act honestly and with integrity and fairness in all dealings with each other and third parties;
- Compliance with all laws and regulations which govern the group and its operations; and
- Avoidance or management of conflicts of interest.

The Company has a process in place for Directors, employees and third parties to report potential breaches of the Code of Conduct and Ethics.

CODE OF CONDUCT AND ETHICS

The standard of behaviour required of Icon Energy's Directors and employees, as well as of contractors engaged to perform work on behalf of the Company requires:

PRINCIPLES OF CONDUCT

Further general principles of conduct under the Company's Code of Conduct and Ethics, include:

- Ethical and responsible business practices;

- Sustainable development considerations and principles integrated into Company decision making;
- Fostering economic growth and business development, generating government revenue, providing commercial returns to the industry and contributing to the wealth generated by Australia's natural resource base;
- Health, safety, environmental and community risk management strategies that are based on sound science, transparency and effective communication;
- Continuously seeking opportunities to improve health, safety and environmental performance in addressing risks posed by our operations to employees, contractors, the public and the environment;
- Contributing to the conservation of biodiversity and protection of the environment through responsible management of our operations and their impacts;
- Fostering economic and social development of the communities in which we operate;
- Respecting and protecting human rights and dignity at our operations and dealing fairly with employees and others;
- Openly and effectively engaging and reporting with our communities; and
- Directors and Executives of the Company shall notify the Chairman or Managing Director before trading in the Company's shares and shall not trade in the shares other than in accordance with the Company's Share Trading Policy.

TRADING IN THE COMPANY'S SECURITIES BY DIRECTORS AND EMPLOYEES

The Board has a formal Policy regarding trading in the securities of the Company by Directors and employees. The Company's Share Trading Policy provides for specified periods (known as "Trading Windows") in which share trading is permitted and blackout periods when trading is not permitted.

All Icon Energy personnel not in possession of unpublished price-sensitive information may buy, sell or otherwise deal in Icon Energy's securities during Trading Windows which occur in the three week period commencing after:

- The announcement of the half yearly financial results;
- The announcement of the annual financial results;
- The holding of Icon Energy's Annual General Meeting;
- The Company issues a prospectus or a cleansing statement; or

- As the Board otherwise determines.

Under the Policy, Directors and employees who wish to trade in the Company's securities must seek prior clearance in writing from the Chairman (in the case of Directors), the Managing Director (for the Chairman or Secretary) or the Secretary (for other employees). The provisions of the Corporations Act 2001 and the Listing Rules of the ASX require advice to the ASX of any transactions by the Directors in the securities of the Company.

IDENTIFICATION OF SIGNIFICANT BUSINESS RISK

The Board receives comprehensive monthly management reports which enables Directors to identify emerging risk factors and monitor management's response to these risks.

MANAGEMENT OF ENTERPRISE AND OPERATIONAL RISK

The Board has the responsibility for setting the Company's Risk Management Policy.

The Managing Director, in conjunction with senior executives, is responsible for the development, implementation and management of Icon Energy's risk management and internal control framework.

The Managing Director reports to the Board on the management of these functions, including as to the manner in which the Group's material operational and business risks are being effectively managed.

In the 2014 - 2015 financial year, the Company's Audit and Risk Management Committee conducted a review of the Company's risk management framework and register of key risks.

All Company policies and procedures were reviewed and updated where appropriate during the financial year.

Under its charter, the Audit and Risk Management Committee is responsible for:

- Monitoring the establishment and implementation by management of the Company's risk management system;
- Monitoring the effectiveness of the systems of financial risk management, governance and internal control;
- Endorsing a Risk Management Policy which describes the manner in which both risk and the opportunity are identified, assessed, monitored and managed, including how:

- o Significant decisions affecting and changes to the business are subject to risk assessment;
- o Any operational incidents are to be analysed in order to learn from them and successes reviewed in order to repeat them;
- o All acquisitions and divestments of assets are subject to assessment and management;
- o Risks and associated control systems are regularly reviewed; and
- o Performance against risk management plans is monitored and reported upon to the Board.

The Managing Director regularly reports to the Board on the effectiveness of the Company's management of material operational and business risks.

The Board has also received assurance from the Managing Director, Chief Financial Officer and Company Secretary that:

- The declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control; and
- The system is operating effectively in all material aspects in relation to financial reporting risks.

The Company's Enterprise-wide Risk Management Policy which encapsulates the Company's management of material business risks, including economic, environmental, social sustainability and operational risks, can be found in the Corporate Governance section of the Company's website.

