



2021 Annual Report

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Notice of Annual General Meeting

2021 Annual General Meeting

Wednesday, 15 December 2021 at 11.00am.

The meeting will take place virtually due to the ongoing Covid-19 restrictions. A formal Notice of Meeting can be found on the ASX platform or Company's website at www.iconenergy.com.

Competent Persons Statement

The hydrocarbon resource estimates in this report have been reviewed by Douglas Barrenger, business owner and Director of FMB Holdings Pty Ltd ATF FMB Unit Trust trading as Fluid Energy Consultants. Mr Barrenger has over 38 years of experience in petroleum geology and is a member of the Society of Petroleum Engineers.

Mr Barrenger agrees with the inclusion of the information in this report relating to hydrocarbon Contingent and Prospective Resources in the form and context in which it appears. The Contingent and Prospective Resource estimates contained in this report are in accordance with the standard definitions set out by the Society of Petroleum Engineers, Petroleum Resource Management System.

Chairman's Letter

Mr Stephen Barry
Chairman and
Non-executive Director
of Icon Energy Limited.



Dear Shareholder

Over the 2020-2021 financial year, Icon has continued to conserve its cash while continuing to secure funding to develop its tenements. The continuing effects of Covid have led to ongoing delays in that process, particularly the inability to conduct face-to-face meetings and inspections due to lockdowns and travel restrictions. The prices for oil and gas have varied over the financial year.

The Australian Energy Regulator recorded that over the financial year 2020-21 gas prices fell in all regions of Australia compared to the previous financial year except for Queensland, with low prices across all markets over mid-2020. Queensland prices rose by 9.5 percent compared the last financial year as a result of high prices in Q2 2021. It also reported that average gas market price increased significantly in Q2 2021. Icon hopes that the recent increase in gas prices will be more attractive to investors.

Icon Energy at the end of the financial year held a cash and bank balance of \$1,581,687 and working interests in tenements in Queensland, Victoria and in South Australia details of which are set out in the Tenement Locations section of this annual report.

Icon's main focus remains on obtaining funding for its projects, with the immediate priority being ATP 855. Icon continues to pursue potential venturers to farmout its 100 percent working interest in ATP855.

Icon plans to produce methane gas and hydrogen from the discoveries made in ATP 855 while achieving zero carbon. Up to 28 Trillion Feet (TCF) of Gas has been classified by Degolyer and McNaughton as the most likely gas resource in the tenement with 1.57 TCF classified as 2C Contingent based on the gas flows from the wells on tests.

All field operations currently are on a care and maintenance basis. Until new funding can be obtained Stage-2 operations in ATP 855 must stay on hold.

In relation to its Victorian tenements PEP 170 (granted), and PEP 172 and 173 (grants pending), Icon received advice from the Victorian Department of Jobs, Precincts & Regions on the 29th June 2021 that *The Petroleum Legislation Amendment Act 2020* provides for the extension of all relevant exploration permits to 1 July 2026. New work programmes have to be developed when new regulations are introduced within that state.

Howard Lu retired as a director effective 30 November 2020 after 9 years of service to the company. Howard had determined that his business interests outside Australia and travelling restrictions due to Covid meant that he would not be able to provide appropriate time to the affairs of Icon Energy as a Board member.

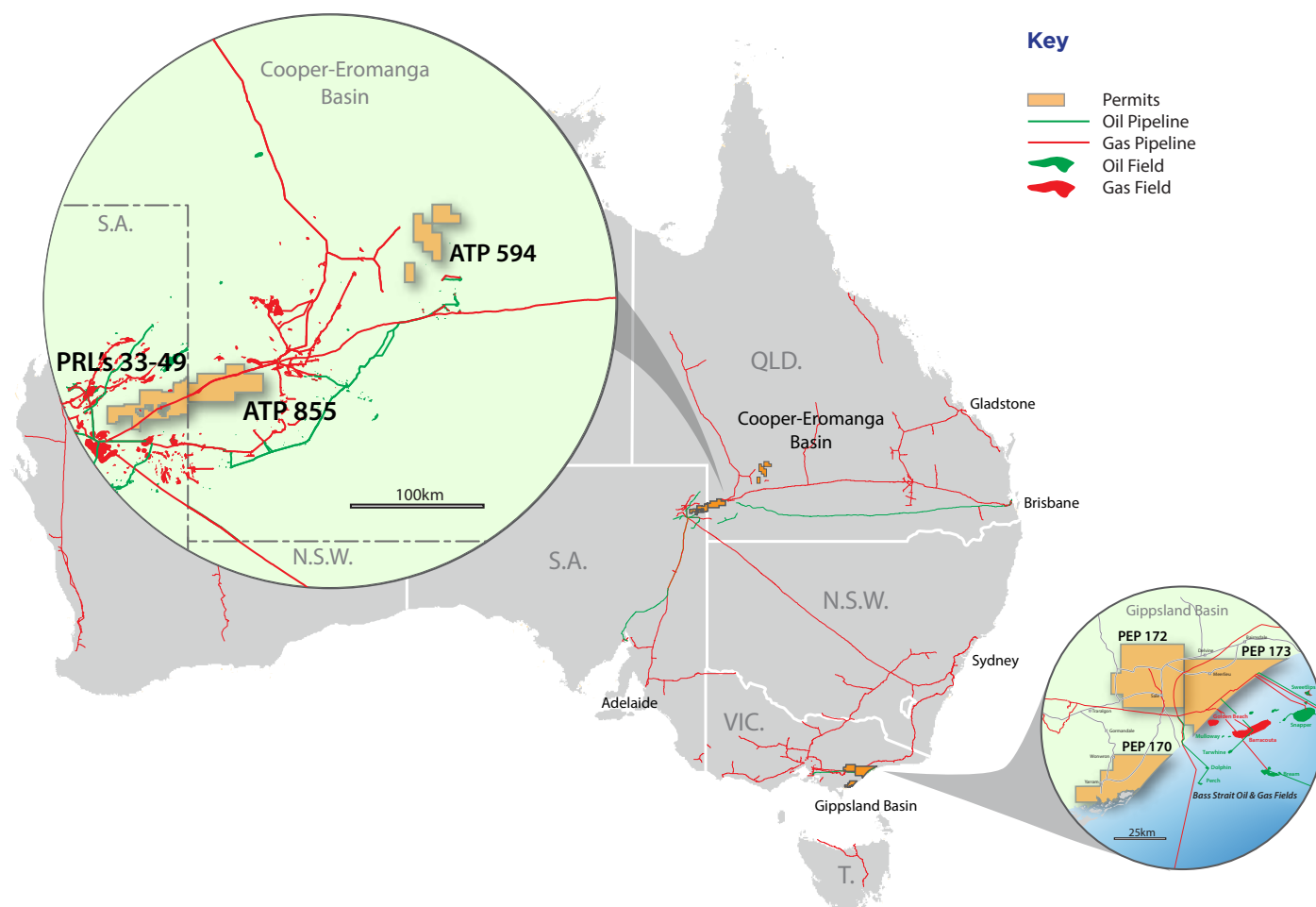
We are grateful for Howard's contributions and insights over the nine years of his service and we wish him well for his future.

