

HIGHLIGHTS

Operations

- The ATP 594 Harrier 3D Seismic Survey preparations are well advanced and it is expected that initial survey work will begin in November with acquisition taking place during December 2016.
- The ATP 855 Joint Venture is currently in the process of preparing documentation for submission to the Department of Natural Resources and Mines (*DNRM*) in preparation for the next phase of activity in the permit following the Stage 1 exploration program.
- The ATP 626 rehabilitation programme of the remaining well sites in accordance with Government regulation continues. Once this work has been finished, Icon can complete its reporting obligations to the DNRM, submit all required reports and documentation to enable the relinquishment of the permit.

Financial Position at the end of September 2016 Quarter

- As at 30 September 2016 Icon Energy had a cash balance of \$15.86 million.
- As at 26 October 2016 Icon Energy's issued capital was 597,556,938 ordinary shares.
- The total number of Icon Energy shareholders, as at 26 October 2016 was 5938.

OPERATIONS

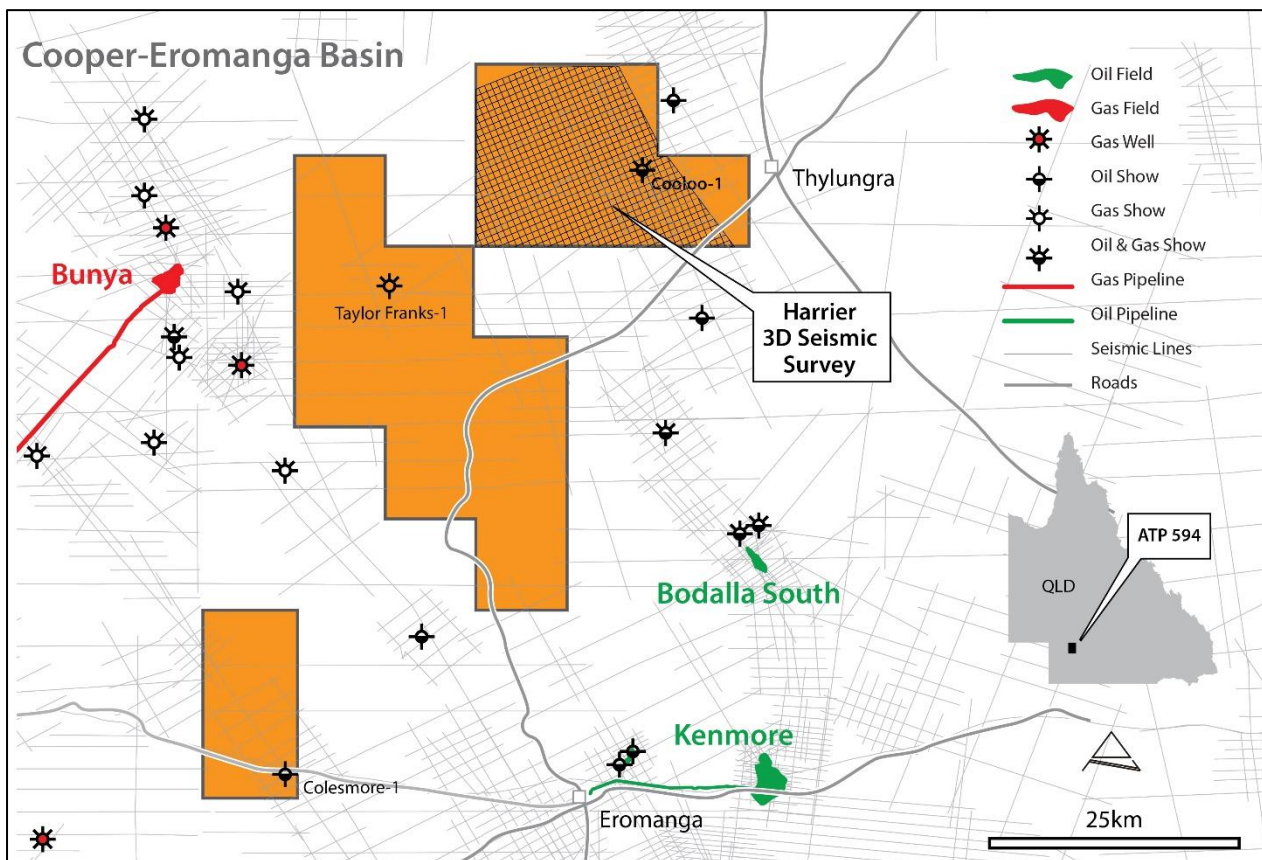
Queensland – Petroleum Exploration – Cooper-Eromanga Basin ATP 594

ATP 594 is located approximately 140 kilometres west of Quilpie and covers three separate areas consisting of a total area of 1,230 km².

