



QUARTERLY REPORT

Period Ending 31 March 2016

ABN 61 058 454 569

HIGHLIGHTS

Operations

- Icon Energy continues to prepare for the ATP 594 3D Seismic Survey, which is focussed on the northern section of the tenement.
- The Company is currently awaiting the completion of the Queensland Government 2015 Tender for new tenements in the Cooper Basin, before proceeding to the next stage of the new seismic program in ATP 594.
- The ATP 855 Joint Venture is continuing to review the results of the Stage 1 program in order to prepare for the next phase of activity in the permit, which will be designed to further define the resource potential, subject to Joint Venture approval.

Corporate

As at the release of this Report, the total number of shares purchased under the Company's Buy-back reached 17,273,983 for a total cost of \$1,005,167. These shares have been cancelled as per the ASX listing rules.

Financial Position at the end of June 2015 Quarter

- As at 31 March 2016 Icon Energy had a cash balance of \$17.89 million.
- As at 31 March 2016 Icon Energy had 601,443,520 ordinary shares on issue and 6,171 shareholders.

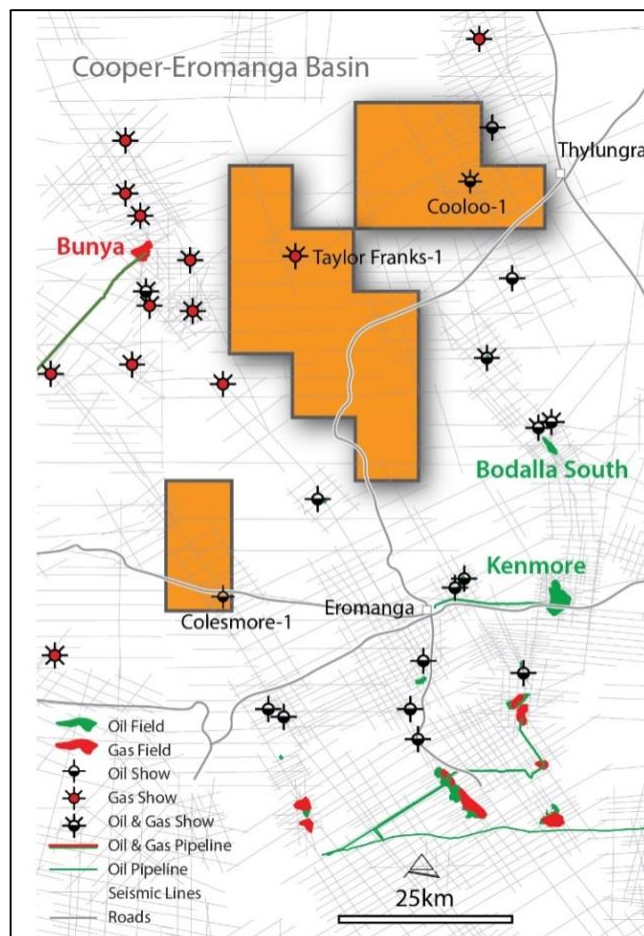
OPERATIONS

Queensland – Petroleum Exploration – Cooper-Eromanga Basin ATP 594

ATP 594 is well positioned on the eastern flank of the Cooper Basin and is currently at the beginning of Year two of the first four year period following its renewal in April 2015. ATP 594 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. The expected start date for the 3D Seismic Survey has been delayed partly due to the finalization of the landowner agreements and partly due to the delay in the results of the 2015 acreage release in the Cooper Basin.