Throughout the past year Icon has conserved its cash. The Non-Executive Directors moved to reduce their director's fees by 20% effective 1 January 2018. No staff bonuses were paid and the Performance Rights Plan (bonus scheme) which lapsed in November 2017 was not renewed.

I would like to thank Icon's team for their dedicated efforts over the past year. I am hopeful of success in raising funds and that Icon's planned new activity will be reflected in a better price for Icon's quoted securities soon.

S M Barry
Chairman

Tenement Locations



Icon Energy Tenements

Permit/Area	Tenement Area	Permit Interest	Operator	Prospect Type
Cooper - Eromanga Basin, Eastern Flank				
ATP 594*	1,230 km ²	100%	Icon Energy	Oil
Cooper - Eromanga Basin, Nappamerri Trough				
ATP 855	1,679 km ²	100%	Icon Energy	Shale Gas, Basin Centred Gas
PRLs 35, 37, 38, 41, 43, 44, 45, 48, 49**	1,601 km ²	33.33%	Beach Energy	Oil
Gippsland Basin				
PEP 170	804 km ²	100%	Icon Energy	Oil, Gas
PEP 172***	1,312 km ²	100%	Icon Energy	Gas
PEP 173***	1,220 km ²	100%	Icon Energy	Gas

* ATP 594 expired on 16 April 2021 and is in the process of being relinquished

** Formerly PEL 218 (Post Permian Section)

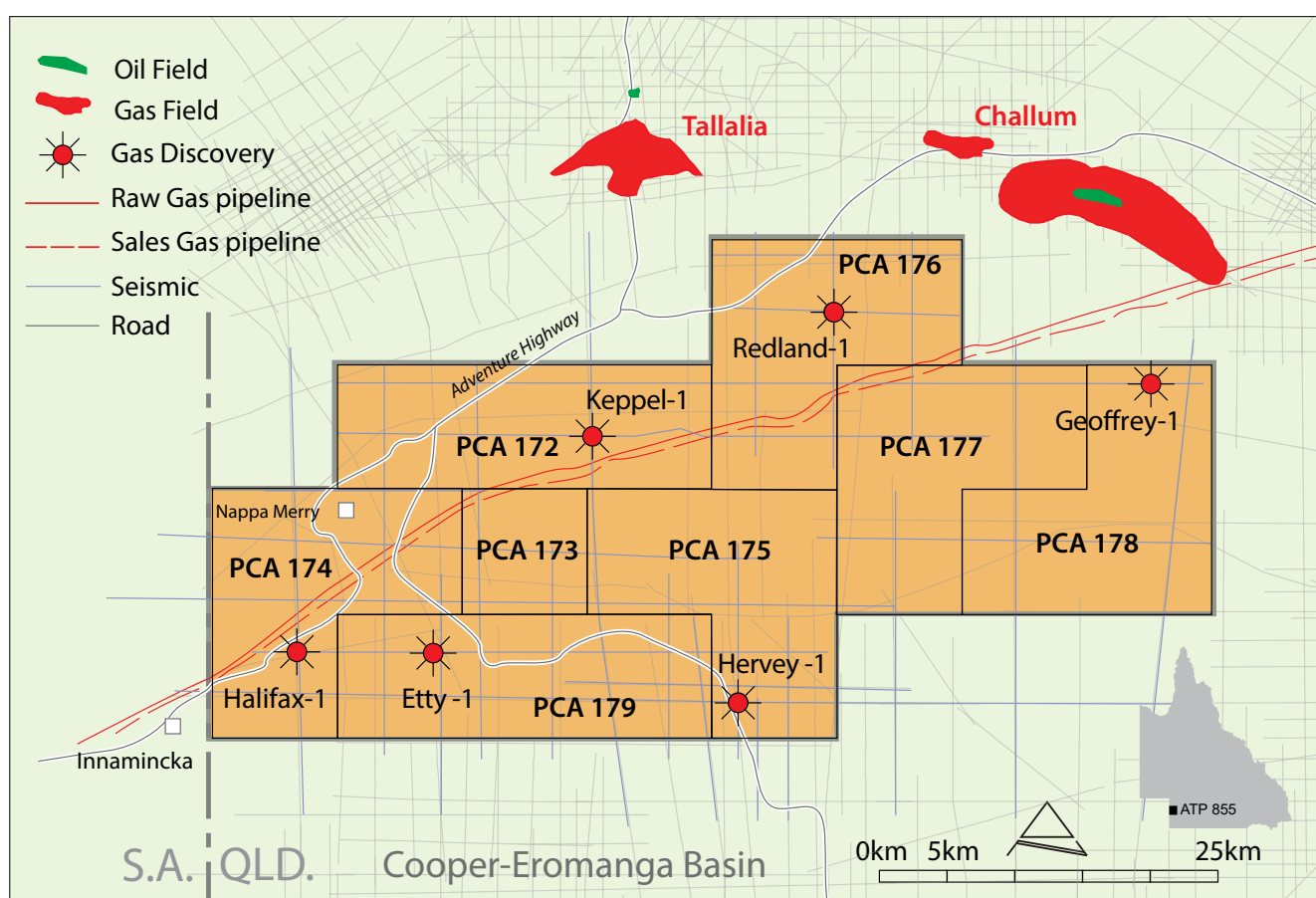
*** Permit to be granted

Review of Operations

ATP 855 COOPER BASIN, QUEENSLAND (PCAs 172-179)

ATP 855 is located in the Cooper-Eromanga Basin in Queensland, approximately 1,200 kilometres west of Brisbane, and covers an area of 1,679 square kilometres, (414,000 acres).

The map below shows the Authority to Prospect (ATP 855) and its subdivision into eight Potential Commercial Areas (PCAs 172-179). These PCAs have been granted for a period of 15 years and are designed to enable time to raise funds to develop such a large and complex project through appraisal drilling and development of the gas resource. The Department of Natural Resources Mines and Energy (The DNRME) recognizes the time frame required as large gas developments require a long time to come to fruition and the current market has not been favourable for funding fossil fuels. The recent world-wide gas shortage has resulted in significant rises in world prices. Icon acknowledges that the sentiment is changing and hopes that current discussions with potential joint venturers will succeed soon.



- At the present time, Icon's main focus is on reaching an agreement with a joint venturer in ATP 855. Icon continues discussions with various parties which remain confidential.
- The gas resource estimates within ATP 855, was determined by DeGolyer and MacNaughton, at 28.5 trillion cubic feet (TCF) of Gross Unconventional Prospective Raw Natural Gas Resources¹ over all PCAs, and 1.57 TCF

¹ Icon Energy announced on 19 June 2014, that DeGolyer and MacNaughton, a well-respected and qualified international petroleum reserve and resource evaluation company, estimated that the Unconventional Prospective Raw Natural Gas Resource was 28.5 (P50) Tcf. 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.

of 2C Contingent Gas Resources² determined within defined areas surrounding the five wells tested. These resource estimates were evaluated in accordance with the Petroleum Resources Management System (March 2007).