The permit is well positioned on the eastern flank of the Cooper Basin and is considered to be prospective for hydrocarbons, but has had no exploration activity for over 18 years.

Preparations are now being made for Icon to acquire the Harrier 3D Seismic Survey in the permit to enable accurate structural definition of the sub-surface. Planning is well advanced in all areas of the operation and it is expected that initial survey work will begin in November with acquisition taking place during December 2016.

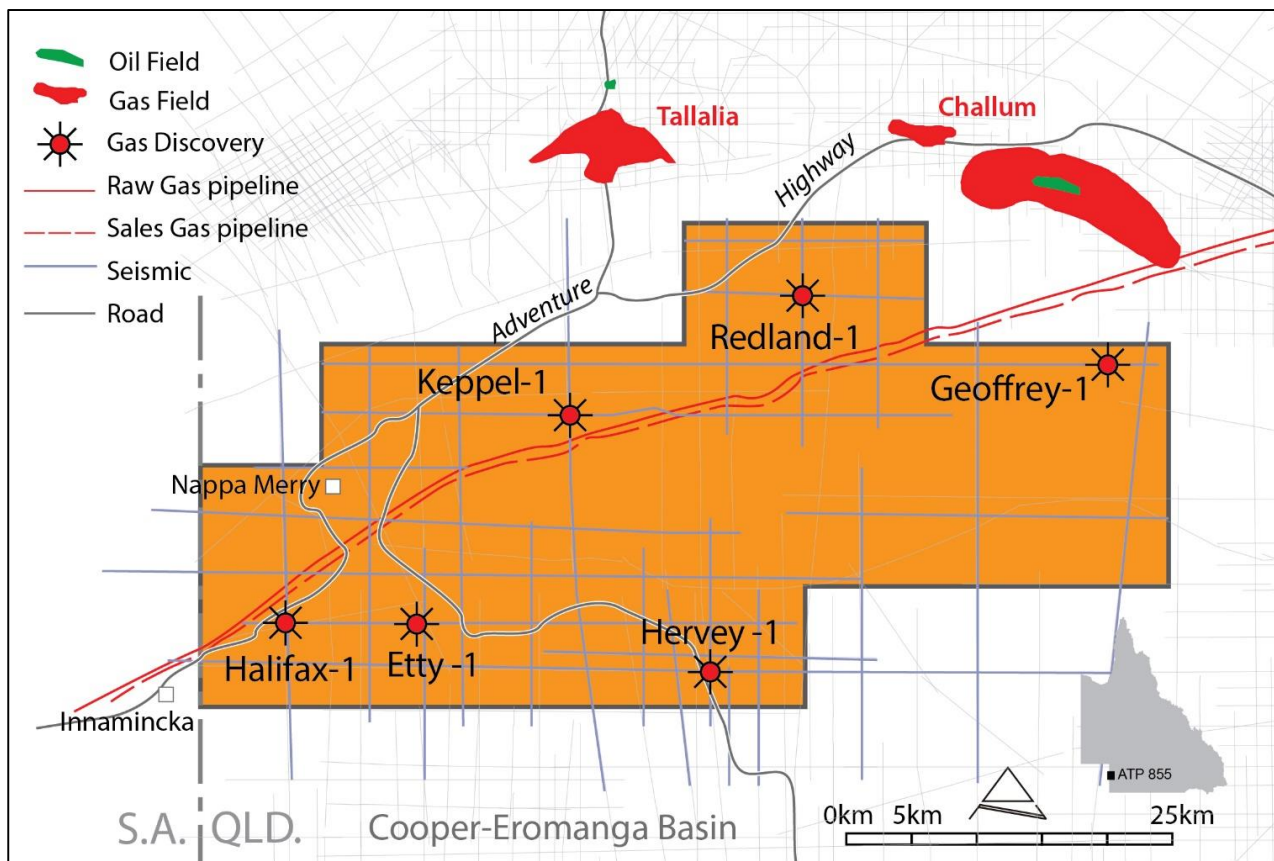
Icon is the Operator of ATP 594 and has a 100% working interest in the tenement.