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

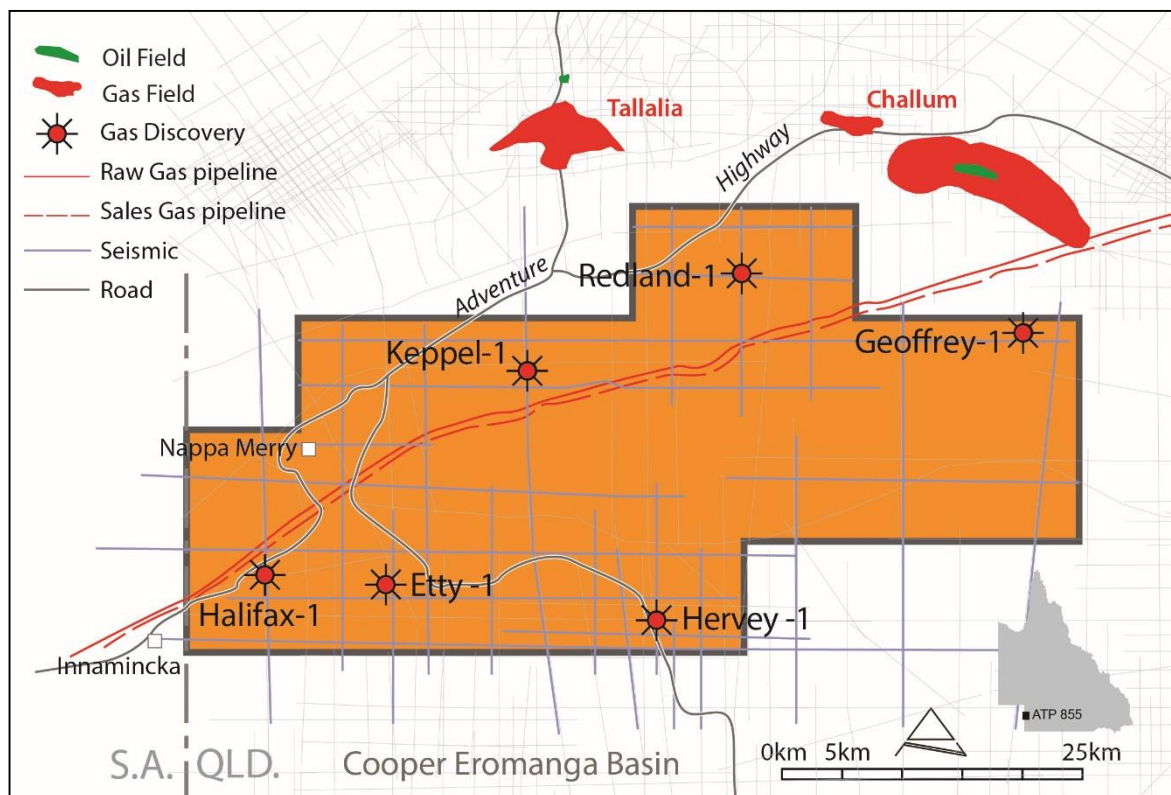
Queensland – Petroleum Exploration – Cooper-Eromanga Basin ATP 855

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

The Stage 1 program in ATP 855 achieved all exploration and 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. This next phase of activity, which has yet to be agreed by the Joint Venture, will be designed to further define the resource potential and ultimately progress the project towards commerciality.