- Icon plans to produce methane gas, carbon dioxide and hydrogen from the gas discoveries made in ATP 855.
- As Australia transitions to zero carbon by 2050, the market is changing for the conversion of methane to hydrogen gas for power generation and transportation fuels. Gas to hydrogen techniques are evolving at a rapid rate and once the most cost effective methods have been tested hydrogen will rank alongside electric power as predicted by the Australian Energy Market Operator (AEMO)
- Icon commissioned a new study, called “Roadmap to Commercialisation” over the past year, which outlines a plan for the future development of ATP 855.
- The DNRME has granted Icon an extension of the current Later Work Program (LWP) in ATP 855 for two years until 29th October 2022. This extension was granted on the basis of COVID-19 delays as a Special Amendment of the Authority to Prospect (ATP) 855 under section 107A of the Petroleum and Gas (*Production and Safety*) Act 2004 (P&G Act). The remaining work under the current LWP includes a suite of G&G studies and 300 km² of new 3D seismic acquisition.
- Icon successfully plugged Halifax No.1 over the deep gas zones, leaving the shallow gas zones for future testing. Redland No.1 was completely abandoned.
- Following further research into our future program, a lot of effort has gone into carbon capture and storage (CCS) and production of hydrogen. Therefore, the remaining wells remain suspended and available for future use in a new Carbon Capture and Storage (CCS) program, with the aim of becoming a Zero Carbon operating company.
- Icon is the Operator of ATP 855 and currently has a 100% working interest in the tenement.

ATP 594 COOPER-EROMANGA BASIN, QUEENSLAND

ATP 594 is located in western Queensland approximately 1,000 kilometres west of Brisbane and 140 kilometres west of the regional town of Quilpie. The tenement consists of three separate blocks covering a total area of 1,230 square kilometres.

After further review of the seismic program conducted in the tenement Icon has not been able to attract a new partner. This tenement expired in April 2021. In the given circumstances it was determined that it was appropriate not to renew the tenement, hence it is in the process of being relinquished.

PEP 170 (PEP 172 AND 173 PENDING), GIPPSLAND BASIN, VICTORIA

PEP 170 (granted), and PEP 172 and 173 (grants pending), remained subject to a moratorium on onshore exploration until 30 June 2021 and a permanent ban on unconventional drilling activity.

Icon has not advanced activity in this tenement while the new regulations are being finalized and Ministerial approval given before any final decision can be made. Meanwhile, Icon has continued to keep the tenement in good standing by paying all necessary statutory fees.

Icon is the Operator of PEP 170 and has a 100% working interest in the tenement.

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

Icon has a 33.33% interest in the post-Permian section of the remaining PRLs 35, 37, 38, 41, 43, 44, 45, 48 and 49 in South Australia, which cover a total area of 857 square kilometres.

No operations have been proposed by the Joint Venture for next coming year.

Icon holds a 33.3% interest in these retention areas and no immediate activity is planned.

² Icon Energy announced on 27 March 2015, 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.

Sustainability Report

At Icon Energy, we believe that sustainability is about working safely, effectively and harmoniously with the community and the environment. At all times Icon endeavours to work efficiently to minimise the company's impact on the environment, while also looking to benefit the communities in which we operate.

Icon's activities have not varied significantly in the past year. Our major operational activity in the field has been a safety monitoring operation of the suspended discovery wells which remain suspended. Icon Energy takes the time to plan, assess, monitor and rehabilitate all projects responsibly. Icon respects the environment and acknowledges that the care and planning that the company puts into all projects will protect and maintain ecosystems and honour the livelihood of the people that Icon works with and within the wider community.

Wherever the opportunity arises, Icon Energy seeks to employ fellow stakeholders and the local community.

Icon Energy's operational health and safety personnel and operations staff are required to complete all the necessary accreditation to ensure that all personnel remain fully compliant with the oil and gas industry's stringent health, safety and environmental policies and procedures.

WORKING TO BENEFIT ALL COMMUNITIES AND CULTURES

Icon Energy's community engagement is focused on maintaining long-term, collaborative and trusting relationships amongst the communities in which the company operates. Icon Energy respects all cultures and people, seeking to foster their prosperity, quality of life and their relationship with the land, climate and water resources.

Icon Energy is committed to upholding its strong relationships, built up over the past 25 years, with our fellow landholders. Where we operate, we ensure that all landholders and traditional owners are consulted and their needs considered prior to conducting any activities.

OPERATING SAFELY

Icon Energy has a comprehensive Safety Management System in place and is committed to the safety of its staff, contractors and joint venture partners.

Icon's safety strategies and culture is focused on maintaining a safe and incident free work place as our highest priority. Icon always has, and always will continue to work with its staff, contractors and partners to raise safety awareness and promote positive safety behaviour in the field.

Icon Energy has a strong focus on the pre-qualification, training and management of its contractors, which has contributed to no safety incidents being recorded during the year.

Icon Energy appreciates the efforts made by its contractors, associates and employees, for their contribution in maintaining our excellent safety record.

ENVIRONMENTAL MANAGEMENT

Icon has established a policy which is aimed at zero emissions by 2050 in line with the general global consensus to be compliant by this date. Icon has developed several new strategies to reduce carbon emissions with gas production from ATP 855 in the Cooper Basin. Air Liquide in the USA has indicated the feasibility of utilizing the high production pressures in the separation of our production gases using a cryocap technology to separate the carbon dioxide from methane. This technique is commonly used in oil refineries so it is tried and tested. We have to deal with higher pressures than normally used but this turns out to represent another advantage in the separation process.

Icon is positioning the methane production to be able to make hydrogen but presently the market for hydrogen is uncertain. Methane has many advantages over other methods of making hydrogen and should be in demand in future years.

Icon Energy understands its responsibility and is committed to ensuring that all of Icon's operations have minimal impact on the environment. As part of Icon's planning, operations and rehabilitation activities, the company will continually monitor environmental performance to strict criteria.

Icon Energy is proud to report that, once again, the company has maintained a zero environmental incidents record. Environmental planning and research are conducted at the beginning of every Icon Energy Project and environmental management measures are employed, checked, maintained and recorded.

Icon Energy operates with care and respect under its strict Environmental Authorities to ensure the natural environments in which the company operates are preserved for the future.

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;
- 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 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;
- 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;
- 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, when the Board appoints a Managing Director, the Board gives 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 delegates 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 Directors 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;

Corporate Governance Statement

continued

- The Board comprises of Non-executive Directors. Currently the Board comprises of three Non-executive Directors and no 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;
- As at 30 June 2021 all three Company Directors were Fellows of and participated 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 and Dr Keith Hilless 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.