Map showing the location of ATP 594, Cooper-Eromanga Basin, Queensland

Queensland – Petroleum Exploration – Cooper-Eromanga Basin ATP 855

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



Map showing the location of ATP 855 and the current well locations in the Cooper-Eromanga Basin, Queensland

The Stage 1 program in ATP 855 achieved all technical objectives that were set by the Joint Venture partners. This included flowing natural gas from five wells, achieving the highest flow rate of 4.5 MMscf/d from a shale gas well (Halifax-1) in the Cooper Basin, having six Petroleum Discoveries in ATP 855 and identifying a significant natural gas resource within the Permian Formations of the Nappamerri Trough.

The Joint Venture is currently in the process of preparing documentation for submission to the DNRM in preparation for the next phase of activity in the permit following the Stage 1 exploration program.

Icon has a 35.1% interest in ATP 855.

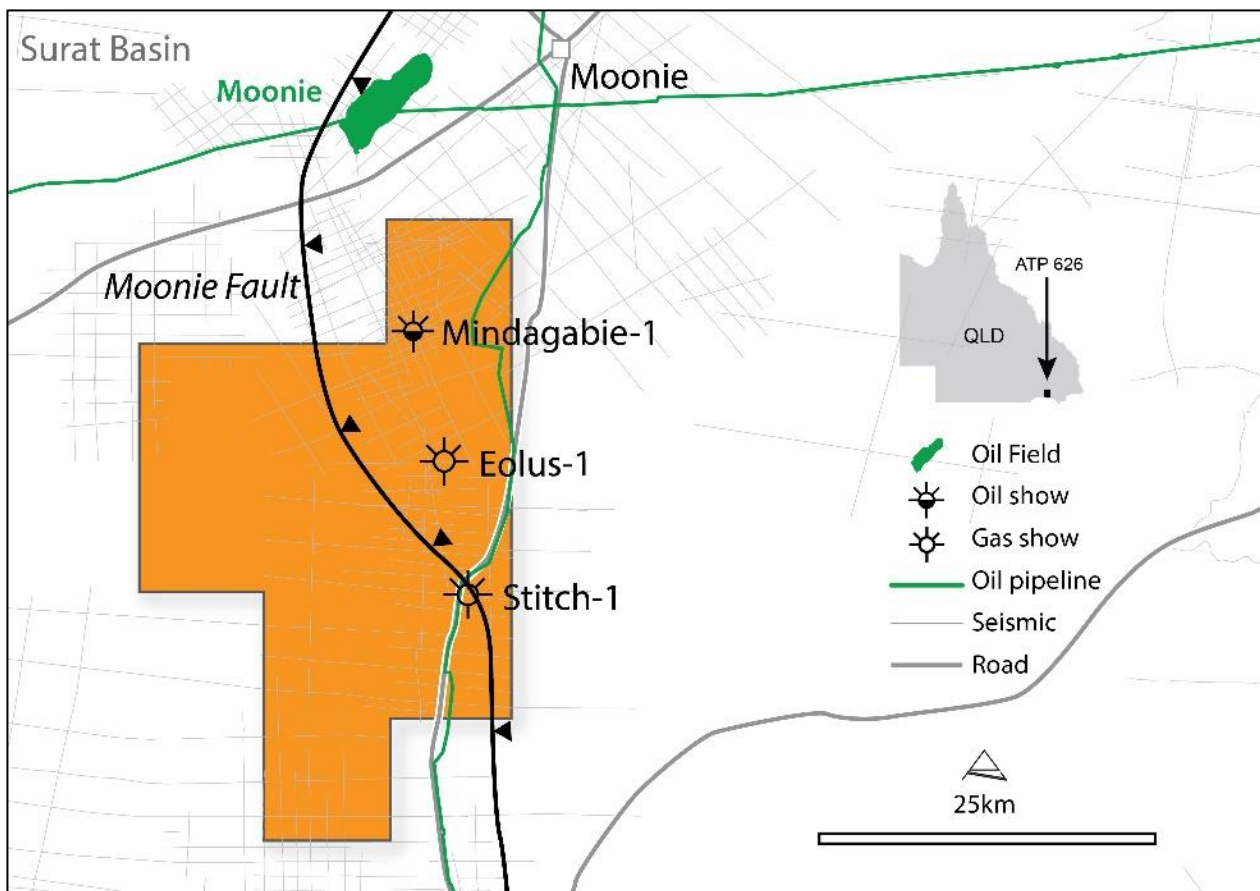
Queensland – Petroleum Exploration – Surat Basin ATP 626

