

ICON ENERGY LIMITED and its Controlled Entities

Icon Energy Limited

ABN 61 058 454 569

INTERIM FINANCIAL REPORT

For the half-year ended
31 December 2017

Icon Energy Limited

ABN 61 058 454 569

INTERIM FINANCIAL REPORT

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Directors' Report

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 half-year ended 31 December 2017 and the Independent Auditor's Review Report thereon.

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 half year.

Directors

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

Name	Position	First Appointed
Stephen Michael Barry	Non-executive Chairman	Director since 05/01/1993
Derek James Murtagh Murphy	Non-executive Director	Director since 20/03/2009
Dr Keith Hilles AM	Non-executive Director	Director since 03/04/2009
Howard Lu	Non-executive Director	Director since 07/01/2011
Raymond Swinburn James	Managing Director	Director since 01/02/1993
Dr Kevin Jih	Chief Financial Officer, Company Secretary & Executive Director	Director since 30/11/2011

Reduction in Non-Executive Directors' Fees

In recognition of the disappointingly low share price, the Non-Executive Directors determined that it was appropriate for them to reduce the level of their fees by 20% effective from 1 January 2018.

Dividends Paid or Recommended

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 2017: \$NIL).

Review of Operations and Results

Icon has continued to evaluate its exploration tenements during the half-year ended 31 December 2017 with particular focus on ATP 594 and ATP 855.

Queensland – Cooper/Eromanga Basin - Petroleum Exploration – ATP 594

ATP 594 is located on the eastern flank of the Cooper-Eromanga Basin, approximately 140 km west of Quilpie. The areas immediately adjacent to ATP 594 are resource rich in oil and gas. The Kenmore and Bodalla South Oil Fields are within close proximity to the permit.

Interpretation of the data from the 293 km² Harrier 3D Seismic Survey have identified a prospect and leads within the northern block of ATP 594. Icon is currently in discussions with potential farmin partners.

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

Queensland – Petroleum Exploration – Cooper Basin – ATP 855

ATP 855 is located in the Cooper-Eromanga Basin in southwest Queensland where infrastructure facilities are well developed. Two gas pipelines run through the tenement, which carry gas to eastern gas markets in Australia and potentially to the LNG terminal at Gladstone for export.

On 28 August 2017, Icon announced that DNRM had declared Potential Commercial Areas (PCAs) over the entire ATP 855 permit in a letter which Icon received on the afternoon of 25 August 2017. The PCAs, numbered PCA 172 to 179, are for a period of 15 years and are designed to enable Icon the opportunity to retain the entire interest in and ultimately develop the discovery.

Each PCA application included a Commercial Viability Report that reflected Icon's belief that the area is likely to be commercial within 15 years, and an Evaluation Program, that outlines the strategy Icon will adopt to appraise and develop the resource.

A significant natural gas resource was identified in the Stage 1 exploration program, which is currently classified as a contingent gas resource. Icon's gas resources, in ATP 855, as

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

A Stage 2 exploration program will be designed specifically to address outstanding technical questions and determine the commercial viability of the gas resource. Preparation and planning for the next phase of technical work and field activities continues.

Icon continues to monitor ATP 855 and maintains regular six weekly inspections on the existing wells in the permit. On 1 November 2017, Department of Environment and Heritage Protection (DEHP) approved Icon's annual review of the Underground Water Impact Report Nappamerri Trough Natural Gas ATP 855.

The Company is seeking domestic and international funding for the appraisal and development program for ATP 855. Icon Energy has appointed several agents overseas as it continues to seek a new finance investment partner to participate in the area.

Icon has a 100% interest in ATP 855.

Well	Halifax-1	Keppel-1	Hervey-1	Etty-1	Redland-1	Geoffrey-1
TD	4,267m	3,898m	4,269m	3,807m	3,804m	4,125m
Gas Shows	Yes	Yes	Yes	Yes	Yes	Yes
Stimulation stages	14	0	5	4	3	5

¹ 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.

² Icon Energy announced on 31 December 2014, that DeGolyer and MacNaughton, a well-respected and qualified international petroleum reserve and resource evaluation company, estimated that, the 2C Recoverable Gross Contingent Resource was 1,572 Bcf or 1.57 Tcf. Contingent Resources are those quantities of wet gas (produced gas minus carbon dioxide) that are potentially recoverable from known accumulations but which are not considered to be commercially recoverable due to the need for additional delineation drilling, further validation of deliverability and original hydrocarbon in place (OHIP), and confirmation of prices and development costs. This is based on a statistical aggregation method using Monte Carlo simulation estimates for each formation.