In September 2019, all Non-executive Directors were invited to stand for appointment or reappointment for each Committee. Members of the two standing Committees were appointed on 26 September 2019 as follows:

Audit and Risk Management Committee

Keith Hilless AM (Chairman, Non-executive Director),
Stephen Barry (Non-executive Director)

Remuneration, Nominations and Succession Committee

Stephen Barry (Chairman, Non-executive Director),
Keith Hilless AM (Non-executive Director)

Board and Committee Members and Meetings

The current Icon Energy Board of Directors consists of three non-executive Directors, two of whom are independent Directors. The Audit and Risk Management Committee now comprises two independent Non-executive Directors having experience and expertise in financial matters. The Chairman of the Audit and Risk Committee is Dr Keith Hilless, 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 although there was only one member of a committee namely Mr Barry in the period following Mr Murphy's retirement on 31 August 2019 until the appointment of new committee members on 26 September 2019. 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 (if appointed), Chief Financial Officer and External Auditor are invited to attend Committee meetings, at the discretion of the Committee.

The Committee last conducted review of the key identified risks for the Company on 22 October 2021. 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 once in each 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.

Performance Evaluation

A formal performance evaluation of the Board, each Committee of the Board, the Chairman and individual Directors was last completed on 7 May 2019. As part of that review, the Board reviewed its composition, skills and application of those skills, as well as Board procedures and practices to ensure it has the necessary skills and mechanisms to pursue the Company's strategic objectives.

The 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 Senior Executive's specific roles.

A performance evaluation for the 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.

Corporate Governance Statement

continued

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's 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 Diversity 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;
- 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.

Company - wide assessment at 30/06/2021

	Board	Management	Employees
Born in Australia	100%	-	-
Born Overseas	-	100%	100%
Male	100%	-	-
Female	-	100%	100%
Aged 21 to 30 years	-	-	-
Aged 31 to 40 years	-	-	100%
Aged 41 to 50 years	-	-	-
Aged over 50 years	100%	-	-

The Diversity Policy includes a commitment to promoting gender diversity each year. The 2020/21 objectives were measured as follows:

2020-2021 Diversity Objectives

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	Achieved
To ensure the voluntary turnover in female employees is no greater than organisation turnover levels	Achieved

2021 – 2020 Diversity Objectives

To support and promote the Company's Diversity Policy, including, the identification of additional suitably qualified external female candidates

To ensure that candidate lists for permanent employee positions are recognisably diverse by age, sex or ethnicity

To consider diversity when reviewing Board succession plans with the aim to improve gender representation and diversity

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 ensure the voluntary turnover in female employees is no greater than organisation turnover levels.

A copy of the Company's Diversity Policy can be found in the Corporate Governance Section of the Company's website.

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 which describes Icon Energy's **values**, as well as other policies and procedures in place incorporated into an ethical framework on which the Company bases its decisions – as individuals and as a corporate entity.

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

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:

- Them to act in the best interest of the Company and create value for the Company's shareholders and stakeholders;
- 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;
- 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.

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, generate Government revenue, provide commercial returns to the industry and contribute 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 deal fairly with employees and others;
- Openly and effectively engaging and reporting with our communities;
- 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.

Corporate Governance Statement

continued

Whistleblower Policy

Icon has a Whistleblower Policy which contains written guidelines and procedures by which all employees can confidentially report improper conduct for investigation without fear of discrimination and harassment. Icon encourages its staff to speak up on matters or conduct that concerns them.

A copy of this Policy can be found in the Corporate Governance Section on the Company's website.

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 in which share trading is permitted (known as "Trading Windows") and blackout periods when trading is not permitted.

Normally all Icon Energy personnel not in possession of unpublished price-sensitive information may only buy, sell or otherwise deal in Icon Energy's securities during Trading Windows. Normally a Trading Window is opened for a three week period commencing after:

- The announcement of the half yearly financial results;
- The announcement of the annual financial results;
- The announcement of the Quarterly Reports for the March and September quarters;
- 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) and the Managing Director (for the Chairman, Secretary or 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 Board of Directors, in conjunction with senior executives, is responsible for the development, implementation and management of Icon Energy's risk management and internal control framework. The Board of Directors also monitors the management of these functions, including as to the manner in which the Group's material operational and business risks are being effectively managed.

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

The Board monitors the effectiveness of the Company's management of material operational and business risks.

The Board has also received assurance from Mr James (Director), and from the Chief Financial Officer and Company Secretary 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
- The system is operating effectively in all material aspects in relation to financial reporting risks.

The Company's Enterprise-wide Risk Management Policy and Crisis 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 2007* 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.

The Company has an effective system to review and approve public documents that are not reviewed or audited by its external auditors. Copies of market sensitive announcements are circulated to the Board prior to lodgment.

The Company ensures that any new and substantive investor or analyst presentation is released on the ASX Markets Announcements Platform ahead of the presentation.

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;
- Company's website information updates on all activities;
- Annual reports to shareholders;
- Half-yearly financial reports lodged with the ASX;
- Quarterly reports;
- 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 security holder questions are invited by the Chair to be asked at the meeting.

The Company has adopted a process that every future resolution at an Annual General Meeting be decided by poll.

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 Recommendations 2.1(a)(1), 4.1(a)(1), 7.1(a)(1), 8.1(a)(1), which recommend that Committees have at least three members, and Recommendation 3.4, which recommends to have and disclose an anti-bribery and corruption policy. 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. In relation to Recommendation 3.4, Icon's Anti-Bribery and Anti-Corruption Policy is currently in the process of finalisation. The Company is committed to acting in full compliance with the letter of the law, including regulations with regards to anti-corruption and bribery issues and act ethically, honestly, responsibly, and diligently. This Policy will set out the requirements for the management of gifts and benefits and will be available on the Company's website when it is approved by the Board.

Corporate Governance Statement

continued

2021 Corporate Governance Checklist

Icon Energy's corporate governance policies conform to the applicable Principles and Recommendations (being those under ASX's 4th edition of *Corporate Governance Principles and Recommendations* released on 27 February 2019 and took effect from 1 January 2020).