CONTINUOUS DISCLOSURE

The Board has in place a Disclosure and Communications Policy that is available under the Corporate Governance section on the Company's website. The Disclosure and Communications Policy defines the legal and regulatory obligations, materiality guidelines and reporting process, and is designed to ensure compliance with the continuous and periodic disclosure obligations under the Corporations Act 2001 and ASX Listing Rules. Responsibility for meeting ASX disclosure requirements and accountability for compliance rests primarily with the Company Secretary.

The Company conducts regular briefings with all staff to ensure they understand the Company's continuous disclosure obligations, and their role in fulfilling them. The Board reviews continuous disclosure matters, if any, at each Board meeting. Copies of Icon Energy Limited's releases to the ASX, investor presentations and Annual Reports are available on the Company's website.

SHAREHOLDER COMMUNICATION

The Disclosure and Communications Policy sets out the manner in which Icon Energy promotes communication with shareholders and other key stakeholders. The Board of Directors ensures that shareholders are fully informed as to any significant Group developments which are generally communicated through:

- Continuous disclosure to the ASX;
- Email broadcast of all ASX announcements to all email alert subscribers from the Company's website;
- The Company's website information updates on all activities;
- Annual reports to shareholders;
- Half-yearly financial reports lodged with the ASX;
- Quarterly reports; and
- Notices of shareholder meetings and explanatory notes.

Copies of the above documents are published on the Company's website: www.iconenergy.com

Shareholders are encouraged to contact the Company's office if they have any questions on the Company's affairs and participate in the Annual General Meeting by attending and asking questions of the Company's Directors. The Company's external auditors attend the Annual General Meeting each year and any securityholder questions are invited by the Chair to be asked at the meeting or after the meeting.

A copy of the Disclosure and Communications Policy can be found in the Corporate Governance section of the Company's website.

ASX CORPORATE GOVERNANCE COUNCIL PRINCIPLES AND RECOMMENDATIONS

The ASX Corporate Governance Council has recognised that its Corporate Governance Principles and Recommendations do not represent a "one size fits all" solution. Icon Energy has considered and, where appropriate, applied the ASX Corporate Governance Recommendations. The following table shows that Icon Energy has adopted all of the ASX Corporate Governance Recommendations with the exception of Recommendation 8.1(a)(1) which recommends that Remuneration Committees comprise at least three members. The Board of Directors has formed the view that it is more practical for a Company the size of Icon Energy to have a Committee of at least two independent Directors rather than three Directors.

2015 CORPORATE GOVERNANCE CHECKLIST

Icon's Corporate Governance Policies conform to the Principles (being those under ASX's 3rd edition of Corporate Governance Principles and Recommendations dated March 2014). A summary of our disclosure against the Principles is set out below:

| Corporate Governance Council Recommendation | Does Icon follow the recommendation? |
|-------------------------------------------------------------------------------------------------------------------|--------------------------------------|
| Principle 1 - Lay solid foundations for management and oversight | |
| 1.1 Disclose roles and responsibilities of board and management | ✓ |
| 1.2 Undertake appropriate checks before appointing or electing a person as director | ✓ |
| 1.3 Written agreement with each Director and Senior Executive | ✓ |
| 1.4 Company Secretary accountable directly to Board | ✓ |
| 1.5 Diversity Policy disclosures reported | ✓ |
| 1.6 Board performance evaluation undertaken | ✓ |
| 1.7 Senior Executive performance evaluation undertaken | ✓ |
| Principle 2 – Structure the board to add value | |
| 2.1 Nomination committee requirements met | X |
| 2.2 Board skills matrix disclosed | ✓ |
| 2.3 Director independence and tenure disclosed | ✓ |
| 2.4 Majority of the Board are independent Directors | ✓ |
| 2.5 Chair of the Board is an independent Director and not the same person as the CEO | ✓ |
| 2.6 Director induction and ongoing training program | ✓ |
| Principle 3 – Act ethically and responsibly | |
| 3.1 Code of conduct available on website | ✓ |
| Principle 4 – Safeguard integrity in corporate reporting | |
| 4.1 Audit committee requirements met | ✓ |
| 4.2 CEO and CFO financial statements declarations received | ✓ |
| 4.3 External auditors attend AGM and available to answer questions from securityholders | ✓ |
| Principle 5 – Make timely and balanced disclosure | |
| 5.1 Continuous Disclosure Policy available on website | ✓ |
| Principle 6 – Respect the rights of securityholders | |
| 6.1 Corporate and governance information available on website | ✓ |
| 6.2 Investor relations program | ✓ |
| 6.3 Processes to facilitate and encourage participation at securityholders meetings | ✓ |
| 6.4 Electronic securityholder communication functionality | ✓ |
| Principle 7 – Recognise and manage risk | |
| 7.1 Risk committee requirements met | ✓ |
| 7.2 Annual review of risk management framework | ✓ |
| 7.3 No internal audit function but internal control processes in place | ✓ |
| 7.4 Disclosure of material exposure to, and management of, economic, environmental and social sustainability risk | ✓ |
| Principle 8 | |
| 8.1 Remuneration committee requirements | X |
| 8.2 Remuneration practices disclosed | ✓ |
| 8.3 Remuneration Policy disclosures regarding equity based remuneration | ✓ |

