

29 January 2015

Company Announcements Office
Australian Securities Exchange Limited
20 Bridge Street
Sydney NSW 2000

Lodgement of Quarterly Report

Please find **attached** copy of Icon Energy Limited's Quarterly Report and Appendix 5B for the quarter ended 31 December 2014.



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Company Secretary

Icon Energy Limited

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QUARTERLY REPORT

Period Ending 31 December 2014
Icon Energy Limited
ABN 61 058 454 569



Operations

ATP 855

(Beach Energy Ltd 46.9% and Operator, Chevron Australia Exploration 1 Pty Ltd 18%, Icon Energy Limited 35.1%)

- The multi-well stimulation campaign commenced in September 2014. Key target reservoirs in Hervey-1, ETTY-1, Redland-1 and Geoffrey-1 were stimulated and flow tested.
- Hervey-1 was stimulated in September 2014 over five stages and put on extended flow test. The well was shut in on 28 November 2014 on pressure build up.
- ETTY-1 was stimulated in October 2014 over four stages and put on extended flow test. The well flowed for a total of 77 days producing 57MMscf gas and demonstrating excellent flow characteristics.
- Redland-1 was stimulated late October 2014 over three zones in the Toolachee Formation. However, a mechanical issue in the wellbore prevented the Joint Venture from assessing the deliverability of these zones.
- Geoffrey-1 was stimulated in November 2014 over five zones and put on extended flow test. The well achieved a peak rate of 1.1MMscf/d and is currently still on flow test.
- All six wells drilled in ATP 855 are Petroleum Discoveries.

Corporate

Icon Energy held the Company's 2014 Annual General Meeting on 24 November 2014 with all resolutions adopted on a show of hands.

In November 2014, Icon Energy received a Research and Development (**R&D**) tax rebate of \$11.3 million.

Financial Position at the end of December 2014 Quarter

The total cash balance at the end of the December 2014 quarter was \$20.977 million. At 31 December 2014 Icon Energy had 6908 shareholders.

OPERATIONS

Queensland – Petroleum Exploration – Cooper Basin – ATP 855

The 2014 multi-well stimulation campaign in ATP 855 commenced in September 2014. Key target reservoirs in Hervey-1, ETTY-1, Redland-1 and Geoffrey-1 were stimulated and flow tested and, at the time of this report, Geoffrey-1 was still on extended flow test.

The program commenced at Hervey-1 on 15 September 2014 with the hydraulic stimulation of five zones; one in the Patchawarra Formation, one in the Daralingie Formation and three in the Toolachee Formation.

The well was opened to flow on 22 October 2014 at 0.4MMscf/d and 50psi wellhead pressure through a 22/64" choke.

The extended flow test was completed on 28 November 2014 after the flow rate had reduced to 0.2MMscf/d through a 40/64" choke and wellhead pressure of 27psi, and the well was shut in on pressure build up.

Results from Hervey-1 to date support the working hypothesis that these shallower zones are not as over-pressured in this south easterly part of ATP 855. The gas component parts for Hervey-1 were estimated at approximately 69% methane and 31% CO₂.

The fracture stimulation program at ETTY-1 commenced on 11 October 2014 with one zone in the Daralingie Formation and three zones in the Toolachee Formation.

ETTY-1 was subsequently put on extended flow test for 77 days flowing between 900,000 and 700,000 cubic feet per day and has demonstrated excellent flow characteristics with better than forecast decline rates. Total flow during this period was 57 million standard cubic feet of gas with an approximate methane content of 70% and CO₂ content of 30%. Test results confirmed that at least 93% of the gas flow was being produced from the single interval stimulation in the Daralingie Formation.

This new play has earmarked ETTY-1 as a priority target for further appraisal (subject to Joint Venture approval). ETTY-1 was shut in on 15 January 2015 on pressure build up.

The fracture stimulation at Redland-1 commenced on 28 October 2014 with three zones targeted in the Toolachee Formation. However, a mechanical issue in the Redland-1 wellbore has prevented the Joint Venture from assessing the deliverability of these zones. The well has now been shut in.

The fracture stimulation program at Geoffrey-1 commenced on 12 November 2014 with four zones in the Patchawarra Formation and one zone in the Epsilon Formation.

Extended flow testing began on 7 December 2014 with Geoffrey-1 reaching a peak flow rate of 1.1 million standard cubic feet of gas via a 12/64" choke and a wellhead pressure of 3,058psi.

Gas analysis indicates an approximate methane content of 75% and CO₂ content of 25%. Due to a wet weather event in the Cooper Basin the well was shut in for six days and re-opened on 16 January 2015. The well is currently on extended flow test.