A summary of our disclosure against the Principles and Recommendations is set out below:

Corporate Governance Council Recommendation	Does Icon Energy follow the recommendation?
Principle 1 - Lay solid foundations for management and oversight	
1.1 Disclose a board charter setting out 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 be effective and 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 - Instill a culture of acting lawfully, ethically and responsibly	
3.1 Articulate and disclose its values	✓
3.2 Code of conduct available on website	✓
3.3 Disclose a whistleblower policy	✓
3.4 Disclose anti-bribery and corruption policy	X
Principle 4 - Safeguard integrity in corporate reporting	
4.1 Audit committee requirements met	X
4.2 CEO and CFO Declaration was received by the Board and the financial statements comply	✓
4.3 Periodic reports and material announcements	✓

Corporate Governance Council Recommendation	Does Icon Energy follow the recommendation?
Principle 5 – Make timely and balanced disclosure	
5.1 Continuous Disclosure Policy available on website	✓
5.2 Board receives material market announcements	✓
5.3 Investor or analyst presentations	✓
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 Voting by poll on substantive resolutions	✓
6.5 Electronic securityholder communication functionality	✓
Principle 7 – Recognise and manage risk	
7.1 Risk committee requirements met	X
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, environmental and social sustainability risk	✓
Principle 8 – Remunerate fairly and responsibly	
8.1 Remuneration committee requirements	X
8.2 Remuneration practices disclosed	✓
8.3 Remuneration Policy disclosures regarding equity-based remuneration	✓

Board of Directors



Stephen Barry

Chairman, Non-executive Director

Qualifications:

LLB University of Sydney, FAICD

Experience:

Mr 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 a member and Chairman of the Board's Remuneration Nominations and Succession Committee and a member of the Audit and Risk Management 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 05/01/1993



Raymond James

Non-executive Director

Qualifications:

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

Experience:

Mr Ray James has been a 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 Company Directors and past Vice Chairman of the Gold Coast Committee.

Director since 01/02/1993



Dr Keith Hilless AM
Non-executive Director

Qualifications:

AM, BE (Elec) Qld, DUniv 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 03/04/2009



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 AUD 1,203,080,695 as of 23 September 2020.

Howard has extensive business interests in China and elsewhere overseas. He is extremely well connected with Chinese energy and resources companies, including LNG importers. Howard is an Australian citizen and is Icon Energy's fifth largest shareholder as of 23 September 2020, holding 16,068,181 fully paid ordinary shares in the Company.

Director since 07/01/2011

Retired: 30/11/2020

Current Management Team



Raymond James
Non-executive Director

Qualifications:

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

Experience:

Mr Ray James has been a 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 Company Directors and past Vice Chairman of the Gold Coast Committee.



Natalia Fraser
Chief Financial Officer and Company Secretary

Qualifications:

BEC, MAcc, CPA

Experience:

Ms Natalia Fraser joined Icon Energy Limited as an Accountant reporting to the Chief Financial Officer in December 2007 and was promoted as Chief Financial Officer and Company Secretary in September 2019. She graduated with a Master of Accounting from Bond University in 2006. She is a Certified Practising Accountant and is experienced in management and financial accounting.

As a Chief Financial Officer, Ms Natalia Fraser oversees the company's accounting and audit functions. She is also the person responsible for communication with the ASX on behalf of the Company.

Financial Report FY21

for the year ended 30 June 2021

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Directors' Report

for the year ended 30 June 2021

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

PRINCIPAL ACTIVITIES

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

DIRECTORS

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

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

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

Refer to table 5 of the Remuneration Report for Directors' interests in shares and performance rights.

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

REVIEW OF OPERATIONS

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

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Asset Impairments

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

In summary:

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

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

ATP 855 Cooper-Eromanga Basin Queensland

- During the year Icon conducted operations to rehabilitate five wells in the tenement. COVID delays on sourcing equipment was costly and slow and the operation was suspended after two wells were successfully plugged.
- The rehabilitation of the remaining three wells, has been deferred for 3 years.
- This past year has not been an opportune time to raise funds for investment in fossil fuel markets. Worldwide reports of gas shortages and rising prices are beginning to bite and once again optimism is returning for gas exploration.
- Talks are continuing with several potential partners and interest in our tenement is strong.
- Icon supports and continues to advance opportunities which move towards blue hydrogen and carbon zero outcomes.
- Icon's working interest in ATP 855 remains secure under the eight Potential Commercial Areas (PCAs) 172 to 179 which do not expire until 29th October 2032.

PEP 170, 172 and 173 Gippsland Basin Victoria

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

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

- PRLs cover a total area of 857 km². Icon has a 33.33% interest in the post-Permian section.
- To comply with AASB 6, exploration expenditure for PRLs was impaired to nil. The impairment of the carrying value of past exploration expenditure does not affect the potential prospectivity of the tenements themselves and does not affect any existing resource certification.
- Wakefield No1 well remains cased and suspended for testing.

ATP 594 Cooper-Eromanga Basin Queensland

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

Corporate

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

EVENTS AFTER THE BALANCE DATE

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

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

CORPORATE STRATEGIES AND FUTURE DEVELOPMENTS

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

FINANCIAL POSITION

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

DIVIDENDS

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

Directors' Report

for the year ended 30 June 2021

REMUNERATION REPORT

The Remuneration Report for the financial period which forms part of the Director's Report can be found on page 24 of this Annual Report.

SHARES UNDER OPTION

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

COMPANY SECRETARY

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

MEETINGS OF DIRECTORS

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

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

ENVIRONMENTAL REGULATION

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

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

PROCEEDINGS ON BEHALF OF THE COMPANY

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

DIRECTORS AND AUDITORS INDEMNIFICATION

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

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

Details of the nature of the liabilities covered in respect of Directors' and Officers' insurance policies are not disclosed as such disclosure is prohibited under the terms of the contracts.

The total premium expense for the year was \$48,043 (30 June 2020: \$33,004).

NON-AUDIT SERVICES

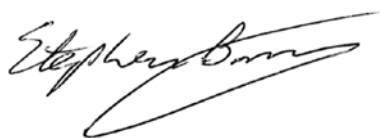
The auditors did not perform any non-audit services during the year.

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

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

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

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



S M Barry

Chairman

14 October 2021



R S James

Director

14 October 2021

Remuneration Report – Audited

for the year ended 30 June 2021

Key Points

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

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

Table 1: Icon Energy's Key Management Personnel

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

1. REMUNERATION FRAMEWORK

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

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

2. ROLE OF THE REMUNERATION, NOMINATIONS AND SUCCESSION COMMITTEE

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

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

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

Non-Executive Directors

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

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

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

Executive Managers and Senior Management

Executive and Senior Managers are remunerated through a combination of:

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

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

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

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

4. FIXED REMUNERATION

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

5. SHORT-TERM INCENTIVES

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

Remuneration Report – Audited

for the year ended 30 June 2021

6. LONG-TERM INCENTIVES

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

7. SERVICE AGREEMENTS

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

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

Table 2: Service Agreements with Executive Directors and Senior Managers

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

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

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

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

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

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

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

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

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

(ii) Other Benefits represent car allowance received during the year for Ray James of \$22,500 and for Dr Jih of \$10,000.

(iii) Long-term employee benefits represent only the long service leave accrued during the year. The long service leave is paid when the leave is taken by eligible employees or paid out on cessation of employment to eligible employees. There were payouts on cessation of employment made during the year, \$76,263 to Dr Jih on retirement and \$240,420 to Mr James on expiration of his service agreement.

