

SUMMARY OF OPERATIONS

- Icon has received an expression of interest with regard to ATP 855. Talks are continuing with other parties.
- Icon examining plans to utilize methane as a feedstock to produce hydrogen on the east coast of Australia.
- Icon plans to utilize the high pressure of the gas produced from ATP 855 to separate methane and carbon dioxide using cryogenic and membrane techniques.
- Drilling targeting natural fractures along faults could avoid the need for fracking.

ATP 855

At the present time, Icon is focused reaching on agreement with a joint venturer in ATP 855.

Icon has received an expression of interest from an overseas gas company and due diligence is continuing with the examination of the data under a signed confidentiality agreement but no discussion of terms at this time. The timeframe for the due diligence work has been affected by COVID in that data exchanges are limited to email and Zoom meetings. It has not been possible to bring representatives to Australia at present to visit the operations. COVID delays are unfortunately unavoidable. As such Icon is unable to disclose the name of the entity until final terms are agreed.

Discussions are continuing with other parties.

Icon plans to produce methane gas, carbon dioxide and hydrogen from the discoveries made in ATP 855. 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.

As Australia transitions to carbon neutrality by 2050, the market is changing in favour of methane and hydrogen gas for power generation and transportation fuels. New techniques are on the verge of using new plasma methods to split the methane molecule into pure carbon and hydrogen without generating carbon dioxide. This new hydrogen and is likely to be highly efficient and cost effective when sourced from methane. The Australian Energy Market Operator (AEMO) has predicted that hydrogen will become a an important transport and heating fuel of the future.

Icon is seeking alternative options to meet the zero carbon 2050 deadline and under consideration is the Allum-Fetvedt Cycle which separates carbon dioxide in the cycle using methane feedstock in power generation.

Icon commissioned a new study over the past nine months, to draw up a plan for the future development of ATP 855. This plan entitled "Roadmap to Commercialisation" has undergone many changes as new technologies emerge around the world.

The plan is to provide a solution to the problem of separation and disposal of carbon dioxide using new separation techniques which require modification to handle the high pressures and temperatures.

ATP 594

This tenement has expired and will not be renewed.

VICTORIAN TENEMENTS

Icon submitted its tenement renewal report to Geological Survey of Victoria 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. APPEA's executive has engaged with the Victorian government on behalf of its member companies operating in onshore Victoria to re-establish petroleum exploration activities.

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.

A letter and a copy of the registered instrument confirming the extension to PEP170 will be provided shortly.

The Victorian Government is now conducting an extensive review of oil and gas operations and is considering the roles of oil and (particularly) gas as a transition fuel to achieve carbon neutrality by 2050. A Roadmap is being developed to facilitate this process.

The Victorian Government's consultation period for the Gas Substitution Roadmap closes on Friday 30th July 2021. The submission draws heavily on previous work done via Gas Vision 2050 and AEMOs Victorian Gas Planning Report.

Many new technologies are being considered, many still in the development stage.

The outcome is focussed at being carbon neutral by 2050. Under this plan all oil and gas production would be phased out in favour of renewable energy sources.

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

SOUTH AUSTRALIAN TENEMENTS

PRLs 35, 37, 38, 41, 43, 44, 45, 49 (ex PEL 218)

Icon has an interest of 33% in the post-Permian section of the tenement.

No activity is proposed in the next quarter by the Joint Venture.

ICON ENERGY TENEMENTS

Permit / Area	Tenement Area	Permit Interest	Operator	Prospect Type
Cooper - Eromanga Basin				
ATP 594*	1,230 km ²	100%	Icon Energy	Oil Gas
Cooper - Eromanga Basin, Nappamerri Trough				
ATP 855	1,679 km ²	100%	Icon Energy	Shale Gas, Basin Centred Gas
PRLs –35, 37, 38, 41, 43, 44, 45, 48, 49**	857 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)