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 resources³ (gross)	Halifax-1, Hervey-1, ETTY-1, Redland-1 and Geoffrey-1 1,572 Bcf (2C) ⁴					
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 shows 93% of gas primarily from the Daralingie Formation	Mechanical issues prevented ongoing extended flow test	Flow rate heavily choked back at 12/64" with well head pressure of 3,058psi

Map showing the location and discovery wells in ATP 855.

Queensland – Surat Basin - Petroleum Exploration – ATP 626

ATP 626 was relinquished in full on 26 July 2017.

The surrender of the Environmental Authority was accepted on 4 December 2017, following the DEHP’s acknowledgment that there is no residual risk or ongoing rehabilitation liability on ATP 626.

Victoria – Petroleum Exploration – PEP 170

PEP 170 is still subject to the General Moratorium covering all drilling in onshore Victoria.

On 22 November 2017, the Department of Economic Development, Jobs, Transport and Resources (DEDJT&R) wrote to Icon on behalf of the Minister, offering Icon the opportunity to vary the Company’s work program in accordance with the Fracking Ban. On 7 December 2017, Icon submitted an amended work program for consideration by the DEDJT&R and applied for an extension of time in which to complete the new proposed program.

Icon Energy has a 100% interest in PEP 170.

³ 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.

⁴ Icon Energy announced on 27 March 2015, that DeGolyer and MacNaughton, a well-respected and qualified international petroleum reserve and resource evaluation company, had estimated that, the 2C Recoverable Gross Contingent Resource has increased by 943 Bcf, from 629 Bcf to 1,572 Bcf (as at 31 December 2014) .

Table showing all Icon Energy's tenements

Basin / Area	Permit / Area	Tenement Area	Permit Interest	Operator	Prospect Type
<u>CORE AREAS</u>					
Cooper - Eromanga Basin	ATP 594	1,230 km ²	100%	Icon Energy	Oil Gas
Cooper - Eromanga Basin, Nappamerri Trough	ATP 855	1,679 km ²	100%	Icon Energy	Shale Gas, Basin Centred Gas
<u>OTHER AREAS</u>					
Cooper - Eromanga Basin, Nappamerri Trough	PRLs 33 - 49*	1,601 km ²	33.33%	Beach Energy	Oil
Cooper - Eromanga Basin	ATP 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 expired on 31 October 2017

*** Permit to be granted

**** Permit relinquished on 26 July 2017 and EA surrendered on 4 December 2017

Financial position

The cash balance as at 31 December 2017 was \$7.13 million.

Significant Changes in the State of Affairs

The Board has decided to sell the office building.

Auditor's Declaration

The lead Auditor's Independence Declaration under Section 307C of the *Corporations Act* 2001 is set out on page 9 for the half-year ended 31 December 2017.

This report is signed in accordance with a resolution of the Board of Directors.

Director



.....
Ray James
Managing Director

Dated this 20th day of February 2018
Broadbeach Waters, Queensland

Auditor's Independence Declaration

As auditor for the review of Icon Energy Limited for the half year ended 31 December 2017, 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 review; and
- ii. no contraventions of any applicable code of professional conduct in relation to the review.

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



Crowe Horwath Brisbane



Logan Meehan

Partner

Signed at Brisbane, 20 February 2018

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The title 'Partner' conveys that the person is a senior member within their respective division, and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is the Crowe Horwath external audit division. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS
 AND OTHER COMPREHENSIVE INCOME**
 for the half-year ended 31 December 2017

	Half-year ended	
	31 December 2017	31 December 2016
	\$	\$
Continuing operations		
Interest received and other income	88,806	188,617
Administration expenses	(1,557,426)	(1,096,516)
Depreciation and amortisation expenses	(115,946)	(139,536)
Employee benefits and expenses	(683,572)	(688,573)
Occupancy expenses	(24,553)	(22,495)
Gain on disposal of non-current assets	-	1,339
Finance costs	-	(10,846)
Loss before income tax	(2,292,691)	(1,768,010)
Income tax benefit	-	-
Profit/(Loss) for the period	(2,292,691)	(1,768,010)
Other comprehensive income		
Items that may be reclassified to profit and loss		
Exchange differences arising on translation of foreign operations, net of income tax	(148)	338
Other comprehensive income for the period	(148)	338
Total comprehensive income/(loss) for the period	(2,292,839)	(1,767,672)
Profit/(Loss) attributable to:		
Owners of the parent entity	(2,292,691)	(1,768,010)
Non-controlling interests	-	-
Profit/(Loss) for the period	(2,292,691)	(1,768,010)
Total comprehensive income/(loss) attributable to:		
Owners of the parent entity	(2,292,839)	(1,767,672)
Non-controlling interests	-	-
Total comprehensive income/(loss) for the period	(2,292,839)	(1,767,672)
Earnings/(Loss) per share		
Basic earnings/(loss) per share (cents per share)	(0.38)	(0.30)
Diluted earnings/(loss) per share (cents per share)	(0.38)	(0.30)

