

## OPERATIONS UPDATE ATP 855



HALIFAX No 1. On location

The starting date of Icon's programme to rehabilitate the old discovery wells in ATP 855 was delayed by equipment manufacture and COVID-19 delays, as previously reported. While this is disappointing, the delays were beyond the control of Icon. The field operations finally commenced on 30<sup>th</sup> December 2020 and are continuing at the date of this report.

The first well, Halifax No. 1, experienced difficulties with equipment issues and gas leaking from the well casing annulus which had to be removed in a complex kill operation to maintain well safety. We are pleased to report that Halifax has now been successfully plugged over the deep gas interval and is now isolated. The well is currently being monitored as a safety procedure until it can be tested for gas flow from the Callamurra Sandstone at 2663 metres.

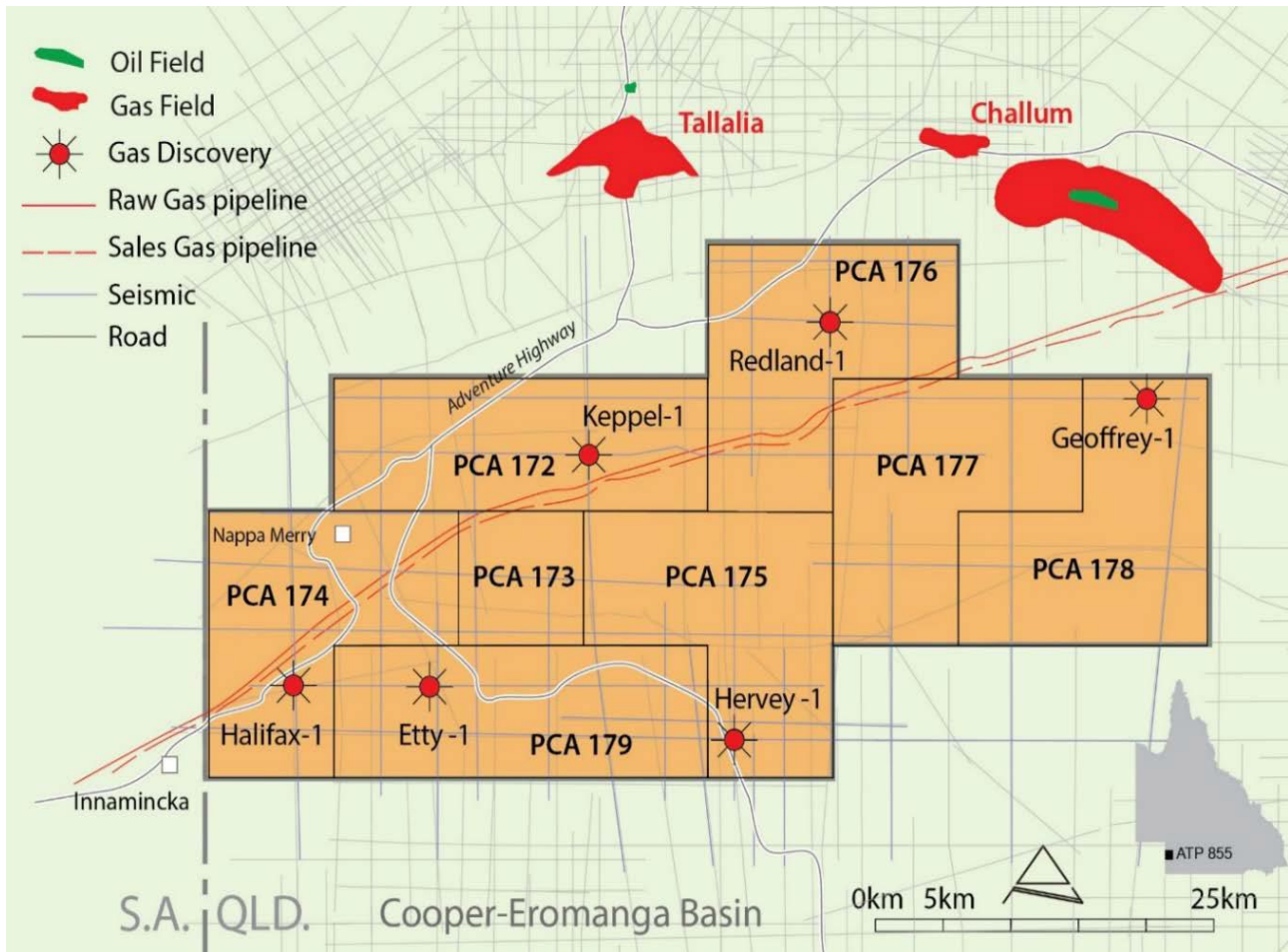
If the test in Halifax No. 1 is successful over the Callamurra Sandstone then the well can be suspended as a producing gas well. A full investigation of the results of the well would then be undertaken to determine the commerciality of the well.