ATP 626 is currently in the final term with a Later Work Program covering the period from January 2014 to 31 August 2017.

Icon is currently in the process of plugging and abandoning (P&A) the three remaining wells in the permit, Eolus-1, Mindagabie-1 and Stitch-1, which have been suspended and monitored on a monthly basis for several years. Existing completions (where present) have been removed from the wells and preparations are being made to run cement plugs prior to completing the P&A operations and rehabilitating the well sites in accordance with Government regulations and Icon’s Environmental Authority. It is anticipated that this work should be completed during November 2016.

Once this work has been finished, Icon can complete its reporting obligations to the DNRM, submit all required reports and documentation to enable the relinquishment of the permit. It is expected that this will occur sometime during the first half of 2017.

Icon has a 100% interest in ATP 626.



Map showing the location of ATP 626, Surat Basin, Queensland

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

Following its review of the Parliamentary Inquiry into Unconventional Gas in Victoria, the Victorian Government announced on 30 August 2016 a permanent ban on the exploration and development of all onshore unconventional gas in Victoria, including hydraulic fracturing and coal seam gas.

The Victorian Government will legislate to extend the current moratorium on the exploration and development of conventional onshore gas until 30 June 2020. The legislation to effect the above decision will be brought before Government in May 2017.

Icon Energy has 100% interest in PEP 170.

Icon Energy has 100% interest in PEP 172 and 173 (permits pending Government grant)

Tender Opportunities issued for the Cooper Basin – Queensland

Icon applied for two additional tenures offered by the Queensland Government in the Cooper Basin as part of the 2015 Acreage Release. Tenure bids are normally assessed within 3 months of the closing date. The 2015 tenure process closed in October 2015 and, as of the end of September 2016, no announcement has been made by the Government in regards to successful tenders.

ICON ENERGY TENEMENTS

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

* Formerly PEL 218 (Post Permian Section)

** Permit to be granted

Table showing all Icon Energy's tenements

FURTHER INFORMATION

For further information, please contact:

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Or visit the website www.iconenergy.com

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

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

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 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 2016

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	(219)	(219)
(b) development		
(c) production		
(d) staff costs	(538)	(538)
(e) administration and corporate costs	(375)	(375)
1.3 Dividends received (see note 3)		
1.4 Interest received	78	78
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Research and development refunds		
1.8 Other (provide details if material)	1	1
1.9 Net cash from / (used in) operating activities	(1,053)	(1,053)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(40)	(40)
(b) tenements (see item 10)		
(c) investments		
(d) other non-current assets		

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
2.2 Proceeds from the disposal of:		
(a) property, plant and equipment	1	1
(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 (provide details if material)		
2.6 Net cash from / (used in) investing activities	(39)	(39)

3. Cash flows from financing activities		
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)		
3.10 Net cash from / (used in) financing activities	0	0

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	16,951	16,951
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(1,053)	(1,053)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(39)	(39)
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		
4.6 Cash and cash equivalents at end of period	15,859	15,859

5. Reconciliation of cash and cash equivalents 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	1,359	2,451
5.2 Call deposits	14,500	14,500
5.3 Bank overdrafts		
5.4 Other (provide details)		
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	15,859	16,951

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 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

**Current quarter
\$A'000**

372

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 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

**Current quarter
\$A'000**

Mining exploration entity and oil and gas exploration entity quarterly report

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
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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9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	2,500
9.2 Development	
9.3 Production	
9.4 Staff costs	545
9.5 Administration and corporate costs	460
9.6 Other (provide details if material)	
9.7 Total estimated cash outflows	3,505

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
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: 19 October 2016

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.