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 31 December 2017

	NOTE	31 December 2017 \$	30 June 2017 \$
CURRENT ASSETS			
Cash and cash equivalents		7,135,958	9,659,397
Trade and other receivables		52,845	35,703
Inventories		4,890,147	4,890,147
Non-current asset held for sale	4	4,764,003	-
TOTAL CURRENT ASSETS		16,842,952	14,585,247
NON-CURRENT ASSETS			
Property, plant, and equipment		104,537	4,935,451
Exploration and evaluation expenditure	5	33,217,712	33,056,664
Performance guarantee bonds		774,629	774,041
TOTAL NON-CURRENT ASSETS		34,096,879	38,766,156
TOTAL ASSETS		50,939,831	53,351,403
CURRENT LIABILITIES			
Trade and other payables		117,699	314,074
Employee benefits		671,430	553,811
TOTAL CURRENT LIABILITIES		789,129	867,885
NON-CURRENT LIABILITIES			
Employee benefits		128,974	204,062
Provisions		5,273,521	5,238,410
TOTAL NON-CURRENT LIABILITIES		5,402,495	5,442,472
TOTAL LIABILITIES		6,191,624	6,310,357
NET ASSETS		44,748,207	47,041,046
EQUITY			
Issued capital	6	101,984,750	101,984,750
Reserves		279	427
Accumulated losses		(57,236,822)	(54,944,131)
TOTAL EQUITY		44,748,207	47,041,046

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the half-year ended 31 December 2017

CONSOLIDATED ENTITY	Ordinary	Share-Based	Foreign	Accumulated	Total
	Share Capital	Payments Reserve	Exchange Reserve	Losses	
	\$	\$	\$	\$	\$
Balance 1 July 2016	101,984,750	298,561	627	(49,572,598)	52,711,340
Total comprehensive income:					
Profit for the period	-	-	-	(1,768,010)	(1,768,010)
Other Comprehensive Income	-	-	338	-	338
Total Comprehensive Income/(loss) for the period	-	-	338	(1,768,010)	(1,767,672)
Transactions with owners in their capacity as owners:					
Reversal of expired performance rights	-	(298,561)	-	298,561	-
Total transactions with owners	-	(298,561)	-	298,561	-
Balance at 31 December 2016 - attributable to owners of parent entity	101,984,750	-	965	(51,042,047)	50,943,668
Balance 1 July 2017	101,984,750	-	427	(54,944,131)	47,041,046
Total comprehensive income:					
Profit for the period	-	-	-	(2,292,691)	(2,292,691)
Other Comprehensive Income	-	-	(148)	-	(148)
Total Comprehensive Income/(loss) for the period	-	-	(148)	(2,292,691)	(2,292,839)
Balance at 31 December 2017 - attributable to owners of parent entity	101,984,750	-	279	(57,236,822)	44,748,207

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
for the half-year ended 31 December 2017

	Half-year ended	
	31 December 2017	31 December 2016
	\$	\$
	Inflows (Outflows)	Inflows (Outflows)
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from customers	1,800	1,800
Cash payments to suppliers and employees	(2,365,550)	(1,402,484)
Interest received	69,867	160,524
Net Cash used in operating activities	(2,293,883)	(1,240,160)
CASH FLOWS FROM INVESTMENT ACTIVITIES		
Investment in financial assets	-	5,000,000
Payments for property, plant & equipment	(1,175)	(47,369)
Payments for evaluation and exploration expenditure	(228,381)	(1,068,996)
Prepayments for deferred exploration and evaluation expenditure	-	1,740
Proceeds from sale of property, plant and equipment	-	5,500
Net Cash from/(used in) investment activities	(229,556)	3,890,875
Net increase/(decrease) in cash and cash equivalents held	(2,523,439)	2,650,715
Cash and cash equivalents at beginning of the financial period	9,659,397	2,451,446
Cash and cash equivalents at the end of the financial period	7,135,958	5,102,161

The accompanying notes form part of these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the half-year ended 31 December 2017

NOTE 1 - STATEMENT OF ACCOUNTING POLICIES

The half-year consolidated financial statements are general purpose financial statements prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standard AASB 134: *Interim Financial Reporting*, Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board.

