

HIGHLIGHTS

Operations

- The Company is currently awaiting the completion of the Queensland Government 2015 Tender for new tenements in the Cooper Basin, before proceeding with the new 3D seismic program in the Cooper Basin east flank.
- The ATP 855 Joint Venture is currently preparing the necessary Potential Commercial Area documentation for submission to Government, which will set the stage for the next phase of exploration to further define the resource potential.

Corporate

As at 30 June 2016, the total number of shares purchased under the Company's Buy-back reached 21,160,565 for a total cost of \$1,122,830. These Buy-back shares have been cancelled in accordance with the ASX listing rules.

Financial Position at the end of June 2015 Quarter

- As at 30 June 2016 Icon Energy had a cash balance of \$16.95 million.
- As at 20 July 2016 Icon Energy's issued capital was 597,556,938 ordinary shares.
- The total number of Icon Energy shareholders, as at 20 July 2016 was 6023.

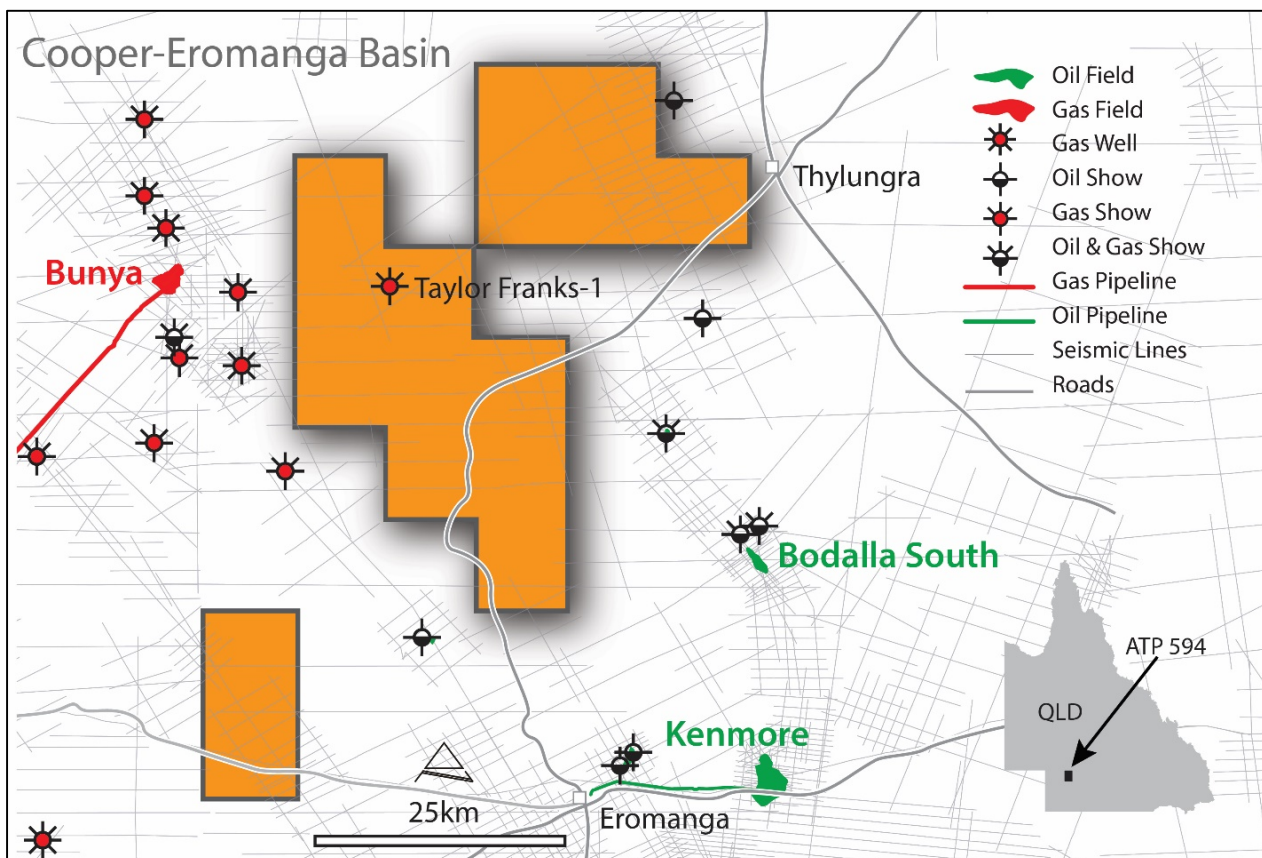
OPERATIONS

Queensland – Petroleum Exploration – Cooper-Eromanga Basin ATP 594

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 underexplored with limited seismic data and only three exploration wells.