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

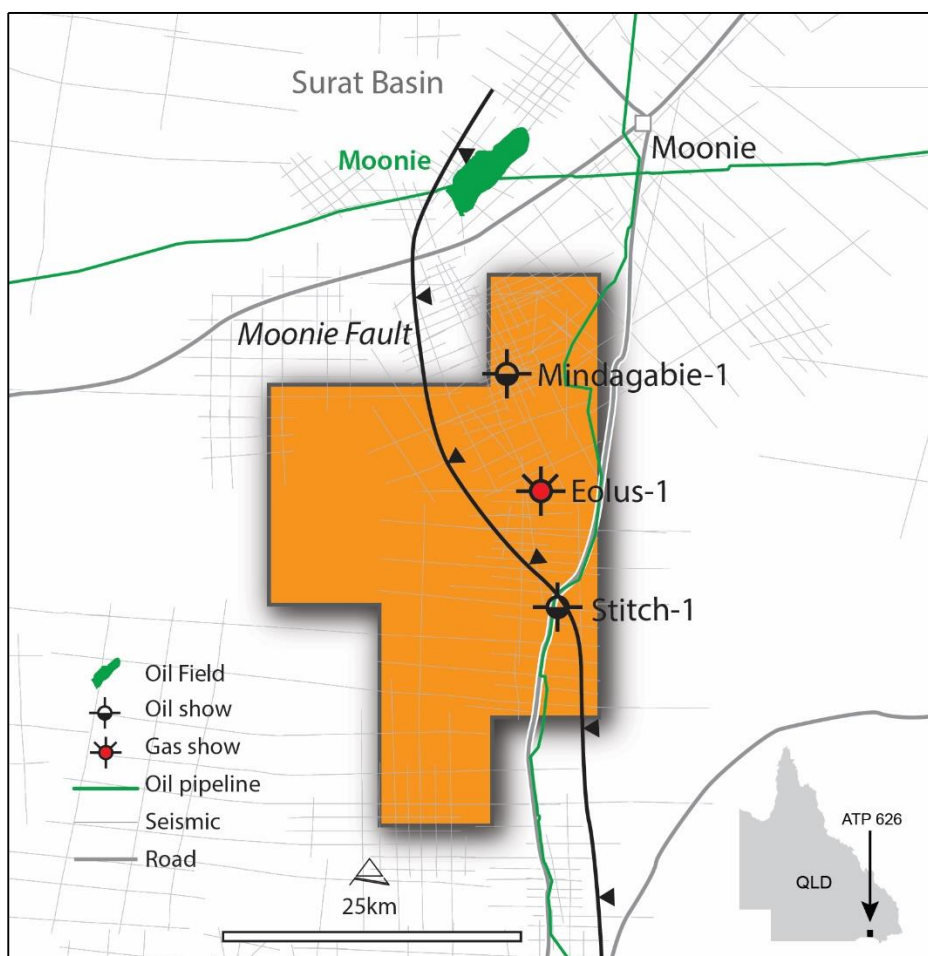
Icon has applied for additional Tenures offered by the Queensland Government in the Cooper Basin as part of the 2015 Acreage Release. The Tender process closed in October 2015 but the results of the tenders have not yet been decided by the Department of Natural Resources and Mines. Until this result 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.

No field work has been conducted within the permit during the last quarter.

Icon has a 100% interest in ATP 626.



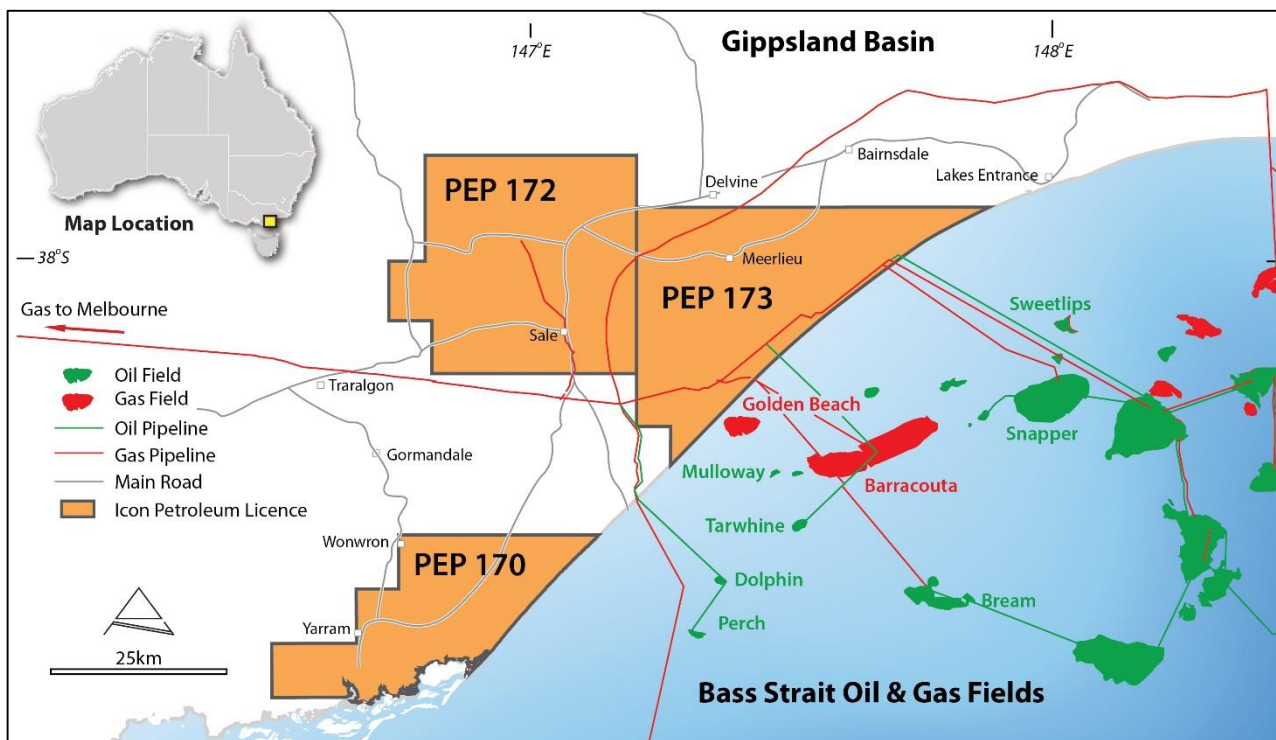
Map showing the location and wells in ATP 626