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

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

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

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

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

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

Remuneration Report – Audited

for the year ended 30 June 2021

9. DIRECTORS' AND SENIOR MANAGERMENTS' INTERESTS

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

Shareholdings

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

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

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

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

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

Transactions with Directors and Director Related Entities

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

10. SHARE OPTIONS

Options Granted to Directors and Key Management Personnel of the Company

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

Options Held by Key Management Personnel

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

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

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

- End of Remuneration Report (audited) -

Auditor's Independence Declaration



Crowe Brisbane
ABN 79 981 227 862
Level 16 120 Edward Street
Brisbane QLD 4000
Australia
Tel +61 7 3233 3555
Fax +61 7 3233 3567
www.crowe.com.au

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

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

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.



Crowe Brisbane



Logan Meehan
Partner

Date: 14 October 2021
Brisbane

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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 external audit, conducted via the Crowe Australasia external audit division and Unison SMSF Audit. All other professional services offered by Findex Group Limited are conducted by a privately-owned organisation and/or its subsidiaries.

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Independent Auditor's Report



Crowe Brisbane
 ABN 79 981 227 862
 Level 16 120 Edward Street
 Brisbane QLD 4000
 Australia
 Main +61 (07) 3233 3555
 Fax +61 (07) 3233 3567
www.crowe.com.au

Independent Auditor's Report

To the Members of Icon Energy Limited

Report on the audit of the financial report

Opinion

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

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

- (a) Giving a true and fair view of the Group's financial position as at 30 June 2021 and of its financial performance for the year then ended.
- (b) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

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

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

Material Uncertainty Related to Going Concern

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

Key Audit Matters

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

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Independent Auditor's Report

continued



Key Audit Matter

How we addressed the Key Audit Matter

Impairment of Exploration and Evaluation Expenditure - Note 7

Exploration and evaluation (E&E) activity has a high level of inherent risk. There is the risk that projects may fail, requiring the impairment or write-off of the related capitalised costs when the relevant recognition criteria in AASB 6 *Exploration for and Evaluation of Mineral Resources* and Icon's accounting policy are not met.

There is a risk that certain capitalised E&E costs are either not impaired or written off promptly at the appropriate time, in line with information from, and decisions about E&E activities, and the impairment requirements of AASB 6.

Through our detailed risk assessment we identified a significant risk in relation to the impairment of tenement ATP 855.

In accordance with AASB 6, the carrying value of tenement ATP 855 was required to be assessed for impairment in accordance with AASB 136 *Impairment of Assets*, to determine whether the carrying value of the asset exceeds the recoverable amount.

This was a key audit matter due to:

- The significance of the tenement to the financial statements of the Group;
- The specialised nature of the E&E assets which requires judgement by us to assess the appropriateness of the valuation methodologies and inputs when applying the requirements of AASB 136. The Group has appointed an external valuer to assist in this process; and
- The low volume of comparable market transactions for similar E&E assets to corroborate valuation inputs and assumptions.

- Our procedures included, but were not limited to:
- conducting discussions with management regarding the criteria used in their impairment assessment and ensuring that this was in line with AASB 6 *Exploration for and Evaluation of Mineral Resources*;
- utilising our valuation expert to assist us in assessing the competence, capabilities and objectivity of the expert engaged by management to perform this assessment
- utilising our valuation expert to assist us in evaluating the appropriateness of the valuation methodology selected by the valuer to determine the value of the tenement ATP 855 E&E asset with reference to accepted market practices, our industry experience and the requirements of AASB 136 *Impairment of Assets*
- reviewing the appropriateness of the related disclosures within the financial statements; and
- obtaining evidence that the Group continue to have valid rights to explore in the area by performing an independent search and corroborating to government registry. We also considered the Group's compliance with the contractual obligations under the agreements.



Key Audit Matter	How we addressed the Key Audit Matter
<p>Valuation of Restoration Provision – Note 9</p> <p>As at 30 June 2021, the Group had a provision of \$4,353,713 relating to the estimated cost of decommissioning, restoration and rehabilitation of areas disturbed during exploration activities.</p> <p>This was a key audit matter because the calculations of the provision were complex and based on the estimates of future costs of the required work, including volume and unit rates and the area of disturbance.</p> <p>The provision is recorded as a non-current liability as the works are budgeted to be completed within 12 months of the balance date.</p>	<p>Our procedures included, but were not limited to:</p> <ul style="list-style-type: none"> • Evaluating and challenging the reasonableness of key assumptions used in the calculations of the provision; • Checking the mathematical accuracy of the calculations; • Assessing the competency and objectivity of the expert used by management and evaluating the appropriateness and adequacy of the restoration cost estimates; • Considering provision movements during the year to ensure they were consistent with our understanding of the Group's activities during the year; • Assessing the adequacy of the Group's disclosure in the financial statements in respect of the restoration provision.

Independent Auditor's Report

continued



Other Information

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

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

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

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

Responsibilities of the Directors for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

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



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

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

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

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

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

Report on the Remuneration Report

Opinion on the Remuneration Report

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

Directors' Responsibilities

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

Our Responsibilities

We have audited the Remuneration Report included in pages 24 to 29 of the annual report for the year ended 30 June 2021.

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

Crowe Brisbane
Crowe Brisbane

Logan Meehan
Logan Meehan
Partner

Date: 14 October 2021
Brisbane

Directors' Declaration

for the year ended 30 June 2021



DIRECTORS' DECLARATION

The Directors of the Company declare that:

- 1) The financial statements and notes, as set out on pages 37 to 59, are in accordance with the *Corporations Act 2001* and other mandatory professional reporting requirements and:
 - a) comply with Accounting Standards, with International Financial Reporting Standards, as stated in note 1 to the financial statements and *Corporations Regulations 2001*; and
 - b) give a true and fair view of the financial position as at 30 June 2021 and of the performance for the year ended on that date of the consolidated entity;
- 2) The Director and Chief Financial Officer have each declared in accordance with the Section 295A of the *Corporations Act 2001*, that:
 - a) the financial records of the Company for the financial period have been properly maintained in accordance with section 286 of the *Corporations Act 2001*;
 - b) the financial statements and the accompanying notes referred to in Section 295(3)(b) of the *Corporations Act 2001*, for the financial year comply with the accounting standards;
 - c) the financial statements and notes for the financial period comply with the Accounting Standards; and
 - d) the financial statements and notes for the financial period give a true and fair view.
- 3) In the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they come due and payable;

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

A handwritten signature in black ink, appearing to read "Stephen Barry", with a long horizontal flourish extending to the right.

Stephen Barry
Chairman
14 October 2021

Consolidated Statement of Profit or Loss and Other Comprehensive Income

for the year ended 30 June 2021

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

The accompanying notes form part of these financial statements.

Consolidated Statement of Financial Position

as at 30 June 2021

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

The accompanying notes form part of these financial statements.

Consolidated Statement of Changes in Equity

for the year ended 30 June 2021

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

The accompanying notes form part of these financial statements.

Consolidated Statement of Cash Flows

for the year ended 30 June 2021

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

The accompanying notes form part of these financial statements.

