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20 February 2013

ASX Company Announcements Office

FINANCIAL STATEMENTS & REPORTS FOR 6 MONTHS TO 31 DECEMBER 2012

Please find attached Icon Energy Ltd Financial Statements and Reports for the 6 months to 31 December 2012.



Ross Mallett
Company Secretary
Icon Energy Limited

ICON ENERGY LIMITED and its Controlled Entities

Icon Energy Limited

ABN 61 058 454 569

INTERIM FINANCIAL REPORT

For the half-year ended
31 December 2012

Icon Energy Limited

ABN 61 058 454 569

INTERIM FINANCIAL REPORT

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DIRECTORS' REPORT

The directors present their report together with the consolidated financial statements of Icon Energy Limited ("**Icon**" or "**Company**") and its controlled entities for the half-year ended 31 December 2012 and the Independent Auditor's Review Report thereon.

Directors

The names of directors who held office during or since the end of the half-year are:

Name	Position	First appointed
Stephen Michael Barry	Non-Executive Chairman	Director since 05/01/1993
Derek James Murtagh Murphy	Non-Executive Director	Director since 20/03/2009
Keith Graham Hillless	Non-Executive Director	Director since 03/04/2009
Raymond Swinburn James	Managing Director	Director since 07/02/1993
Howard Lu	Non-Executive Director	Director since 07/01/2011
Kevin Jih	Executive Director, Chief Financial Officer	Director since 30/11/2011

Principal Activities

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

Dividends Paid or Recommended

The directors recommend that no dividend be paid by the Company. No dividends have been declared or paid by the Company since the end of the previous financial year. (30 June 2012 \$NIL)

Review of Operations and Results

Corporate

Capital Raising

On 13 November 2012, Icon Energy completed a \$10 million Placement of approximately 45.5 million new ordinary shares to professional and sophisticated investors at a price of \$0.22 per share.

Macquarie Capital (Australia) Limited was the Sole Lead Manager and Bookrunner to the Placement. The Placement received strong support from both existing and new investors. The placement price was at an 18.5% discount to the last closing price of Icon Energy shares on 9 November 2012.

On 5 December 2012, the Company completed its Share Purchase Plan (**SPP**) as announced on 13 November 2012. Under the SPP, each eligible shareholder could apply for up to a maximum of \$15,000 worth of shares at the placement price, being \$0.22 per share. Applications were received for 18.6 million shares, raising \$4.10 million. All shares issued under the SPP rank equally with existing Icon Energy shares.

Proceeds from the Placement will be used primarily to fund the Company's forward looking Cooper Basin exploration and development program, including:

- * Icon Energy's contribution to Halifax-1 well costs (drilling and fracture stimulation); and
- * An additional exploration well and fracture stimulation at ATP 855P.

Proceeds from the SPP will be used for additional technical work at ATP 855P.

AGM

On 29 November 2012, Icon Energy held its Annual General Meeting (**AGM**). Resolutions 3 to 9 were carried unanimously on a show of hands. Resolution 1, the adoption of the Remuneration Report, was carried on a poll which resulted in the conditional Resolution 2, the spill resolution, having no effect.

Shantou SinoEnergy and Icon Energy Gas Sales Agreement

On 19 December 2012, Icon Energy and Shantou SinoEnergy Co Ltd, of the Peoples' Republic of China, agreed to extend the completion date for conditions precedent in the Gas Sales Agreement signed by both parties in March 2011. The new date for completion of "Conditions Precedent" is now on or before 30 June 2014.

The successful extension of the Shantou SinoEnergy Gas Sales Agreement allows Icon Energy additional time to establish the initial 2 TCF of 2P Reserves of Natural Gas and to fully investigate a number of gas supply options in Australia.

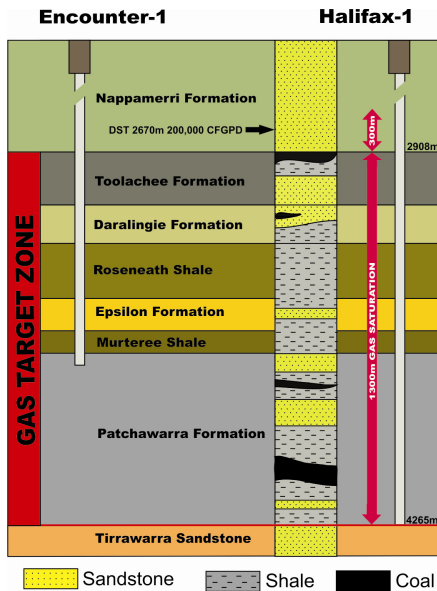
DIRECTORS' REPORT (continued)

Australian Operations

Icon has continued to evaluate its exploration tenements during the half-year ended 31 December 2012 with particular focus on ATP 855P, ATP 626P and our Victorian tenements PEP 170, 172 and 173.

