

## OPERATIONS

### Queensland – Petroleum Exploration – Cooper-Eromanga Basin ATP 855

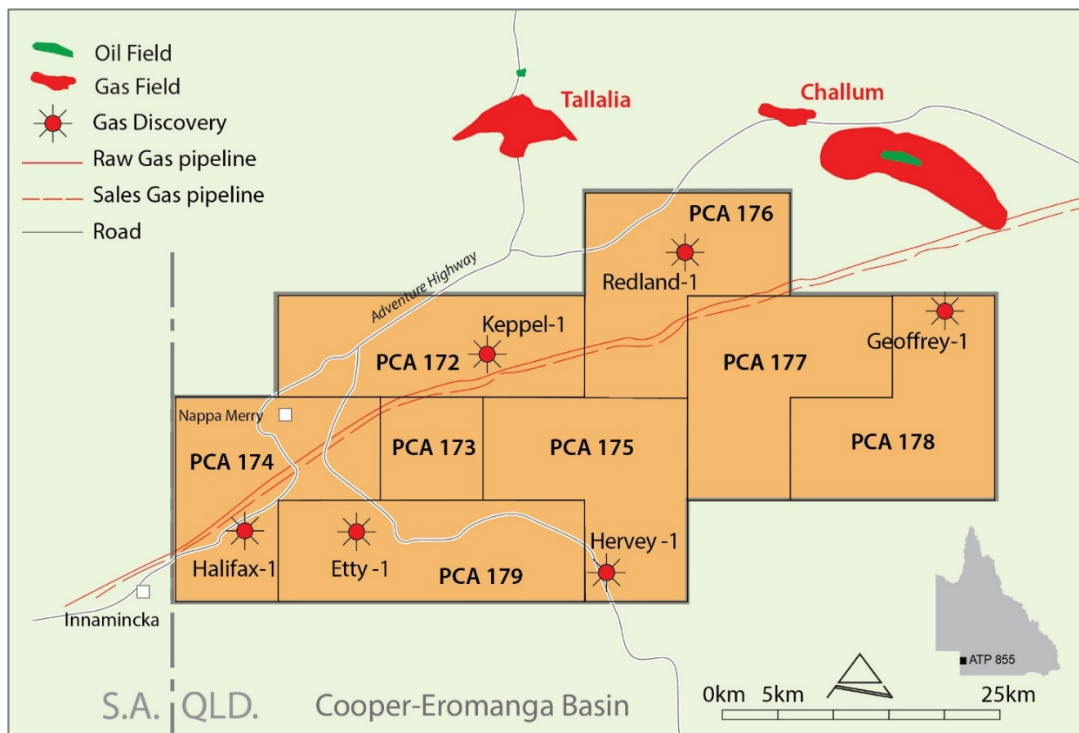
Icon is currently preparing for the next stage of activity in ATP 855 to conduct further exploration, evaluation and appraisal of the gas resource with the express purpose of demonstrating commerciality. Demonstration of commerciality would lead to proven gas reserves, progressive conversion of blocks to production licences and a substantial development program, which could support the domestic gas market in Eastern Australia and, ultimately, lead to export contracts.

A critical part of that process is attracting finance and/or a joint venture partner to progress this next stage of activity. Icon is currently in discussions with several companies that have expressed a strong interest in participating in the future appraisal and development of the gas resource within ATP 855. Icon will immediately issue an announcement should any agreements be reached.

The entire ATP 855 permit is covered by eight (8) Potential Commercial Areas (PCAs), which are for a period of 15 years and are designed to enable Icon to retain the entire interest in, and ultimately develop, the gas discovery.

Icon continues to monitor the discovery wells drilled within the permit, which currently remain suspended.

Icon's equity interest in the tenement is 100%.



Map showing the location of ATP 855 and the Potential Commercial Areas in the Cooper-Eromanga Basin, Queensland