Notes to the Consolidated Financial Statements

for the year ended 30 June 2021

NOTE 1 - BASIS OF ACCOUNTING

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

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

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

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

Going concern

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

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

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

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

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

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

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

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

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

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

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

Notes to the Consolidated Financial Statements

for the year ended 30 June 2021

NOTE 2 - LOSS FROM OPERATING ACTIVITIES

Loss from operating activities before income tax includes the following items

a. Other income

Interest received	
Government grant income (COVID-19 cash flow boost)	
Insurance refund received	
Other income	

CONSOLIDATED ENTITY	
30 June 2021	30 June 2020
\$	\$
13,067	100,889
50,000	50,000
40,676	-
10,000	2,047
113,744	152,936

b. Employee benefits and expenses

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

c. Gain on sale of current assets

Proceeds on disposal of inventory	-	384,286
Written down value of inventory	-	(363,056)
Cost of sale	-	-
	-	21,231

d. Gain on sale of property, plant and equipment

Proceeds on disposal of property, plant and equipment	-	26,671
Written down value of property, plant and equipment	-	(7,821)
	-	18,850

e. Impairment expense

Impairment of exploration expenditure	1,662,567	1,223
Impairment of property, plant & equipment	-	13,053
Impairment of exploration asset	4,144,990	-
	5,807,557	14,276

f. Other expenses

Superannuation	16,771	45,519
Audit and review of financial statements - Crowe	60,000	65,250
Lease surrender fee	-	250,000

NOTE 3 - INCOME TAX EXPENSE

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

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

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

Notes to the Consolidated Financial Statements

for the year ended 30 June 2021

NOTE 4 - KEY MANAGEMENT PERSONNEL REMUNERATION

(a) Key management personnel compensation included in employee benefits:

- Short term employee benefits
- Long term benefits
- Post employment benefits
- Termination benefits

CONSOLIDATED ENTITY	
30 June 2021	30 June 2020
\$	\$
400,152	814,296
1,711	7,200
37,416	93,414
-	375,394
439,279	1,290,304

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

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

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

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

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

Performance rights holdings

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

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

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

Legal fees paid in the ordinary course of business to CKB Associates Lawyers, a firm which Mr. S Barry has a controlling interest.

1,224	21,820
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There were no amounts outstanding for the year ended 30 June 2021 (30 June 2020: Nil)

NOTE 5 - CASH AND CASH EQUIVALENTS

Cash on hand
Cash at bank

541	847
1,581,146	5,540,275
1,581,687	5,541,122

NOTE 6 - INVENTORIES

Tenement consumables
Less: impairment

153,765	153,765
(153,765)	-
-	153,765

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

NOTE 7 - EXPLORATION AND EVALUATION EXPENDITURE

Exploration and Evaluation expenditure at cost

3,910,950	5,573,517
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Notes to the Consolidated Financial Statements

for the year ended 30 June 2021

NOTE 7 - EXPLORATION AND EVALUATION EXPENDITURE (Continued)

Reconciliations

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

Consolidated Entity

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

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

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

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

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

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

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

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

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

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

NOTE 8 - LEASES

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

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

Right-of-use asset - Building

Balance at 1 July 2020	115,639	146,070
Depreciation charge for the year	(74,067)	(30,431)
Additions to right-of-use assets	77,332	-
Balance at 30 June 2021	118,905	115,639

Lease liabilities

Current	75,973	72,570
Non-current	47,497	44,720
	123,470	117,290

Notes to the Consolidated Financial Statements

for the year ended 30 June 2021

NOTE 8 - LEASES (Continued)

The consolidated statement of profit or loss shows the following amounts relating to leases:

Depreciation charge of right-of-use assets (included in depreciation expenses)

	CONSOLIDATED ENTITY	
	30 June 2021	30 June 2020
	\$	\$
Building	74,067	327,233
	74,067	327,233
Interest expense (included in finance cost)	7,823	32,995
The total cash outflow for leases	64,457	350,066

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

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

NOTE 9 - PROVISIONS

Restoration provision

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

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

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

Movements in carrying amounts

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

Consolidated Entity

Restoration provision

Current

Balance at beginning of the year	3,490,836	5,557,429
Decrease in the restoration provision	(208,723)	(1,993,824)
Restoration expenditure	(3,282,113)	(72,769)
Balance at end of the year	-	3,490,836

Non-Current

Balance at beginning of the year	-	-
Reclassification from current provision	208,723	-
Increase in the restoration provision	4,144,990	-
Balance at end of the year	4,353,713	-

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

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

Notes to the Consolidated Financial Statements

for the year ended 30 June 2021

NOTE 9 - PROVISIONS (Continued)

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

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

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

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

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

NOTE 10 - ISSUED CAPITAL

Authorised and Issued Share Capital

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

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

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

NOTE 11 - SHARE BASED PAYMENTS

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

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

NOTE 12 - EARNINGS PER SHARE

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

Notes to the Consolidated Financial Statements

for the year ended 30 June 2021

NOTE 13 - CASH FLOW INFORMATION

Reconciliation of net cash used in operating activities to loss after income tax:

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

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

NOTE 14 - CAPITAL AND LEASING COMMITMENTS

Work Programme Commitments

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

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

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

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

NOTE 15 - JOINT ARRANGEMENTS AND MINING TENEMENTS HELD

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

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

* ATP 594 expired on 16 April 2021 and is in the process of being relinquished

** Formerly PEL 218 (Post Permian Section).

*** Permit to be granted

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

Notes to the Consolidated Financial Statements

for the year ended 30 June 2021

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

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

NOTE 16 - CONTROLLED ENTITIES

Parent entity:

Icon Energy Limited

Australia

Subsidiaries of Icon Energy Limited:

	Country of Incorporation	Date of Incorporation	% Owned	
			30 June 2021	30 June 2020
Jakabar Pty Ltd	Australia	18 Dec 1992	-	100
Icon Drilling Pty Ltd	Australia	18 Nov 1994	100	100

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

NOTE 17 - SEGMENT INFORMATION

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

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

Notes to the Consolidated Financial Statements

for the year ended 30 June 2021

NOTE 18 - FINANCIAL INSTRUMENTS

Financial instruments comprise of the following:

NOTE

Financial Assets

		CONSOLIDATED ENTITY	
		30 June 2021	30 June 2020
		\$	\$
Cash and cash equivalents	5	1,581,687	5,541,122
Performance guarantee bonds		756,220	756,220
Amortised cost			
- Trade and other receivables		22,806	25,972

Financial Liabilities

Held at amortised cost			
- Trade and other payables		138,680	131,188

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

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

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

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

Significant Accounting Policies

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

Capital Risk Management

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

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

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

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

Financial Risk Management

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

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

(a) Market Risk

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

Interest rate risk

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

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

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

Notes to the Consolidated Financial Statements

for the year ended 30 June 2021

NOTE 18 - FINANCIAL INSTRUMENTS (Continued)