Queensland – Petroleum Exploration – Cooper Basin – ATP 855P

The vertical exploration well Halifax-1 spudded on 4 August 2012 and reached total depth at 4,267 metres on 16 October 2012.



Halifax-1 well schematic showing the depth of drilling and the Formations entered compared to the Encounter-1 well.

On 22 December 2012, Icon Energy and Beach Energy (Operator) commenced the hydraulic stimulation of the Halifax-1 well which is one of the most extensive hydraulic stimulation programs of shale wells in the Cooper Basin to date.

The 14 stage hydraulic stimulation of Halifax-1 across multiple zones covered the following formations:

- 1 stage in the Toolachee Formation
- 1 stage in the Daralingie Formation
- 2 stages in the Roseneath Formation
- 2 stages in the Epsilon Formation
- 1 stage in the Murteree Formation, and
- 7 stages in the Patchawarra Formation

The fracture stimulation of Halifax 1 was completed in December 2012. In January 2013 the plugs were drilled out and production tubing put in place allowing the well to be extensively flow tested.

Flow testing has commenced in February 2013 and on 13 February 2013 the flow rate was at a constrained rate of 2.23 MMscfd. This flow rate is expected to increase as the stimulation fluid is recovered and the choke is opened further.

Data from the flow testing will be analysed to determine commerciality of the well.

Gallus Seismic Survey

The final processing of the data from Gallus Seismic Survey conducted by Icon Energy and Beach (Operator) is nearing completion.

The Halifax-1 vertical well has:

- The deepest unconventional gas well down to 4,267 metres,
- The thickest REM section of 460 metres,
- One of the thickest Patchawarra sections of 490 metres,
- The largest interval of gas saturation of over 1,300 metres and
- A constrained flow test of 200,000scf/d in the upper Nappamerri Formation.
- Over pressured sands across the REM and Patchawarra Formations.

DIRECTORS' REPORT (continued)

Queensland – Surat Basin - Petroleum Exploration – ATP 626P

In 2012, the Company and Goondi Energy engaged AWT International (**AWT**) to undertake a Reservoir Feasibility Study to examine the best path forward to prove up gas reserves in ATP 626P in the Surat Basin in Queensland.

The results from the Eolus 1 and Windom 1 wells were compiled with all previous well results and 2D seismic data and interpretation from 2009 to 2012. The object of the Study was to undertake a review of the gas potential of ATP 626P in the Surat Basin, Queensland that encompassed a review of both the unconventional (coal seam and shale) and conventional gas potential.

The Feasibility Study was completed in December 2012. The Icon Energy/Goondi Energy joint venture partners are now planning the most appropriate future development path for the tenement.

Victoria – Petroleum Exploration – PEP 170

On 24 August 2012, The Victorian Government announced a suspension on the use of hydraulic fracturing in coal seam and conventional gas exploration projects in Victoria until national harmonized framework guidelines have been agreed upon. The Company has deferred its exploration program in Victoria until the suspension has been lifted.

Drilling Exploration

Icon Energy's proposed drilling of the Tiger West 1 and Dragon 1 well prospects in Gippsland Victoria have the potential to address more than 1 TCF of gas-in-place.

Seismic Acquisition

The planned Murray Seismic Program consists of 46 lines totalling approximately 400 km across PEP 170. The seismic lines are predominantly on major roads, however, a minority of the lines, totalling approximately 27kms will cross freehold land.

Conduct and Compensation Agreements with landowners have been executed for the Dragon 1 and Tiger West 1 wells and Icon Energy has submitted Drilling Operations and Environmental Management Plans for approval by the Department of Primary Industries (**DPI**).

Victoria – Petroleum Exploration – PEP 172

In August 2011, the Victorian DPI offered to grant Icon Energy PEP 172 subject to the negotiation of an Indigenous Land Use Agreement with the traditional owners, the Gunaikurnai People.

PEP 172 covers 1312 square kms in the Gippsland Basin in Victoria.