The results of Halifax testing will be released as soon as results are available.

The Wellpro coil tubing unit (CTU) has now been mobilised to the Redland #1 location and is currently preparing to remove the first plug and condition the well for entry to kill the well prior to running cement. The cementing will create a single cement plug from top to bottom in Redland.

The significant delays in the plugging of Halifax No. 1 over its deeper horizons has led to a significant blow-out in the cost of the rehabilitation programme of the five wells. Originally it was estimated that the entire program for the five wells would take about one month. That time estimate (and cost increase) has largely been consumed by the delays in Halifax No. 1 which remains suspended for testing. In those circumstances Icon has determined to delay the rehabilitation of the other three wells in ATP 855 for the present time.

The Department of Natural Resources Mines and Energy (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)*.



ATP 855 map showing PCA and discovery well locations.

### ATP 594

Icon is preparing an application to the Department of Natural Resources Mines and Energy (DNRME) to renew this tenement for a further term of 4 years from its expiry date in April 2021.

### VICTORIAN TENEMENTS ( PEP 170, 172, 173)

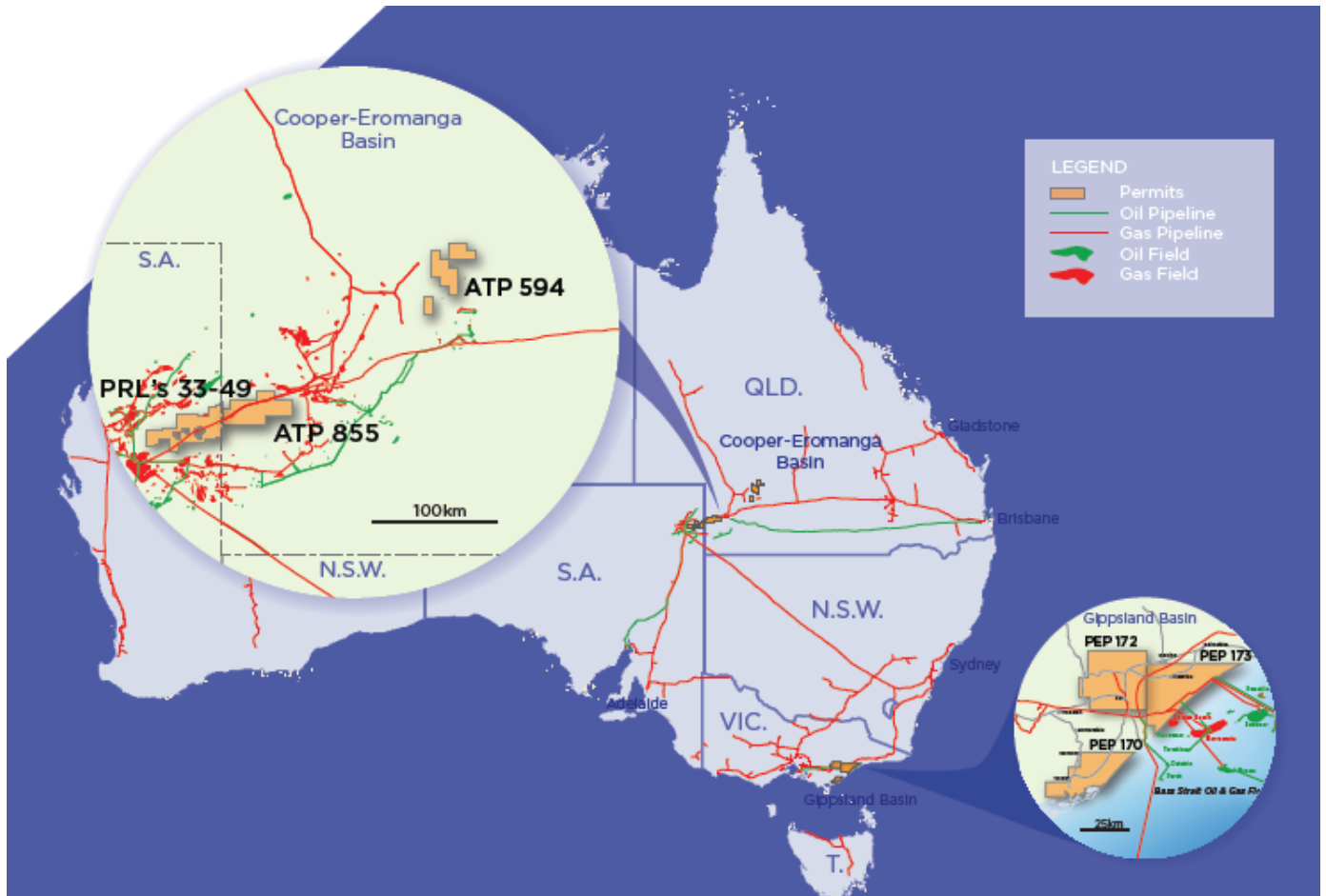
Icon is finalising its submission to the Department as to new tenement terms for conventional drilling in PEP 170 (permit granted) and in PEP's 172 and 173 (permits awaiting grant).