Appendix 4G

Key to Disclosures Corporate Governance Council Principles and Recommendations

Name of entity

Icon Energy Ltd

ABN/ARBN

61 058 454 569

Financial year ended

30 June 2015

Our corporate governance statement² for the above period above can be found at:³

☒ these pages 16 to 24 of our Annual Report .

☐ this URL on our website: _____

The Corporate Governance Statement is accurate and up to date as at 26 August 2015 and has been approved by the board.

The annexure includes a key to where our corporate governance disclosures can be located. Date here: 21/10/2015

Sign here:



Director / CFO / Company Secretary

Print name: Dr Kevin Jih

¹ Under Listing Rule 4.7.3, an entity must lodge with ASX a completed Appendix 4G at the same time as it lodges its annual report with ASX.

Listing Rule 4.10.3 requires an entity that is included in the official list as an ASX Listing to include in its annual report either a corporate governance statement that meets the requirements of that rule or the URL of the page on its website where such a statement is located. The corporate governance statement must disclose the extent to which the entity has followed the recommendations set by the ASX Corporate Governance Council during the reporting period. If the entity has not followed a recommendation for any part of the reporting period, its corporate governance statement must separately identify that recommendation and the period during which it was not followed and state its reasons for not following the recommendation and what (if any) alternative governance practices it adopted in lieu of the recommendation during that period.

Under Listing Rule 4.7.4, if an entity chooses to include its corporate governance statement on its website rather than in its annual report, it must lodge a copy of the corporate governance statement with ASX at the same time as it lodges its annual report with ASX. The corporate governance statement must be current as at the effective date specified in that statement for the purposes of rule 4.10.3.

² "Corporate governance statement" is defined in Listing Rule 19.12 to mean the statement referred to in Listing Rule 4.10.3 which discloses the extent to which an entity has followed the recommendations set by the ASX Corporate Governance Council during a particular reporting period.

³ Mark whichever option is correct and then complete the page number(s) of the annual report, or the URL of the web page, where the entity's corporate governance statement can be found.

ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

| Corporate Governance Council recommendation | | We have followed the recommendation in full for the whole of the period above. We have disclosed ... | We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ... |
|-------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT | | | |
| 1.1 | A listed entity should disclose: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management. | ... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> at this location: ... and information about the respective roles and responsibilities of our board and management (including those matters expressly reserved to the board and those delegated to management): <input type="checkbox"/> | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable |
| 1.2 | A listed entity should: (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director. | ... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> at this location: and here : http://www.iconenergy.com/irm/content/board-of-directors.aspx?RID=251 | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable |
| 1.3 | A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment. | ... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> at this location: | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable |

| Corporate Governance Council recommendation | | We have followed the recommendation in full for the whole of the period above. We have disclosed ... | We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ... |
|---------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1.4 | The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board. | <p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at this location:</p> | <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p> |
| 1.5 | <p>A listed entity should:</p> <p>(a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;</p> <p>(b) disclose that policy or a summary of it; and</p> <p>(c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them and either:</p> <p>(1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or</p> <p>(2) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.</p> | <p>... the fact that we have a diversity policy that complies with paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at this location:</p> <p>and a copy of our diversity policy is</p> <p><input checked="" type="checkbox"/> at this location: http://www.iconenergy.com/irm/content/pdf/diversity_policy.pdf</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at this location:</p> <p>The Company is not a "relevant employer"</p> <p><input type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at this location:</p> | <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p> |