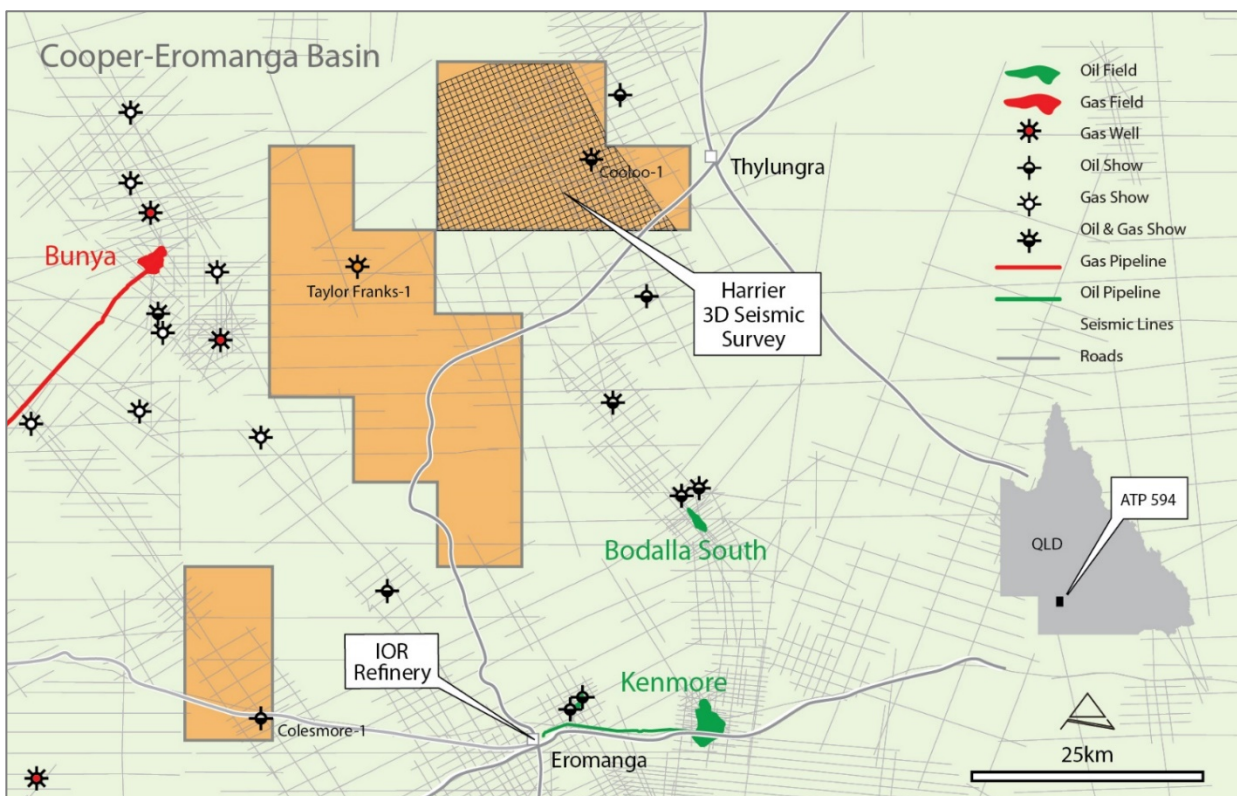
## Queensland – Petroleum Exploration – Cooper-Eromanga Basin ATP 594

ATP 594 is located on the eastern flank of the Cooper-Eromanga Basin, approximately 140 km west of Quilpie. The tenement is well positioned on the eastern flank of the Cooper Basin and is considered to be prospective for both oil and gas. The areas immediately adjacent to ATP 594 are resource rich with the Kenmore and Bodalla South oil fields in close proximity.

Following the acquisition of 3D seismic in 2017, Icon has identified several prospects and leads within the northern block of ATP 594, which has confirmed the prospectivity within the permit.

Icon is continuing to engage in discussions with potential partners interested in farming into ATP 594 to continue the exploration of the permit, which now requires one or more wells to be drilled and additional seismic to be acquired in the other blocks within the tenement.

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



Map showing the location of ATP 594 and the Harrier 3D Seismic Survey, in the Cooper-Eromanga Basin, Queensland

## **Victoria – Gippsland Basin PEP 170, 172 and 173**

PEP 170 ( granted), and PEP 172 and 173 (grants pending), remain subject to a moratorium on onshore exploration and a ban on unconventional drilling activity.

The Victorian Government advised Icon that the *Resources Legislation Amendment (Fracking Ban) Act 2017* came into effect on 16 March 2017.

The Act bans hydraulic fracturing under the *Petroleum Act 1990* and imposes a moratorium on conventional petroleum exploration and petroleum production in the onshore areas of Victoria until 30 June 2020.

On 10 October 2018, Icon received approval from the Executive Director of the Department of Economic Development, Jobs, Transport and Resources (*DEDJT&R*) for the suspension and extension applications for the exploration permit PEP 170 dated 9 October 2015, 9 August 2016 and 29 September 2017. The most recent application for suspension and extension of PEP 170 was submitted to DEDJT&R on 9 October 2018 and Icon expect to receive approval for this in due course.

The Earth Resources Regulation intends to vary the permit conditions of PEP 170 to reflect the approved suspension and extension and will consider Icon's proposed revised work program submitted in December 2017.

Icon has continued to keep the tenement in good standing by paying all necessary statutory fees.

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

## Icon Energy Limited & Baldwin & Anor Supreme Court Proceedings

Justice Bond of the Supreme Court of Queensland delivered judgement on 12 October 2018 in the matter of Baldwin versus Icon. The Plaintiffs' claims against Icon Energy were dismissed and the Plaintiffs were ordered to pay Icon's costs. Icon is very pleased with this decision having worked for nearly 10 years dealing with Mr Baldwin's issues.