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

Cash flow sensitivity analysis for variable rate instruments

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

Notes to the Consolidated Financial Statements

for the year ended 30 June 2021

NOTE 18 - FINANCIAL INSTRUMENTS (Continued)

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

(b) Credit risk

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

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

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

(c) Liquidity risk

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

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

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

The following are contractual maturities of financial liabilities:

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

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

Fair value estimation

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

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

NOTE 19 - RELATED PARTY TRANSACTIONS

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

Notes to the Consolidated Financial Statements

for the year ended 30 June 2021

NOTE 20 - CONTINGENT LIABILITIES

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

NOTE 21 - EVENTS AFTER BALANCE DATE

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

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

NOTE 22 - PARENT ENTITY INFORMATION

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

Financial position

	30 June 2021	30 June 2020
	\$	\$
Assets		
Current assets	1,619,204	5,978,833
Non-current assets	4,807,061	6,472,469
Total assets	6,426,265	12,451,302
Liabilities		
Current liabilities	291,256	262,599
Non-current liabilities	4,401,212	3,535,557
Total liabilities	4,692,468	3,798,155
Net Assets	1,733,797	8,653,145
Equity		
Issued capital	101,985,050	101,985,050
Accumulated losses	(100,251,253)	(93,331,904)
Total equity	1,733,797	8,653,145

Financial performance

Loss for the year	(6,919,348)	(2,905,395)
Other comprehensive income	-	-
Total comprehensive income	(6,919,348)	(2,905,395)

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

Carrying amount included in current liabilities	-	-
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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 20.

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

Notes to the Consolidated Financial Statements

for the year ended 30 June 2021

NOTE 23 - STATEMENT OF ACCOUNTING POLICIES

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

(a) Changes in Accounting Policies

Standards and Interpretations adopted

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

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

Conceptual Framework for Financial Reporting (Conceptual Framework)

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

Standards and Interpretations issued but not yet adopted

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

Reference	Application date of standard	Impact on Group financial report	Application start date for the Group
AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current	1 January 2022	This standard amends AASB 101 <i>Presentation of Financial Statements</i> to: <ul style="list-style-type: none"> Clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period Specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability Explain that rights are in existence if covenants are complied with at the end of the reporting period Introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services. The impact of application of this Amending Standard that it will have on the Group's consolidated financial statements has not yet been assessed.	30 June 2023
AASB 2021-2 Amendments to AASB 7, AASB 101, AASB 134 Interim Financial Reporting and AASB Practice Statement 2 Making Materiality Judgements– Disclosure of Accounting Policies	1 January 2023	This standard amends AASB 101 <i>Presentation of Financial Statements</i> and requires the disclosure of material accounting policy information, instead of significant accounting policies.	30 June 2024

Notes to the Consolidated Financial Statements

for the year ended 30 June 2021

NOTE 23 - STATEMENT OF ACCOUNTING POLICIES (Continued)

(b) Principles of Consolidation

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

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

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

(c) Critical accounting estimates and judgments

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

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

Exploration and evaluation expenditure

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

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

Restoration provision

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

(d) Income Tax

Income tax comprises current and deferred tax.

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

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

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

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

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

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

Notes to the Consolidated Financial Statements

for the year ended 30 June 2021

NOTE 23 - STATEMENT OF ACCOUNTING POLICIES (Continued)

(d) Income Tax (Continued)

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

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

Tax Consolidation

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

(e) Goods and Services Tax

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

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

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

(f) Property, Plant, and Equipment

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

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

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

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

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

Notes to the Consolidated Financial Statements

for the year ended 30 June 2021

NOTE 23 - STATEMENT OF ACCOUNTING POLICIES (Continued)

(g) Exploration, Evaluation and Development Expenditure

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

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

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

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

(h) Interests in Joint Arrangements

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

Joint Operations

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

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

(i) Trade Creditors

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

(j) Cash and Cash Equivalents

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

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

(k) Provisions

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

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

Notes to the Consolidated Financial Statements

for the year ended 30 June 2021

NOTE 23 - STATEMENT OF ACCOUNTING POLICIES (Continued)

(k) Provisions (Continued)

Restoration provision

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

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

(l) Segment Reporting

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

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

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

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

(m) Comparative Figures

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

(n) Financial Instruments

Recognition

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

Financial assets

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

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

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

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

Notes to the Consolidated Financial Statements

for the year ended 30 June 2021

NOTE 23 - STATEMENT OF ACCOUNTING POLICIES (Continued)

(n) Financial Instruments (Continued)

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

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

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

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

Financial liabilities

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

Impairment

Financial assets

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

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

(o) Impairment of Non-Financial Assets

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

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

(p) Foreign Currency Transactions and Balances

Functional and presentation currency

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

Notes to the Consolidated Financial Statements

for the year ended 30 June 2021

NOTE 23 - STATEMENT OF ACCOUNTING POLICIES (Continued)

(q) Inventories

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

(r) Leases

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

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

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

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

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

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

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

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

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

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

Additional Shareholder Information

On-market buy-back

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

Distribution of Shareholdings

The distribution of ordinary shareholders ranked according to size at 27 October 2021 was as follows:

Range	Total Holders	Units	% of Issued Capital
1 - 1,000	401	58,283	0.01
1,001 - 5,000	1,003	3,298,169	0.50
5,001 - 10,000	779	6,659,828	1.01
10,001 - 100,000	1,941	71,735,678	10.91
Over 100,001	570	575,854,980	87.57
Rounding			-
TOTAL	4,694	657,606,938	100.00

Unmarketable Parcels as at 27 October 2021	Minimum Parcel Size	Holdings	Units
Minimum \$ 500.00 parcel at \$ 0.0150 per unit	33,334	3,337	33,556,782

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 27 October 2021:

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

Substantial Holders

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

Corporate Directory

Icon Energy Limited

ABN 61 058 454 569
ASX Code: ICN

Directors

Stephen Barry	(Chairman)
Raymond James	(Director)
Keith Hilless	(Non-executive Director)

Registered Office

“Lakeside 2 Bermuda Point”
1301/1 Lake Orr Drive
Varsity Lakes
Gold Coast Queensland 4227

PO Box 513
Varsity Lakes
Gold Coast Queensland 4227

Telephone: +61 407 200 200
Email: contact@iconenergy.com
Website: www.iconenergy.com

Share Registry

ComputerShare Investor Services Pty Limited

Level 1, 200 Mary Street
Brisbane QLD 4000

GPO Box 242
Melbourne VIC 3001
Australia

Telephone: 1300 850 505 (within Australia)
+61 3 9415 4000 (outside Australia)

Auditors

Crowe Brisbane

Level 16, 120 Edward Street
Brisbane Queensland 4000

Internet Address

www.iconenergy.com

Information and Investor enquiries

contact@iconenergy.com

www.iconenergy.com



www.iconenergy.com