All future drilling operations in Victoria will be for conventional drilling targets only. The current Moratorium on onshore tenements will be lifted effective 1 July 2020.

Icon will have the option of taking up the areas under the new tenement terms which are yet to be approved.

## SOUTH AUSTRALIAN TENEMENTS

PRLs 35, 37, 38, 41, 43, 44, 45, 49 (ex PEL 218) have been reduced in size by 50% under the SA relinquishment regulations for retention. The retained leases now cover a total area of 857 km<sup>2</sup>. Icon has an interest of 33% in the post-Permian section of the tenement.



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

**TWENTY LARGEST ORDINARY SHAREHOLDERS as at 25 January 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	15,125,378	2.53
6	MR EDDIE SABA <SABA SUPERANNUATION FUND A/C>	12,000,000	2.01
7	CITICORP NOMINEES PTY LIMITED	11,319,688	1.89
8	TAIWAN FRUCTOSE CO LTD	9,000,000	1.51
9	ICON HOLDINGS PTY LTD <THE K J PAGANIN FAMILY A/C>	6,000,000	1.00
10	JOHN E GILL TRADING PTY LTD	5,861,750	0.98
11	CABLEX INDUSTRIES PTY LTD	4,991,332	0.84
12	SAMBOR TRADING PTY LTD	4,522,256	0.76
13	MR CHIEN HUA LEE	4,500,000	0.75
14	ALPHA GEM PTY LTD	4,304,581	0.72
15	MR DOUGLAS CAMPBELL TIPPING + MRS NEREIDA MARY TIPPING <DC & NM TIPPING S/F A/C>	4,000,000	0.67
16	MR IANAKI SEMERDZIEV	3,741,000	0.63
17	J P MORGAN NOMINEES AUSTRALIA LIMITED	3,635,676	0.61
18	MOROHI PTY LTD	3,620,058	0.61
19	LINK ORANGE PTY LTD	3,393,181	0.57
20	MR ROBERT CAMERON GALBRAITH	3,350,000	0.56
<b>Totals: Top 20 holders of FULLY PAID ORDINARY SHARES (TOTAL)</b>		<b>280,625,459</b>	<b>46.96</b>
<b>Total Remaining Holders Balance</b>		<b>316,981,479</b>	<b>53.04</b>

**For further information, please contact:**

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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.

## 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")

31 December 2020

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	(902)	(1,013)
(b) development		
(c) production		
(d) staff costs	(69)	(118)
(e) administration and corporate costs	(186)	(386)
1.3 Dividends received (see note 3)		
1.4 Interest received	5	12
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)	10	58
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(1,142)</b>	<b>(1,447)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities		
(b) tenements		
(c) property, plant and equipment	(3)	(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 (6 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)		
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(3)</b>	<b>(3)</b>

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

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	5,236	5,541
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,142)	(1,447)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(3)	(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

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
4.5	Effect of movement in exchange rates on cash held		
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>4,091</b>	<b>4,091</b>

<b>5.</b>	<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	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	3,091	2,236
5.2	Call deposits	1,000	3,000
5.3	Bank overdrafts		
5.4	Other (provide details)		
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>4,091</b>	<b>5,236</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	86
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

<b>7. Financing facilities</b>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
<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 <b>Total financing facilities</b>		
7.5 <b>Unused financing facilities available at quarter end</b>		
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.		

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	(1,142)
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)	(1,142)
8.4 Cash and cash equivalents at quarter end (item 4.6)	4,091
8.5 Unused finance facilities available at quarter end (item 7.5)	0
8.6 Total available funding (item 8.4 + item 8.5)	4,091
8.7 <b>Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	3.58
<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: 28 January 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.