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 Government is expected to bring down a decision on the review conducted last year on the 8th June 2016. Icon has written to the Government requesting clarification of the status of the Moratorium following this decision.

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

* Formerly PEL 218 (Post Permian Section)

** Permit to be granted

Table showing all Icon Energy's tenements

FURTHER INFORMATION

For further information, please contact:

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Exploration Manager

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Or visit the website www.iconenergy.com

Icon Energy Limited (ASX: ICN), is a petroleum exploration Company with a portfolio of 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")

31 March 2016

Consolidated statement of cash flows

		Current quarter \$A'ooo	Year to date (9 months) \$A'ooo
Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors		
1.2	Payments for (a) exploration & evaluation	(36)	7,570
	(b) development		
	(c) production		
	(d) administration	(897)	(3,525)
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	100	310
1.5	Interest and other costs of finance paid	0	0
1.6	Income taxes paid	0	0
1.7	Other (provide details if material)		
Net Operating Cash Flows		(833)	4,355
Cash flows related to investing activities			
1.8	Payment for purchases of: (a) prospects		
	(b) equity investments		
	(c) other fixed assets	72	39
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		72	39
1.13	Total operating and investing cash flows (carried forward)	(761)	4,394

+ 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)	(761)	4,394
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	(27)	(244)
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	(27)	(244)
	Net increase (decrease) in cash held	(788)	4,150
1.20	Cash at beginning of quarter/year to date	18,687	13,749
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	17,899	17,899

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	400
4.2 Development	Nil
4.3 Production	Nil
4.4 Administration	870
Total	1,270

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	2,899	15,687
5.2 Deposits at call	15,000	Nil
5.3 Bank overdraft	Nil	Nil
5.4 Other – bank term deposits	Nil	3,000
Total: cash at end of quarter (item 1.22)	17,899	18,687

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				
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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	601,443,520	601,443,520		Fully Paid
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	880,961	880,961		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>
	2013 LTI	2,705,497		Nil	30 June 2016
	2014 LTI	4,494,537		Nil	30 June 2017
	Total	7,200,034			
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	Debentures (totals only)				
7.12	Unsecured notes (totals only)				

Compliance statement

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

Sign here:  Date: 14 April 2016
(Executive Director / CFO / Company Secretary)

Print name: Dr Kevin Jih

+ See chapter 19 for defined terms.

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements 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.

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