The half-year financial statements do not include full disclosures of the type normally included in annual financial statements.

It is recommended that these financial statements be read in conjunction with the annual financial report for the year ended 30 June 2017 and any public announcements made by Icon Energy Limited during the half-year in accordance with continuous disclosure requirements arising under the *Corporations Act 2001*.

The financial statements were authorised for issue by the directors on the 20 February 2018.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

New, revised or amending Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Basis of preparation

The half-year financial statements have been prepared on an accruals basis and are based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied. All amounts are presented in Australian dollars, unless otherwise noted.

NOTE 2 - DIVIDENDS

No dividends have been declared or paid since the end of the reporting period (2016: \$NIL).

NOTE 3 - FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

The entity also has a number of financial instruments which are not measured at fair value in the statement of financial position. For these instruments, the fair values are not materially different to their carrying amounts.

Due to their short-term nature, the carrying amounts of the current receivables and current payables is assumed to approximate their fair value.

NOTE 4 - NON-CURRENT ASSETS HELD FOR SALE

The Board has decided to sell the office building.

At 31 December 2017, the non-current assets held for sale comprised the following assets:

	31 December 2017	30 June 2017
	\$	\$
Building - at cost	1,772,060	-
Fixtures and Fittings - at cost	551,943	-
Land at cost	2,440,000	-
Total non-current assets held for sale at written down value	4,764,003	-

There are no liabilities included in the Statement of Financial Position relating to the non-current assets held for sale.

As at 31 December 2017, there are no income or expenses in relation to the sale included in the Statement of Comprehensive Income relating to the non-current assets held for sale.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the half-year ended 31 December 2017

NOTE 5 - EXPLORATION AND EVALUATION EXPENDITURE

	31 December 2017 \$	30 June 2017 \$
Exploration and Evaluation Expenditure at cost	33,056,664	32,708,365
Additions	161,048	1,829,299
Less: Impairment (ATP 549, ATP 626 and ATP 794)	-	(1,481,000)
	33,217,712	33,056,664

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 of the area or where the activities in the area of interest have not reached a stage which permits a reasonable assessment of economically recoverable reserves and 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 6 - ISSUED CAPITAL

Share Capital

Issued shares of 597,556,938 fully paid, no par value ordinary shares, amounted to \$101,984,750 (30 June 2017: 597,556,938, amounted to \$101,984,750).

All shares are ordinary shares and have the right to receive dividends as declared and, in the event of winding up the company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of members.

NOTE 7 - JOINT VENTURES

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

Oil and Gas	Basin	Interest %	
		31 December 2017	30 June 2017
ATP 594P	Cooper Eromanga	100.00%	100.00%
ATP 794P Regleigh & Springfield*	Cooper Eromanga	60.00%	60.00%
ATP 626P**	Surat	100.00%	100.00%
ATP 855P	Cooper	100.00%	100.00%
PRLs33-49***	Cooper	33.33%	33.33%
PEP170	Gippsland	100.00%	100.00%
PEP172****	Gippsland	100.00%	100.00%
PEP173****	Gippsland	100.00%	100.00%

* Permit expired on 31 October 2017

** Permit relinquished on 26 July 2017 and EA surrendered on 4 December 2017

*** Formerly PEL 218 (Post Permian Section)

**** Permit to be granted

NOTE 8 - CONTROLLED ENTITIES

	Country of incorporation	Date of incorporation	% Owned	
			31 December 2017	30 June 2017
Parent entity:				
Icon Energy Limited	Australia			
Subsidiaries of Icon Energy Limited:				
Jakabar Pty Ltd	Australia	18 December 1992	100	100
Icon Drilling Pty Ltd	Australia	18 November 1994	100	100
Icon Gas Productions Pty Ltd	Australia	16 December 2008	100	100
Icon Oil US (LLC)	USA	2 October 2000	100	100

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the half-year ended 31 December 2017

NOTE 9 - CONTINGENT LIABILITIES

On 12 May 2015, Southern Fairway Investments Pty Ltd (formerly Babcock & Brown Australia Infrastructure Pty Ltd) and Ronald Baldwin submitted a Further Amended Statement of Claim and on 17 July 2015 the plaintiff's counsel acknowledged that there were still deficiencies in that pleading. Directions were made to allow for the submission of a further amendment to the Second Further Amended Statement of Claim, which was filed. In August 2015, a costs order was made in favour of Icon Energy and Icon received a costs recovery of \$33,000 from the first strike out application.