Victoria – Petroleum Exploration – PEP 173

In December 2011, the DPI offered to grant Icon Energy PEP 173 in the Gippsland Basin in Victoria subject to the Company completing an ILUA with the traditional owners, the Gunaikurnai People.

PEP 173 covers 1220 square kms in the Gippsland Basin in Victoria.

In mid-2012, Icon Energy re-commenced engagement with the Gunaikurnai People, through Native Title Services Victoria, to negotiate the completion of an ILUA covering the Company's three tenements in the Gippsland including PEP 170, PEP 172 and PEP 173.

DIRECTORS' REPORT (continued)

Exploration Permits



Ref	Basin / Area	Permit / Area	Tenement Area	Permit Interest	Operator	Prospect Type
1	Cooper Eromanga Basin Nappamerri Trough	ATP 855P***	1,674 sqkm	40% ***	Beach Energy	Shale Gas Coal Seam Gas Oil
2	Cooper Eromanga Basin Nappamerri Trough	PEL 218*	1,602 sqkm	33.33% Post Permian only	Beach Energy	Shale Gas Coal Seam Gas Oil
3	Eromanga Basin Nappamerri Trough	EPG 49*	200 sqkm	100%	Icon Energy	Geothermal
3	Eromanga Basin Nappamerri Trough	EPG 51*	200 sqkm	100%	Icon Energy	Geothermal
4	Eromanga Basin	ATP 560 UEleven*	86 sqkm	50.5%	Icon Energy	Oil Gas
5	Eromanga Basin	ATP 549 West**	964 sqkm	33.33%	Drillsearch	Natural Gas Oil
6	Eromanga Basin	ATP 794* Brightspot Block Regleigh Block Springfied Block	5,315 sqkm	75% 60% 60%	Icon Energy Icon Energy Icon Energy	Coal Seam Gas Shale gas Oil
7	Eromanga Basin	ATP 594P*	1,538 sqkm	50%	Icon Energy	Natural Gas Coal Seam Gas Oil
8	Gippsland Basin	PEP 170	804 sqkm	100%	Icon Energy	Natural Gas Oil
9	Gippsland Basin	PEP 172****	1,312 sqkm	100%	Icon Energy	Natural Gas
10	Gippsland Basin	PEP 173****	1,220 sqkm	100%	Icon Energy	Natural Gas
11	Surat Basin	ATP 626P	2,224 sqkm	99%	Icon Energy	Coal Seam Gas Shale Gas Oil
12	Surat Basin	ATP 849P*	3,854 sqkm	80%	Icon Energy	Coal Seam Gas