Preparations continue towards acquiring a 3D seismic survey in the permit to enable accurate structural definition of the sub-surface. This includes completion of Landholder Conduct and Compensation Agreements in preparation for access to the land to carry out field operations.

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



Map showing the location of ATP 594 and adjacent oil and gas fields

Queensland – Petroleum Exploration – Cooper-Eromanga Basin

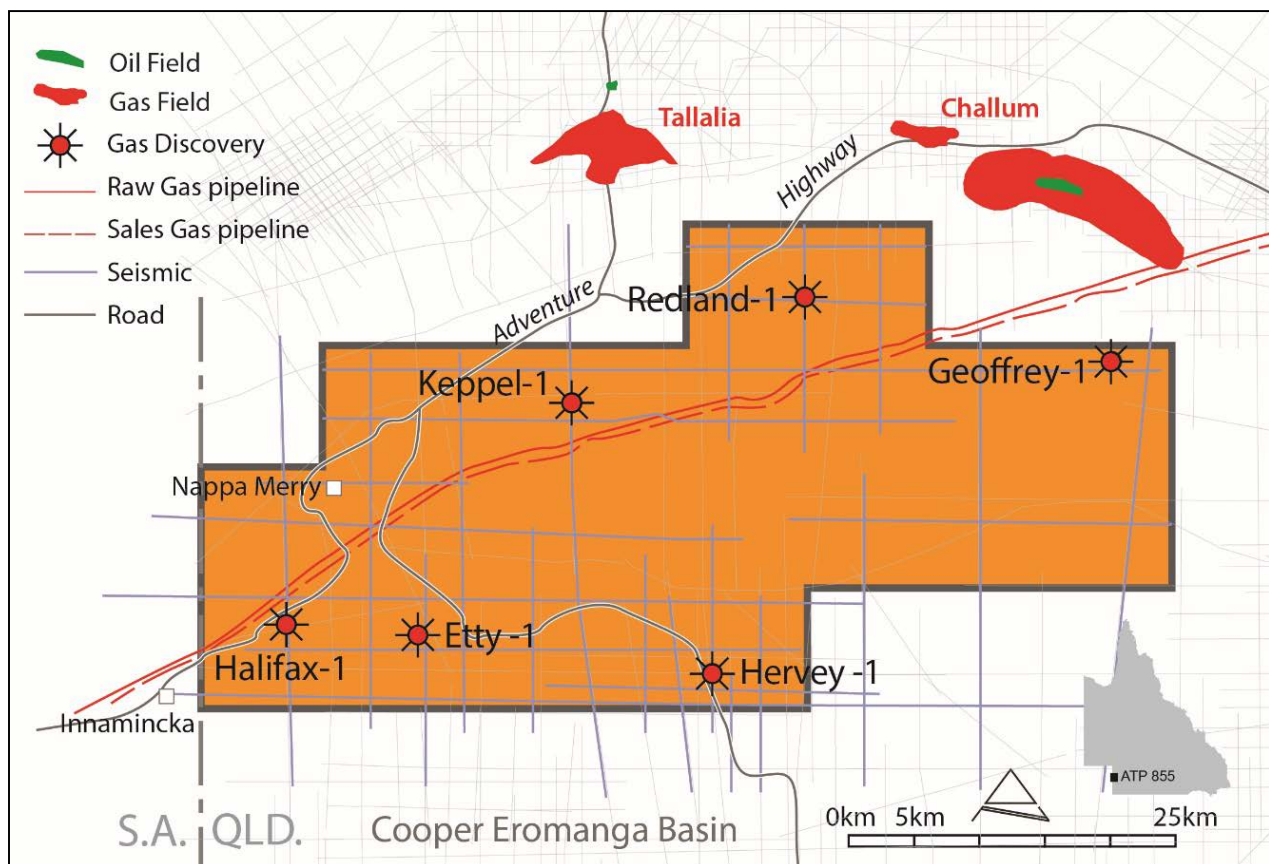
ATP 855

The Joint Venture is carrying out a minimum maintenance program in ATP 855 during 2016.