### Financial Position at the end of September 2018 Quarter

- As at 30 September 2018, Icon Energy had a cash balance of \$11.2 million.
- As at 30 September 2018 Icon Energy's issued capital was 597,556,938 ordinary shares.
- The total number of Icon Energy shareholders, as at 30 September 2018 was 5,326.

## ICON ENERGY TENEMENTS

Permit / Area	Tenement Area	Permit Interest	Operator	Prospect Type
<b>Cooper - Eromanga Basin, Eastern Flank</b>				
ATP 594	1,230 km <sup>2</sup>	100%	Icon Energy	Oil
<b>Cooper - Eromanga Basin, Nappamerri Trough</b>				
ATP 855	1,679 km <sup>2</sup>	100%	Icon Energy	Shale Gas, Basin Centred Gas
PRLs 33 - 49*	1,601 km <sup>2</sup>	33.33%	Beach Energy	Oil
<b>Gippsland Basin</b>				
PEP 170	804 km <sup>2</sup>	100%	Icon Energy	Oil Gas
PEP 172**	1,312 km <sup>2</sup>	100%	Icon Energy	Gas
PEP 173**	1,220 km <sup>2</sup>	100%	Icon Energy	Gas

\* Formerly PEL 218 (Post Permian Section)

\*\* Permit to be granted

*Table showing all Icon Energy's tenements*

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**Or visit the website [www.iconenergy.com](http://www.iconenergy.com)**

**Icon Energy Limited (ASX: ICN)**, is a petroleum exploration Company with a portfolio of acreage in the Cooper-Eromanga and Gippsland Basins in Australia. The Company's exploration strategy focuses on building significant and responsible operations with strategic partners to satisfy energy needs of Australian and overseas based consumers.

## Appendix 5B

# Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

### Name of entity

Icon Energy Limited

### ABN

61 058 454 569

### Quarter ended ("current quarter")

30 September 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	(96)	(96)
(b) development		
(c) production		
(d) staff costs	(566)	(566)
(e) administration and corporate costs	(459)	(459)
1.3 Dividends received (see note 3)		
1.4 Interest received	60	60
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Research and development refunds		
1.8 Other (includes GST collected for sale of the office building)	1	1
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(1,060)</b>	<b>(1,060)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	(6)	(6)
(b) tenements (see item 10)		
(c) investments		
(d) other non-current assets		

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
2.2 Proceeds from the disposal of:		
(a) property, plant and equipment	64	64
(b) tenements (see item 10)		
(c) investments		
(d) other non-current assets		
2.3 Cash flows from loans to other entities		
2.4 Dividends received (see note 3)		
2.5 Other (Bank Guarantee)		
<b>2.6 Net cash from / (used in) investing activities</b>	<b>58</b>	<b>58</b>

<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of shares		
3.2 Proceeds from issue of convertible notes		
3.3 Proceeds from exercise of share options		
3.4 Transaction costs related to issues of shares, convertible notes or options		
3.5 Proceeds from borrowings		
3.6 Repayment of borrowings		
3.7 Transaction costs related to loans and borrowings		
3.8 Dividends paid		
3.9 Other (provide details if material)		
<b>3.10 Net cash from / (used in) financing activities</b>	<b>0</b>	<b>0</b>

<b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1 Cash and cash equivalents at beginning of period	12,267	12,267
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(1,060)	(1,060)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	58	58
4.4 Net cash from / (used in) financing activities (item 3.10 above)	0	0
4.5 Effect of movement in exchange rates on cash held		
<b>4.6 Cash and cash equivalents at end of period</b>	<b>11,265</b>	<b>11,265</b>

5. <b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	1,765	1,267
5.2 Call deposits	9,500	11,000
5.3 Bank overdrafts		
5.4 Other (provide details)		
<b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>11,265</b>	<b>12,267</b>

6. <b>Payments to directors of the entity and their associates</b>	Current quarter \$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2	364
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

7. <b>Payments to related entities of the entity and their associates</b>	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	1
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	



## Mining exploration entity and oil and gas exploration entity quarterly report

<b>8. Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
8.1 Loan facilities		
8.2 Credit standby arrangements		
8.3 Other (please specify)		
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

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<b>9. Estimated cash outflows for next quarter</b>	<b>\$A'000</b>
9.1 Exploration and evaluation	120
9.2 Development	
9.3 Production	
9.4 Staff costs	550
9.5 Administration and corporate costs	400
9.6 Other (provide details if material)	
<b>9.7 Total estimated cash outflows</b>	<b>1,070</b>

<b>10. Changes in tenements (items 2.1(b) and 2.2(b) above)</b>	<b>Tenement reference and location</b>	<b>Nature of interest</b>	<b>Interest at beginning of quarter</b>	<b>Interest at end of quarter</b>
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced				
10.2 Interests in mining tenements and petroleum tenements acquired or increased				

**Compliance statement**

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:  .....

(Director/Company Secretary)

Date: 31 October 2018

Print name: Dr Kevin Jih

**Notes**

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.