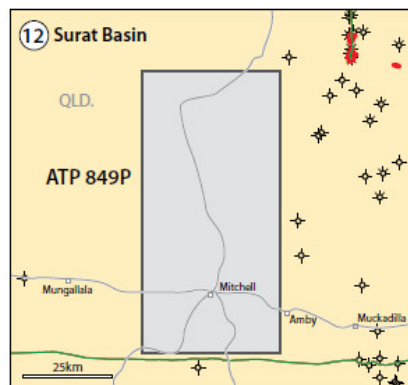
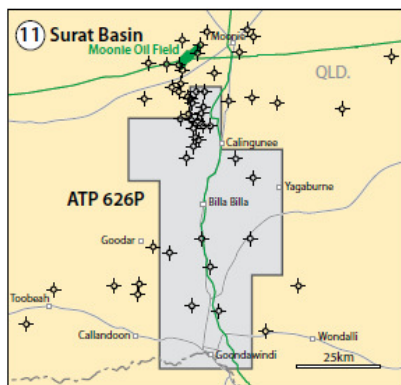
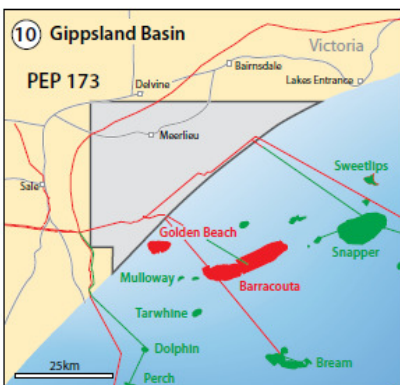
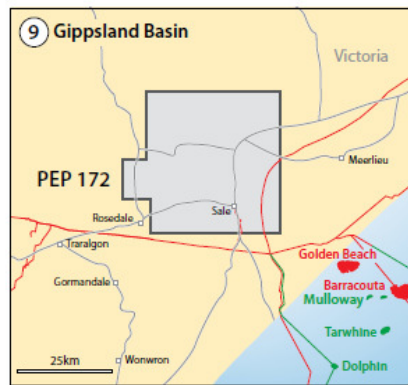
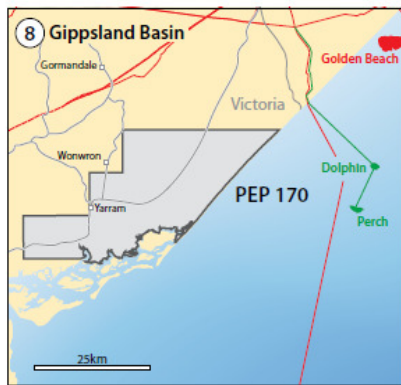
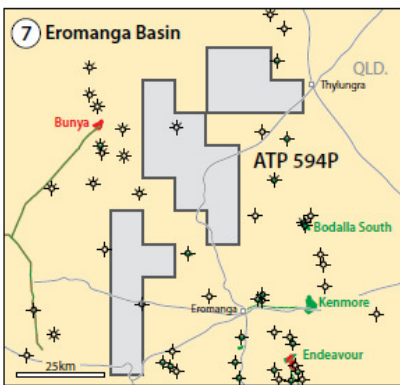
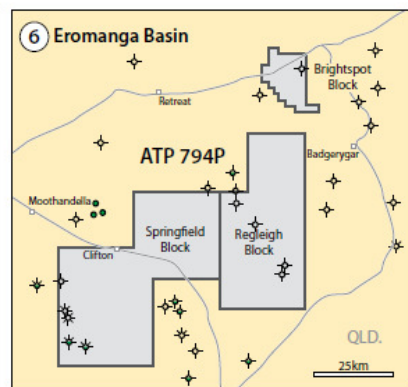
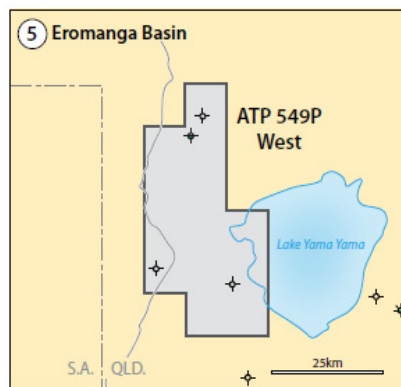
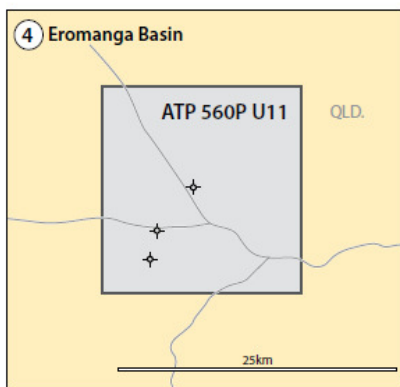
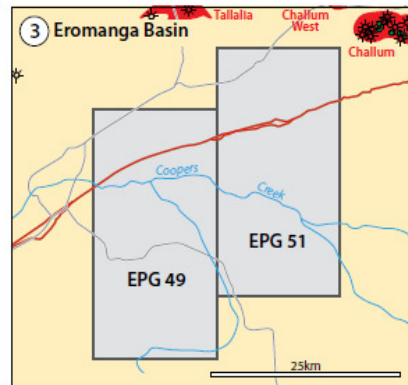
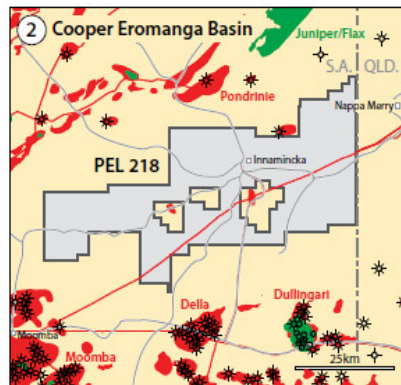
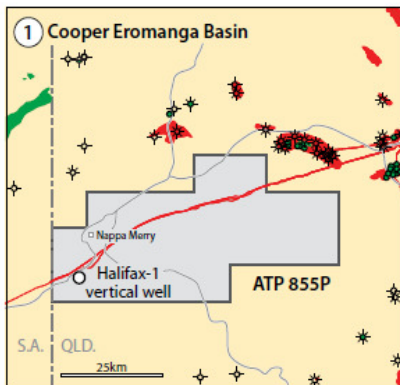
*No change in operations occurred for these tenements during the Financial Half Year.