The Stage 1 program in ATP 855 achieved all technical objectives that were set by the Joint Venture partners. This included flowing natural gas from five 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 is currently reviewing the results of the Stage 1 program in order to prepare for the next phase of activity in the permit and is preparing the necessary Potential Commercial Area documentation for submission to Government.

Icon has a 35.1% interest in ATP 855.



Map showing the location and discovery wells in ATP 855

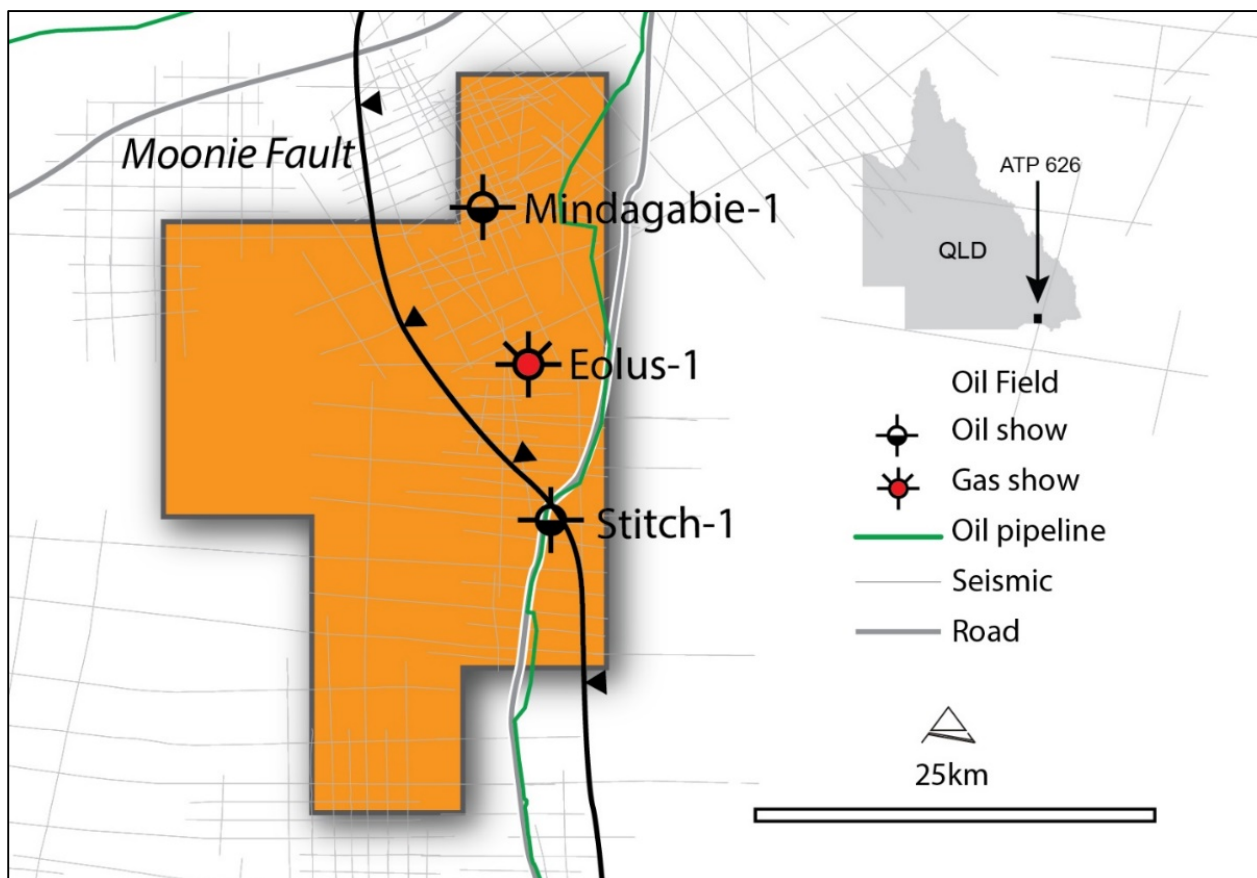
Tender Opportunities issued for the Cooper Basin – Queensland

Icon has applied for additional Tenures offered by the Queensland Government in the Cooper Basin as part of the 2015 Acreage Release. The Tender process closed in October 2015 but the results of the tenders have not yet been announced by the Department of Natural Resources and Mines. Until this result is known, Icon cannot commit to a new program in ATP 594 as success in the Tender process would change the timing and nature of exploration in the Cooper Basin for Icon.