On the 15 October 2015, Justice McMurdo ordered that the majority of the Second Further Amended Statement of Claim be struck out. Justice McMurdo allowed Mr Baldwin and Southern Fairway Investments the liberty to re-plead on two matters. On 18 February 2016, Justice McMurdo awarded Icon Energy 100% of its costs and on 17 October 2016 Icon received costs recovery of \$47,000 from the second strike out application.

Mr Baldwin and Southern Fairway Investments filed a Third Further Amended Statement of Claim on 1 March 2016. Icon filed its Notice of Intention to Defend on 7 June 2016. Mr Chesterman QC held a mediation meeting on 26 June 2017, however no agreement was reached. The Plaintiff proceeded to amend Further Statements of Claim and on 23 October 2017, the first day of the trial, the plaintiff submitted a Seventh Further Amended Statement of Claim. Justice Bond heard the matter over the five day trial which concluded on Friday 28 October 2017. On 29 November 2017, during closing statements, Justice Bond indicated that a judgment would not be available until March 2018. Therefore, it is not possible at this time to provide the final expense of the matter until final judgment is delivered.

NOTE 10 - SEGMENT INFORMATION

The consolidated entity operates in one operating segment being 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 review 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 area includes all corporate head office expenses on the basis that activities in Australia are still in an exploration phase and all resources within the corporate head office are applied to these exploration activities.

	Australia		USA		CONSOLIDATED	
	31 December 2017	31 December 2016	31 December 2017	31 December 2016	31 December 2017	31 December 2016
	\$	\$	\$	\$	\$	\$
REVENUE						
Interest Received	87,006	186,817	-	-	87,006	186,817
Other Income	1,800	1,800	-	-	1,800	1,800
Total revenue	88,806	188,617	-	-	88,806	188,617
RESULTS						
Segment net operating profit after tax	(2,292,665)	(1,766,431)	(26)	(1,578)	(2,292,691)	(1,768,010)
Interest expense	-	10,846	-	-	-	10,846
Gain on disposal of non-current assets	-	1,339	-	-	-	1,339
Segment Assets	50,929,346	53,338,795*	10,485	12,608*	50,939,831	53,351,403*
Segment Liabilities	6,191,624	6,310,357*	-	-	6,191,624	6,310,357*
OTHER						
Acquisition of non-current segment assets	1,175	47,369	-	-	1,175	47,369
Depreciation and amortisation	115,946	139,536	-	-	115,946	139,536

* as at 30 June 2017

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the half-year ended 31 December 2017

NOTE 11 - EVENTS AFTER BALANCE SHEET DATE

On 31 January 2018, Icon signed a contract of sale of its office building with one condition that remains to be satisfied.

In recognition of the disappointingly low share price, the Non-Executive Directors determined that it was appropriate for them to reduce the level of their fees by 20% effective from 1 January 2018.

DIRECTORS' DECLARATION

The Directors of the Company declare that:

- 1) The financial statements and notes set out on pages 10 to 17 are in accordance with the *Corporations Act 2001*, including:
 - a) complying with Accounting Standard *AASB 134 Interim Financial Reporting*; and
 - b) giving a true and fair view of the Consolidated entity's financial position as at 31 December 2017 and of its performance for the half-year ended on that date.
- 2) In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



Raymond S James
Managing Director

Signed at Broadbeach, 20 February 2018

Independent Auditor's Review Report

To the members of Icon Energy Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Icon Energy Limited and its controlled entities (the Group), which comprises the consolidated statement of financial position as at 31 December 2017, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

Directors' responsibility for the Half-Year Financial Report

The directors of the Group are responsible for the preparation of the half-year 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 half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2017 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Icon Energy Limited and its controlled entities, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

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

Crowe Horwath Brisbane is a member of Crowe Horwath International, a Swiss Verein. Each member of Crowe Horwath is a separate and independent legal entity. Liability limited by a scheme approved under Professional Standards Legislation other than for the acts or omissions of financial services licensees.

The title 'Partner' conveys that the person is a senior member within their respective division, and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is the Crowe Horwath external audit division. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Icon Energy Limited and its controlled entities is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2017 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.



Crowe Horwath Brisbane



Logan Meehan
Partner

Signed at Brisbane, 20 February 2018