**By August 2012, Drillsearch completed the Kaden 3D seismic survey acquisition across contiguous areas in ATP 339 and ATP 549W. Data from the acquisition is being processed by Drillsearch.

***Subject to the completion of farmin arrangements by Beach Energy.

**** Subject to grant of Indigenous Land Use Agreement (ILUA)

DIRECTORS' REPORT (continued)



DIRECTORS' REPORT (continued)

Financial position

The cash balance as at 31 December 2012 was approximately \$21.15 million including a term deposit of \$7 million.

Significant Changes in State of Affairs

There were no significant changes in the state of affairs of the consolidated entity during the half-year ended 31 December 2012.

Auditor's Declaration

The lead Auditor's Independence Declaration under Section 307C of the *Corporations Act 2001* is set out on page 9 for the half-year ended 31 December 2012.

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



Director

Ray James
Managing Director

Dated this 20th day of February 2013
Broadbeach, Queensland

Auditor's Independence Declaration

As lead auditor for the review of Icon Energy Limited for the half year ended 31 December 2012, I declare that, to the best of my knowledge and belief, there have been:

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

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



Crowe Horwath Brisbane



Vanessa De Waal

Partner

Signed in Brisbane 20 February 2013

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME for the half-year ended 31 December 2012

	NOTE	Half-year ended	
		31 December 2012	31 December 2011
		\$	\$
Revenue		-	-
Less: Cost of sales		-	-
Gross Profit/(Loss)		-	-
Other income	2	178,460	576,174
Administration expenses		(1,781,889)	(1,721,320)
Depreciation and amortisation expenses		(129,157)	(152,883)
Employee benefits and expenses		(1,117,707)	(1,829,535)
Occupancy expenses		(17,957)	(19,772)
Impairment of exploration expenditure		(5,365,153)	-
Loss on disposal of non-current assets		(2,299)	(70,775)
Finance costs		(26,822)	(18,727)
Loss before income tax		(8,262,524)	(3,236,838)
Income tax benefit	3	3,019,681	716,095
Loss for the period		(5,242,843)	(2,520,743)
Other comprehensive income			
Exchange differences arising on translation of foreign operations, net of income tax		(305)	701
Other comprehensive income for the period		(305)	701
Total comprehensive loss for the period		(5,243,148)	(2,520,042)
Loss attributable to:			
Owners of the parent entity		(5,242,843)	(2,520,743)
Non-Controlling interests		-	-
Loss for the period		(5,242,843)	(2,520,743)
Total comprehensive loss attributable to:			
Owners of the parent entity		(5,243,148)	(2,520,042)
Non-controlling interests		-	-
Total comprehensive loss for the period		(5,243,148)	(2,520,042)
Earnings/(Loss) per share			
Basic earnings/(Loss) per share (cents per share)		(1.09)	(0.54)
Diluted earnings/(Loss) per share (cents per share)		(1.09)	(0.54)

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2012

	NOTE	31 December 2012 \$	30 June 2012 \$
CURRENT ASSETS			
Cash and cash equivalents		14,153,340	9,410,733
Trade and other receivables		192,738	280,104
Other financial assets		7,000,000	-
TOTAL CURRENT ASSETS		21,346,078	9,690,837
NON-CURRENT ASSETS			
Property, plant, and equipment		5,608,185	5,749,059
Financial Assets		572,500	572,500
Exploration and Evaluation Expenditure	5	14,267,018	18,260,046
Other non-current assets	6	218,011	218,011
TOTAL NON-CURRENT ASSETS		20,665,714	24,799,616
TOTAL ASSETS		42,011,792	34,490,453
CURRENT LIABILITIES			
Trade and other payables		467,123	1,114,718
Short-term borrowings	7	66,689	83,773
Short-term provisions		466,695	405,636
TOTAL CURRENT LIABILITIES		1,000,507	1,604,127
NON-CURRENT LIABILITIES			
Long-term borrowings	7	3,400,000	3,429,501
Long-term provisions		232,088	213,639
TOTAL NON-CURRENT LIABILITIES		3,632,088	3,643,140
TOTAL LIABILITIES		4,632,595	5,247,267
NET ASSETS		37,379,197	29,243,186
EQUITY			
Issued capital	8	83,842,451	70,463,292
Reserves		(2,242,650)	(2,242,345)
Accumulated losses		(44,220,604)	(38,977,761)
TOTAL EQUITY		37,379,197	29,243,186