Queensland – Petroleum Exploration – Surat Basin ATP 626

ATP 626 is currently in the last term with the Later Work Program covering the period from 1 January 2014 to 31 August 2017. The remaining wells in the tenement, Eolus-1, Mindagabie-1 and Stitch-1, are currently suspended and will be rehabilitated and impaired in the 2017 financial year.

Icon has a 100% interest in ATP 626.



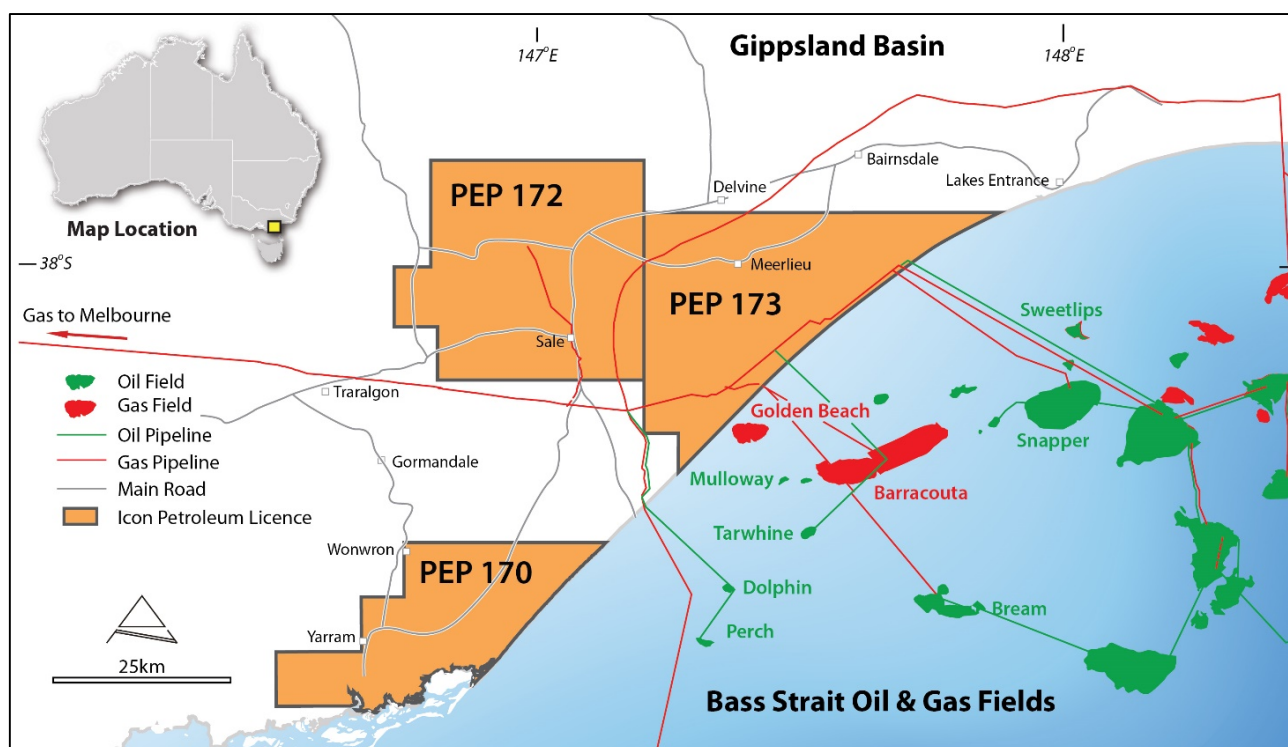
Map showing the location and wells in ATP 626

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

PEP 170 is still subject to the General Moratorium covering all drilling in onshore Victoria. Icon has suspended all field work until the Moratorium issue is resolved.

The Victorian Parliament was due to deliver its findings on the future of the Moratorium on 8 June 2016, but extended this decision to a date to be fixed in August 2016.

Icon Energy has 100% interest in PEP 170.