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| 1.6 | <p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p> | <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location: http://www.iconenergy.com/irm/content/pdf/description_of_performance_evaluation_process.pdf</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> | <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p> |
| 1.7 | <p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of its senior executives; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p> | <p>... the evaluation process referred to in paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> | <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p> |
| <u>PRINCIPLE 2 - STRUCTURE THE BOARD TO ADD VALUE</u> | | | |
| 2.1 | <p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(i) has at least three members, a majority of</p> | <p>[If the entity complies with paragraph (a):]</p> <p>... the Company's Nomination Committee has two members</p> | <p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this</p> |

| Corporate Governance Council recommendation | | We have followed the recommendation in full for the whole of the period above. We have disclosed ... | We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ... |
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| | <p>whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; <u>OR</u></p> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p> | <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input checked="" type="checkbox"/> at this location:</p> <p>http://www.iconenergy.com/irm/content/pdf/remuneration_nominations_succession_committee_charter.pdf</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input checked="" type="checkbox"/> 2015 Director's Report at this location http://www.iconenergy.com/irm/content/corporate-governance.aspx?RID=319</p> <p>[If the entity complies with paragraph (b):]</p> <p>...The Company does have a nomination committee</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at this location:</p> | <p>recommendation is therefore not applicable</p> |

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| 2.2 | A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership. | <p>... our board skills matrix:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at this location:</p> | <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p> |
| 2.3 | <p>A listed entity should disclose:</p> <p>(a) the names of the directors considered by the board to be independent directors;</p> <p>(b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and</p> <p>(c) the length of service of each director.</p> | <p>... the names of the directors considered by the board to be independent directors:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at this location:</p> <p>...where applicable, the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at this location:</p> <p>the length of service of each director:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at this location:</p> <p>_is referred to in the Corporate Governance Statement and included in the Director's Report at this location http://www.iconenergy.com/irm/content/corporate-governance.aspx?RID=319</p> | <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p> |
| 2.4 | A majority of the board of a listed entity should be independent directors. | <p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at this location:</p> | <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p> |

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| 2.5 | The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity. | ... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> at this location: | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable |
| 2.6 | A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively. | ... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> at this location: | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable |
| PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY | | | |
| 3.1 | A listed entity should: (a) have a code of conduct for its directors, senior executives and employees; and (b) disclose that code or a summary of it. | ... our code of conduct or a summary of it: <input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input checked="" type="checkbox"/> at this location: http://www.iconenergy.com/irm/content/pdf/code_of_conduct_ethics.pdf | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement |
| PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING | | | |
| 4.1 | The board of a listed entity should: (a) have an audit committee which: (1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and (2) is chaired by an independent director, who is not the chair of the board, and disclose: (3) the charter of the committee; (4) the relevant qualifications and experience of the members of the committee; and (5) in relation to each reporting period, the number of times the committee met | [If the entity complies with paragraph (a):] ... the fact that we have an audit committee that complies with paragraphs (1) and (2): <input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> at this location; and a copy of the charter of the committee: <input checked="" type="checkbox"/> at this location: http://www.iconenergy.com/irm/content/pdf/audit_risk_management_committee_charter.pdf | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement |

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| <p>throughout the period and the individual attendances of the members at those meetings; OR</p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p> | <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input checked="" type="checkbox"/> at this location: 2015 Director's Report at http://www.iconenergy.com/irm/content/corporate-governance.aspx?RID=319</p> <p>[The Company does have an Audit Committee(b):]</p> <p><input type="checkbox"/> in our Corporate Governance Statement</p> <p>OR <input type="checkbox"/> at this location:</p> | |

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| 4.2 | The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively. | ... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input checked="" type="checkbox"/> at this location: 2015 Director's Report at http://www.iconenergy.com/irm/content/corporate-governance.aspx?RID=319 | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement |
| 4.3 | A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit. | ... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> at this location: | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> we are an externally managed entity that does not hold an annual general meeting and this recommendation is therefore not applicable |
| PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE | | | |
| 5.1 | A listed entity should: (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and (b) disclose that policy or a summary of it. | ... our continuous disclosure compliance policy or a summary of it: <input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input checked="" type="checkbox"/> at this location: http://www.iconenergy.com/irm/content/pdf/disclosure_communications_policy.pdf | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement |

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| Corporate Governance Council recommendation | | We have followed the recommendation in full for the whole of the period above. We have disclosed ... | We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ... |
| PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS | | | |
| 6.1 | A listed entity should provide information about itself and its governance to investors via its website. | ... information about us and our governance on our website: <input checked="" type="checkbox"/> at this location: http://icn.live.hqi.com.au/IRM/Company/ShowPage.aspx?CategoryId=190&CPID=1466&EID=76046668 | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement |
| 6.2 | A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors. | ... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at this location: <hr/> <i>Insert location here</i> | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement |
| 6.3 | A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders. | ... our policies and processes for facilitating and encouraging participation at meetings of security holders: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at this location: | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity that does not hold periodic meetings of security holders and this recommendation is therefore not applicable |
| 6.4 | A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically. | ... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at this location: | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement |
| PRINCIPLE 7 – RECOGNISE AND MANAGE RISK | | | |
| 7.1 | The board of a listed entity should: (a) have a committee or committees to oversee risk, | [If the entity complies with paragraph (a):] ... the fact that we have a committee or committees to oversee risk that comply with paragraphs (1) and (2): | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement |

| Corporate Governance Council recommendation | We have followed the recommendation in full for the whole of the period above. We have disclosed ... | We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed ... |
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| <p>each of which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; OR</p> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p> | <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at this location: http://www.iconenergy.com/irm/content/pdf/audit_risk_management_committee_charter.pdf</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input checked="" type="checkbox"/> at this location: 2015 Director's Report at http://www.iconenergy.com/irm/content/corporate-governance.aspx?RID=319</p> | |

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| 7.2 | The board or a committee of the board should: (a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and (b) disclose, in relation to each reporting period, whether such a review has taken place. | ... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> at this location: | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement |
| 7.3 | A listed entity should disclose: (a) if it has an internal audit function, how the function is structured and what role it performs; <u>OR</u> (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes. | [If the entity complies with paragraph (a):] ... how our internal audit function is structured and what role it performs: <input type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input checked="" type="checkbox"/> at this location: The Company maintains an internal audit function and this is outlined in the Audit and Risk Management Charter at http://www.iconenergy.com/irm/content/pdf/audit_risk_management_committee_charter.pdf in our Corporate Governance Statement <u>OR</u> <input checked="" type="checkbox"/> at this location: outlined in the Audit and Risk Management Charter at http://www.iconenergy.com/irm/content/pdf/audit_risk_management_committee_charter.pdf | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement |
| 7.4 | A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks. | ... whether we have any material exposure to economic, environmental and social sustainability risks and, if we do, how we manage or intend to manage those risks: <input type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input checked="" type="checkbox"/> at this location: outlined in the Audit and Risk Management Charter at http://www.iconenergy.com/irm/content/pdf/audit_risk_management_committee_charter.pdf | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement |

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| PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY | | |
| 8.1 | <p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; OR</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p> | <p>[If the entity complies with paragraph (a):] ... the Company's Remuneration Committee has two members complies with paragraphs (1) and (2): <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at this location: ... and a copy of the charter of the committee: <input checked="" type="checkbox"/> at this location: http://www.iconenergy.com/irm/content/pdf/remuneration_nominations_succession_committee_charter.pdf ... and the information referred to in paragraphs (4) and (5): <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input checked="" type="checkbox"/> at this location: 2015 Director's Report at http://www.iconenergy.com/irm/content/corporate-governance.aspx?RID=319 [If the entity complies with paragraph (b):] the fact that we do not have a remuneration committee and the processes we employ for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive: <input type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at this location:</p> <p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p> |

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| 8.2 | A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives. | ... separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives: <input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> at this location: | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable |
| 8.3 | A listed entity which has an equity-based remuneration scheme should: (a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and (b) disclose that policy or a summary of it. | ... our policy on this issue or a summary of it: <input checked="" type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input checked="" type="checkbox"/> at this location: http://www.iconenergy.com/irm/content/pdf/share_trading_policy.pdf | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable <u>OR</u> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable |
| ADDITIONAL DISCLOSURES APPLICABLE TO EXTERNALLY MANAGED LISTED ENTITIES | | | |
| - | <i>Alternative to Recommendation 1.1 for externally managed listed entities:</i> The responsible entity of an externally managed listed entity should disclose: (a) the arrangements between the responsible entity and the listed entity for managing the affairs of the listed entity; (b) the role and responsibility of the board of the responsible entity for overseeing those arrangements. | ... the information referred to in paragraphs (a) and (b): <input type="checkbox"/> in our Corporate Governance Statement <u>OR</u> <input type="checkbox"/> at this location: | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement |

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| - | <p><i>Alternative to Recommendations 8.1, 8.2 and 8.3 for externally managed listed entities:</i></p> <p>An externally managed listed entity should clearly disclose the terms governing the remuneration of the manager.</p> | <p>... the terms governing our remuneration as manager of the entity:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <u>OR</u></p> <p><input type="checkbox"/> at this location:</p> | <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p> |