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the half-year ended 31 December 2012

CONSOLIDATED ENTITY	Ordinary Share Capital \$	Foreign Exchange Translation Reserve \$	Accumulated Losses \$	Total \$
Balance 1 July 2011	70,463,292	(2,243,032)	(34,359,095)	33,861,165
Total comprehensive income:				
Loss for the period	-	-	(2,520,743)	(2,520,743)
Other Comprehensive Income	-	701	-	701
Total Comprehensive Income/(loss) for the period	-	701	(2,520,743)	(2,520,042)
Transactions with owners in their capacity as owners:				
Shares issued	-	-	-	-
Share issue costs	-	-	-	-
Total transactions with owners	-	-	-	-
Balance at 31 December 2011 - attributable to owners of parent entity	70,463,292	(2,242,331)	(36,879,838)	31,341,123
Balance 1 July 2012	70,463,292	(2,242,345)	(38,977,761)	29,243,186
Total comprehensive income:				
Loss for the period	-	-	(5,242,843)	(5,242,843)
Other Comprehensive Income	-	(305)	-	(305)
Total Comprehensive Income/(loss) for the period	-	(305)	(5,242,843)	(5,243,148)
Transactions with owners in their capacity as owners:				
Shares issued	14,099,759	-	-	14,099,759
Share issue costs	(720,600)	-	-	(720,600)
Total transactions with owners	13,379,159	-	-	13,379,159
Balance at 31 December 2012 - attributable to owners of parent entity	83,842,451	(2,242,650)	(44,220,604)	37,379,197

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

for the half-year ended 31 December 2012

	NOTE	Half-year ended	
		31 December 2012	31 December 2011
		\$	\$
		Inflows (Outflows)	Inflows (Outflows)
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from customers		70,397	229,501
Cash payments to suppliers and employees		(3,585,524)	(4,754,938)
Interest received		108,956	346,673
Finance costs		(26,822)	(18,727)
Income tax benefit	3	3,019,681	-
Net Cash used in operating activities		(413,312)	(4,197,491)
CASH FLOWS FROM INVESTMENT ACTIVITIES			
Investment in financial assets		(7,000,000)	2,000,000
Payments for property, plant & equipment		(4,218)	(19,616)
Payments for evaluation and exploration		(1,726,363)	(1,557,812)
Proceeds from sale of non current assets		13,636	22,045
Proceeds from JV Contributions		540,289	1,530,004
Net Cash from/(used in) investment activities		(8,176,656)	1,974,621
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of share capital		14,099,760	-
Share Issue Costs		(720,600)	-
Repayment of borrowings		(46,585)	(106,892)
Net cash from finance activities		13,332,575	(106,892)
Net increase/(decrease) in cash and cash equivalents held		4,742,607	(2,329,762)
Cash and cash equivalents at beginning of the financial period		9,410,733	16,378,909
Cash and cash equivalents at the end of the financial period		14,153,340	14,049,147

The accompanying notes form part of these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the half-year ended 31 December 2012

NOTE 1 - STATEMENT OF ACCOUNTING POLICIES

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

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

It is recommended that these financial statements be read in conjunction with the annual financial report for the year ended 30 June 2012 and any public announcements made by Icon Energy Limited during the half-year in accordance with continuous disclosure requirements arising under the *Corporations Act 2001*.

The financial statements were authorised for issue by the directors on the 20 February 2013.

The accounting policies have been consistently applied by the entities in the consolidated group and are consistent with those in the 30 June 2012 financial statements. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

Basis of preparation

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

NOTE 2 - REVENUE

	31 December 2012	31 December 2011
	\$	\$
OTHER INCOME		
Administration fees	30,280	229,501
Interest received		
- Financial Institutions	108,956	346,673
Other Income	39,224	-
	178,460	576,174
TOTAL REVENUE	178,460	576,174

NOTE 3 - SIGNIFICANT TRANSACTIONS

	31 December 2012	31 December 2011
	\$	\$
Income tax benefit - R&D claim	3,019,681	716,095
	3,019,681	716,095
Professional fees thereon	452,952	107,414
	452,952	107,414

NOTE 4 - DIVIDENDS

No dividends have been declared or paid since the end of the reporting period (2012 \$NIL).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the half-year ended 31 December 2012