***Will be relinquished if the permit is not be renewed

**** Permit to be granted

Table showing all Icon Energy's tenements

TWENTY LARGEST ORDINARY SHAREHOLDERS as at 27 July 2021

1	HK PROSPEROUS TECHNOLOGY LIMITED	80,318,393	13.44
2	BNP PARIBAS NOMINEES PTY LTD <LGT BANK AG DRP>	59,835,516	10.01
3	RAY JAMES	25,038,469	4.19
4	HOWARD LU	16,068,181	2.69
5	MR EDDIE SABA	15,875,378	2.66
6	EDDIE SABA PTY LTD	14,000,000	2.34
7	CITICORP NOMINEES PTY LIMITED	13,485,213	2.26
8	TAIWAN FRUCTOSE CO LTD	9,000,000	1.51
9	MR KELWYN ROY MCMEIKAN	6,500,000	1.09
10	SAMBOR TRADING PTY LTD	6,012,256	1.01
11	ICON HOLDINGS PTY LTD <THE K J PAGANIN FAMILY A/C>	6,000,000	1.00
12	JOHN E GILL TRADING PTY LTD	5,861,750	0.98
13	CABLEX INDUSTRIES PTY LTD	4,991,332	0.84
14	MR CHIEN HUA LEE	4,500,000	0.75
15	MR ROBERT CAMERON GALBRAITH	4,350,000	0.73
16	ALPHA GEM PTY LTD	4,304,581	0.72
17	MR IANAKI SEMERDZIEV	3,741,000	0.63
18	MOROHI PTY LTD	3,620,058	0.61
19	MR DOUGLAS CAMPBELL TIPPING + MRS NEREIDA MARY TIPPING <DC & NM TIPPING S/F A/C>	3,500,000	0.59
20	LINK ORANGE PTY LTD	3,393,181	0.57
Totals: Top 20 holders of FULLY PAID ORDINARY SHARES (TOTAL)		290,395,308	48.59
Total Remaining Holders Balance		307,211,630	51.41

Icon will release information on the progress of ATP 855 gas developments when any agreements are reached as required under ASX Listing Rule 3.1 .

For further information, please contact:

Ray James

Director

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Email contact@iconenergy.com

Or visit the website 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 or oil and gas exploration entity quarterly cash flow report

Name of entity

Icon Energy Limited

ABN

61 058 454 569

Quarter ended ("current quarter")

30 June 2021

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	(507)	(3,189)
(b) development		
(c) production		
(d) staff costs	(56)	(221)
(e) administration and corporate costs	(146)	(699)
1.3 Dividends received (see note 3)		
1.4 Interest received	0	13
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Government grants and tax incentives		
1.8 Other (COVID19 gov support)	82	140
1.9 Net cash from / (used in) operating activities	(627)	(3,956)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities		
(b) tenements		
(c) property, plant and equipment	0	(3)
(d) exploration & evaluation		
(e) investments		
(f) other non-current assets		

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment		
	(d) investments		
	(e) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (Prepayments for exploration and evaluation)		
2.6	Net cash from / (used in) investing activities	0	(3)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)		
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options		
3.4	Transaction costs related to issues of equity securities or convertible debt securities		
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 (Payment of lease liabilities)		
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	2,209	5,541
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(627)	(3,956)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	0	(3)
4.4	Net cash from / (used in) financing activities (item 3.10 above)		

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	1,582	1,582

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	1,582	2,209
5.2	Call deposits	0	0
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)	1,582	2,209

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	71
6.2	Aggregate amount of payments to related parties and their associates included in item 2	

Note: Amounts shown at 6.1 relates to fees (including superannuation) paid to directors during the quarter

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities		
7.2 Credit standby arrangements		
7.3 Other (please specify)		
7.4 Total financing facilities		
7.5 Unused financing facilities available at quarter end		
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(627)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	0
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(627)
8.4 Cash and cash equivalents at quarter end (item 4.6)	1,582
8.5 Unused finance facilities available at quarter end (item 7.5)	0
8.6 Total available funding (item 8.4 + item 8.5)	1,582
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	2.52
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer:	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer:	

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

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.

Date: 30 July 2021

Authorised by: Natalia Fraser (CFO and Company Secretary)
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow 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 cash flow 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.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.