Map showing the location PEPs 170, 172, 173 and adjacent oil and gas fields

ICON ENERGY TENEMENTS

Basin / Area	Permit / Area	Tenement Area	Permit Interest	Operator	Prospect Type
Cooper - Eromanga Basin	ATP 594	1,230 km ²	100%	Icon Energy	Oil Gas
Cooper Basin, Nappamerri Trough	ATP 855	1,679 km ²	35.1%	Beach Energy	Shale Gas, Basin Centred Gas
Cooper Basin Nappamerri Trough	PRLs 33 - 49*	1,601 km ²	33.33%	Beach Energy	Oil
Cooper - Eromanga Basin	ATP 549 West	449 km ²	33.33%	Beach Energy	Oil Gas
Cooper - Eromanga Basin	ATP 794				
	- Regleigh Block	674 km ²	60%	Icon Energy	Oil
	- Springfield Block	1,505 km ²	60%	Icon Energy	Oil
Gippsland Basin	PEP 170	804 km ²	100%	Icon Energy	Oil Gas
Gippsland Basin	PEP 172**	1,312 km ²	100%	Icon Energy	Gas
Gippsland Basin	PEP 173**	1,220 km ²	100%	Icon Energy	Gas
Surat Basin	ATP 626	757 km ²	100%	Icon Energy	Oil Gas

* Formerly PEL 218 (Post Permian Section)

** Permit to be granted

Table showing all Icon Energy's tenements

FURTHER INFORMATION

For further information, please contact:

Ray James
Managing Director

Martin Berry
Exploration Manager

Phone +61 7 5554 7111
Email investor.relations@iconenergy.com

Or visit the website www.iconenergy.com

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

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

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/2013

Name of entity

Icon Energy Limited

ABN

61 058 454 569

Quarter ended ("current quarter")

30 June 2016

Consolidated statement of cash flows

		Current quarter \$A'000	Year to date (12 months) \$A'000
Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors		
1.2	Payments for (a) exploration & evaluation	(117)	7,453
	(b) development		
	(c) production		
	(d) administration	(911)	(4,437)
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	160	470
1.5	Interest and other costs of finance paid	(11)	(11)
1.6	Income taxes paid	0	0
1.7	Other (provide details if material)		
Net Operating Cash Flows		(879)	3,475
Cash flows related to investing activities			
1.8	Payment for purchases of: (a) prospects		
	(b) equity investments		
	(c) other fixed assets	49	88
1.9	Proceeds from sale of: (a) prospects	0	0
	(b) equity investments		
	(c) other fixed assets		
1.10	Loans to other entities		
1.11	Loans repaid by other entities		
1.12	Other (provide details if material)		
Net investing cash flows		49	88
1.13	Total operating and investing cash flows (carried forward)	(830)	3,563

+ See chapter 19 for defined terms.

Appendix 5B**Mining exploration entity and oil and gas exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	(830)	3,563
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	(118)	(361)
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings	0	0
1.18	Dividends paid		
1.19	Other (provide details if material)		
	Net financing cash flows	(118)	(361)
	Net increase (decrease) in cash held	(948)	3,202
1.20	Cash at beginning of quarter/year to date	17,899	13,749
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	16,951	16,951

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

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	367
1.24	Aggregate amount of loans to the parties included in item 1.10	Nil

1.25 Explanation necessary for an understanding of the transactions

N/A

Non-cash financing and investing activities

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

N/A

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

N/A

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

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

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	1,200
4.2 Development	Nil
4.3 Production	Nil
4.4 Administration	850
Total	2,050

Reconciliation of cash

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

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	2,451	2,899
5.2 Deposits at call	14,500	15,000
5.3 Bank overdraft	Nil	Nil
5.4 Other – bank term deposits	Nil	Nil
Total: cash at end of quarter (item 1.22)	16,951	17,899

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed			

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

6.2	Interests in mining tenements and petroleum tenements acquired or increased				
-----	---	--	--	--	--

Issued and quoted securities at end of current quarter

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

		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	Preference securities (description)				
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	*Ordinary securities	597,556,938	597,556,938		Fully Paid
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	(3,886,582)	(3,886,582)		Fully Paid
7.5	*Convertible debt securities (description)				
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				

+ See chapter 19 for defined terms.


Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

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

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:  Date: 21 July 2016
(Executive Director / CFO / Company Secretary)

Print name: Dr Kevin Jih

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements and petroleum tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement or petroleum tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

== == == == ==

+ See chapter 19 for defined terms.