NOTE 5 - EXPLORATION AND EVALUATION EXPENDITURE

	31 December 2012	30 June 2012
	\$	\$
Exploration and Evaluation Expenditure at cost	37,352,276	35,439,861
Less: Impairment	(5,365,153)	-
Less: Joint Venture Contributions Applied	(17,720,104)	(17,179,815)
	14,267,018	18,260,046

Exploration and evaluation expenditure incurred is carried forward for each area of interest. This expenditure is only carried forward if it is expected to be recovered through the successful development of the area or where the activities in the area of interest have not reached a stage which permits a reasonable assessment of economically recoverable reserves and operations in the area of interest are continuing. In assessing the recoverability of exploration and evaluation expenditure in the financial report, the directors have considered the impacts of relationships with joint venture operators, future funding arrangements and planned future expenditure in relation to mining leases held. The above impairment of \$5,365,153 relates to the exploration expenditure on 5 wells out of 25 wells in ATP 626 being Henry1, Dominic 1, Lucy 1, Jack 1 and North Maroon DW1.

NOTE 6 - OTHER NON-CURRENT ASSETS

	31 December 2012	30 June 2012
	\$	\$
Performance guarantee bonds	218,011	218,011
	218,011	218,011

NOTE 7 - BORROWINGS

	31 December 2012	30 June 2012
	\$	\$
Secured		
Current		
Hire purchase liabilities	66,689	83,773
	66,689	83,773
Non Current		
Hire purchase liability	-	29,501
Bank loan liabilities	3,400,000	3,400,000
	3,400,000	3,429,501
	3,466,689	3,513,274

The bank loan facility expires in December 2015 and the liability has therefore been classified as a non-current liability.

NOTE 8 - ISSUED CAPITAL

Share Capital

Issued shares of 533,391,210, amounted to \$83,842,451 (30 June 2012: 469,301,394, amounted to \$70,463,292) fully paid, no par value ordinary shares. During the year, 64,089,816 shares were issued for \$13,379,159 (net of issue costs).

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the half-year ended 31 December 2012

NOTE 9 - JOINT VENTURES

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

Oil and Gas	Basin	Interest %	
		31 December 2012	30 June 2012
ATP 549P West	Cooper Eromanga	33.33%	33.33%
ATP 594P	Cooper Eromanga	50.00%	50.00%
ATP 794P Regleigh & Springfield	Cooper Eromanga	60.00%	60.00%
ATP 794P Brightspot	Cooper Eromanga	75.00%	75.00%
ATP 626P*	Surat	99.00%	99.00%
ATP 849P	Surat	80.00%	80.00%
ATP 855P**	Cooper	40.00%	40.00%
PEL 218 Post Permian	Cooper	33.33%	33.33%
ATP 560 Ueleven	Cooper	50.50%	50.50%
EPG 49	Eromanga	100.00%	100.00%
EPG 51	Eromanga	100.00%	100.00%
PEP170	Gippsland	100.00%	100.00%
PEP172***	Gippsland	100.00%	100.00%
PEP173***	Gippsland	100.00%	100.00%

* On 16 August 2010 Stanwell agreed to proceed to Stage 2 of the Farmin Agreement covering Icon Energy's key coal seam gas tenement ATP 626P, committing up to a further \$30 million to exploration activities. Stanwell has been assigned a 1% title interest in the whole of ATP 626P and with the discharge of the second stage obligations Stanwell will be entitled to earn a 50% working interest in the farmin area within ATP 626P.

** Subject to completion of Beach Energy Ltd farmin arrangements.

*** Subject to the completion of an Indigenous Land Use Agreement with the Gunaikurnai People.

NOTE 10 - CONTROLLED ENTITIES

	Country of incorporation	Date of incorporation	% Owned	
			31 December 2012	30 June 2012
Parent entity:				
Icon Energy Limited	Australia			
Subsidiaries of Icon Energy Limited:				
Jakabar Pty Ltd	Australia	18 December 1992	100	100
Icon Drilling Pty Ltd	Australia	18 November 1994	100	100
Icon Gas Productions Pty Ltd	Australia	16 December 2008	100	100
Icon Domestic LNG Pty Ltd	Australia	19 July 2010	100	100
Icon Geothermal Pty Ltd	Australia	19 July 2010	100	100
Icon LNG (China) Pty Ltd	Australia	19 July 2010	100	100
Icon Cooper Pty Ltd	Australia	19 July 2010	100	100
Icon Oil US (LLC)	USA	2 October 2000	100	100

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the half-year ended 31 December 2012

NOTE 11 - SEGMENT INFORMATION

The consolidated entity operates in one operating segment being the oil exploration and petroleum sector, predominantly within Queensland. The majority of its exploration activities are conducted in the Cooper/Eromanga and Surat Basins in Australia. Icon's Board of Directors review internal management reports on at least a monthly basis.

INFORMATION ABOUT GEOGRAPHICAL AREAS

In presenting the information on the basis of geographical areas, the Australian geographical area includes all corporate head office expenses on the basis that activities in Australia are still in an exploration phase and all resources within the corporate head office are applied to these exploration activities.

	Australia		USA		CONSOLIDATED	
	31 December 2012	31 December 2011	31 December 2012	31 December 2011	31 December 2012	31 December 2011
	\$	\$	\$	\$	\$	\$
REVENUE						
External - Sales	39,224	-	-	-	39,224	-
Total segment revenues	39,224	-	-	-	39,224	-
Interest Received	108,953	346,670	3	3	108,956	346,673
Other Income	30,280	229,501	-	-	30,280	229,501
Total revenue	178,457	576,171	3	3	178,460	576,174
RESULTS						
Segment net operating profit after tax	(5,242,661)	(2,520,196)	(182)	(547)	(5,242,843)	(2,520,743)
Interest expense	26,822	18,727	-	-	26,822	18,727
Impairment of Assets	-	-	-	-	-	-
Loss on disposal of non-current assets	(2,299)	(70,775)	-	-	(2,299)	(70,775)
Segment Assets	41,996,966	34,474,532*	14,826	15,920*	42,011,792	34,490,453*
Segment Liabilities	4,632,595	5,247,265*	-	-*	4,632,595	5,247,265*
OTHER						
Acquisition of non-current	4,218	19,616	-	-	4,218	19,616
Depreciation and amortisation of segment assets	129,157	152,883	-	-	129,157	152,883

* as at 30 June 2012

NOTE 12 - CONTINGENT LIABILITIES

A claim has been filed in the District Court for the Parish of West Baton Rouge, Louisiana against a number of Companies who have operated or owned mineral interests in the VFL Lease at Baton Rouge since 1931. ICON OIL U.S.,LLC was not named in this filing. On 28th September 2010 a cross claim was filed, adding ICON OIL U.S.,LLC as a Cross-Defendant in the claim. This claim is for alleged damage done to the land by drilling and production operations for oil and gas since 1931.

ICON OIL U.S.,LLC denies the allegations and believes them to be without merit and likely to be disallowed by the Supreme Court of Louisiana. The company is not in a position to make any assessment as to the financial impact, if any, on the financial report of Icon Energy Limited, as a result of the legal action.

Icon has successfully settled the dispute with Lakes Oil NL reported in the previous annual report over an application made by the Company for exploration permit PEP170 in 2010. As part of the settlement Lakes provided a contribution toward legal costs incurred by Icon in the dispute.

There are no other contingent assets or liabilities at the date of this report that require disclosure.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the half-year ended 31 December 2012

NOTE 13 - EVENTS AFTER BALANCE SHEET DATE

Since the end of the period, the Directors are not aware of any other matter or circumstance not otherwise dealt with in this report or the Financial Statements, that has significantly or may significantly affect the operations of the Consolidated Entity,



ICON ENERGY LIMITED

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energy for the future - the future of energy



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DIRECTORS' DECLARATION

The directors of the company declare that:

- 1 the financial statements and notes set out on pages 10 to 18 are in accordance with the *Corporations Act 2001*, including:
 - a. comply with Accounting Standard AASB 134 *Interim Financial Reporting*; and
 - b. give a true and fair view of the Consolidated entity's financial position as at 31 December 2012 and of its performance for the half-year ended on that date.
- 2 In the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

Raymond S James
Managing Director

Signed at Broadbeach, 20 February 2013

Independent Auditor's Review Report

To the members of Icon Energy Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Icon Energy Limited and its controlled entities, which comprises the consolidated statement of financial position as at 31 December 2012, the consolidated statement of comprehensive income, consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the [company's/registered scheme's/disclosing entity's] financial position as at 31 December 20XX and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of [name of entity], ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

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

Conclusion

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

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2012 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.



Crowe Horwath Brisbane



Vanessa de Waal
Partner

Signed at Brisbane, 20 February 2013