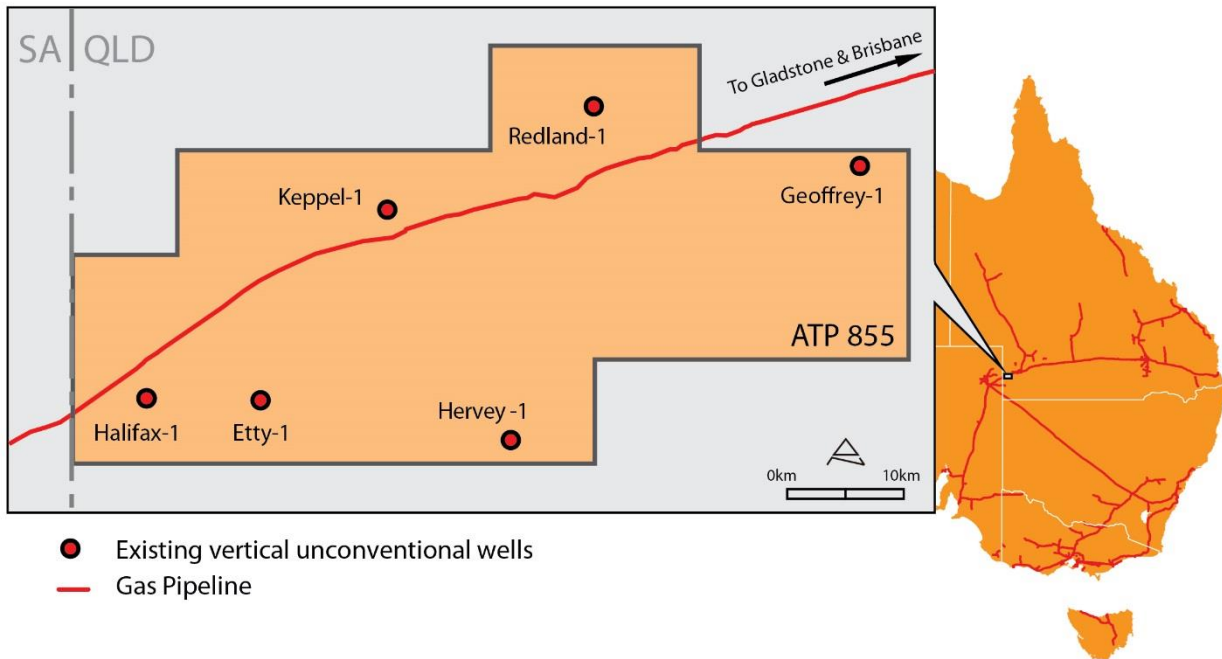


Figure 1: ATP 855 Location map showing main gas pipelines and well locations

Queensland – Petroleum Exploration – Cooper Basin – ATP 594 (Icon Energy Operator)

ATP 594 is located in the Cooper-Eromanga Basin, approximately 140 km to the west of the town of Quilpie. The tenement covers three separate areas consisting of a total area of 1,538 km².

Several wells have been drilled around the permit, mainly targeting conventional oil and gas since 1980 with some hydrocarbon shows intersected. During the Quarter an independent technical evaluation and review of the prospectivity of the permit commenced.

Subsequent to the Quarter, Icon Energy commenced Right To Negotiate discussions with the Boonthamurra traditional owners. Once necessary approvals are in place and the data evaluation is complete, Icon is proposing to develop an exploration program for ATP 594.

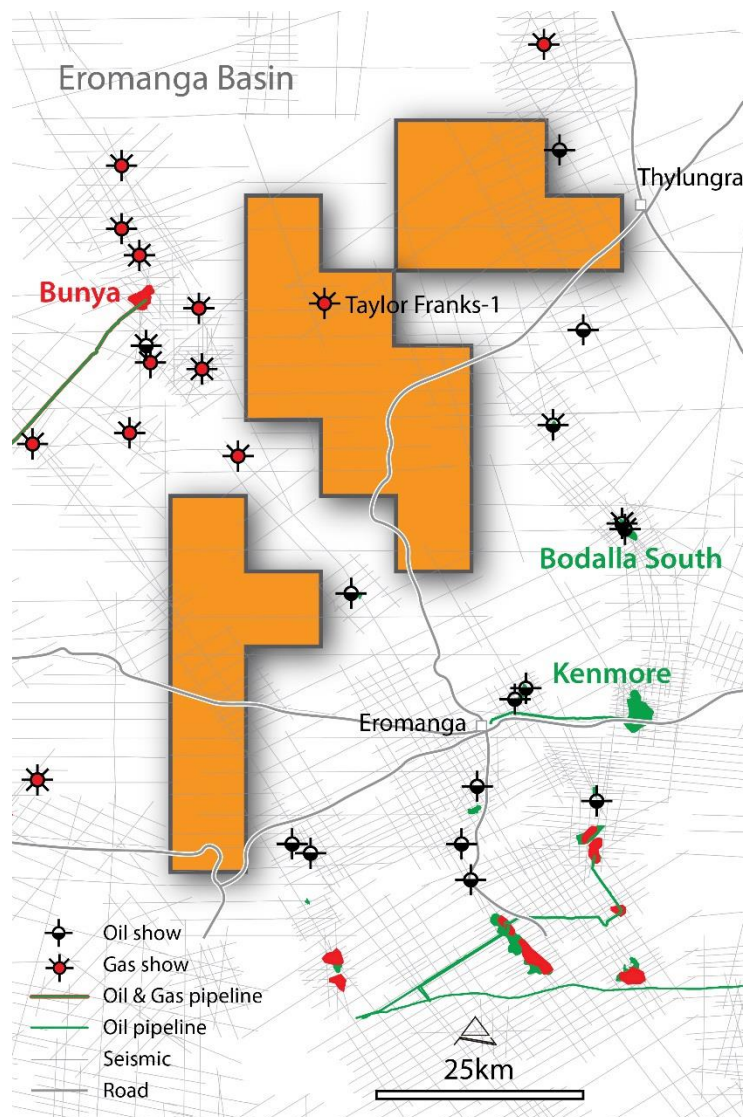


Figure 2: Map showing ATP 594 in the Cooper Basin, Queensland

Queensland – Petroleum Exploration – Surat Basin – ATP 626 (Icon Energy Operator)

Following the completion of the Rehabilitation program in ATP 626 in October 2014, Icon commenced a technical review of the remaining prospectivity of the permit.

This is designed to focus and direct exploration activity in line with the approved Later Work Program.

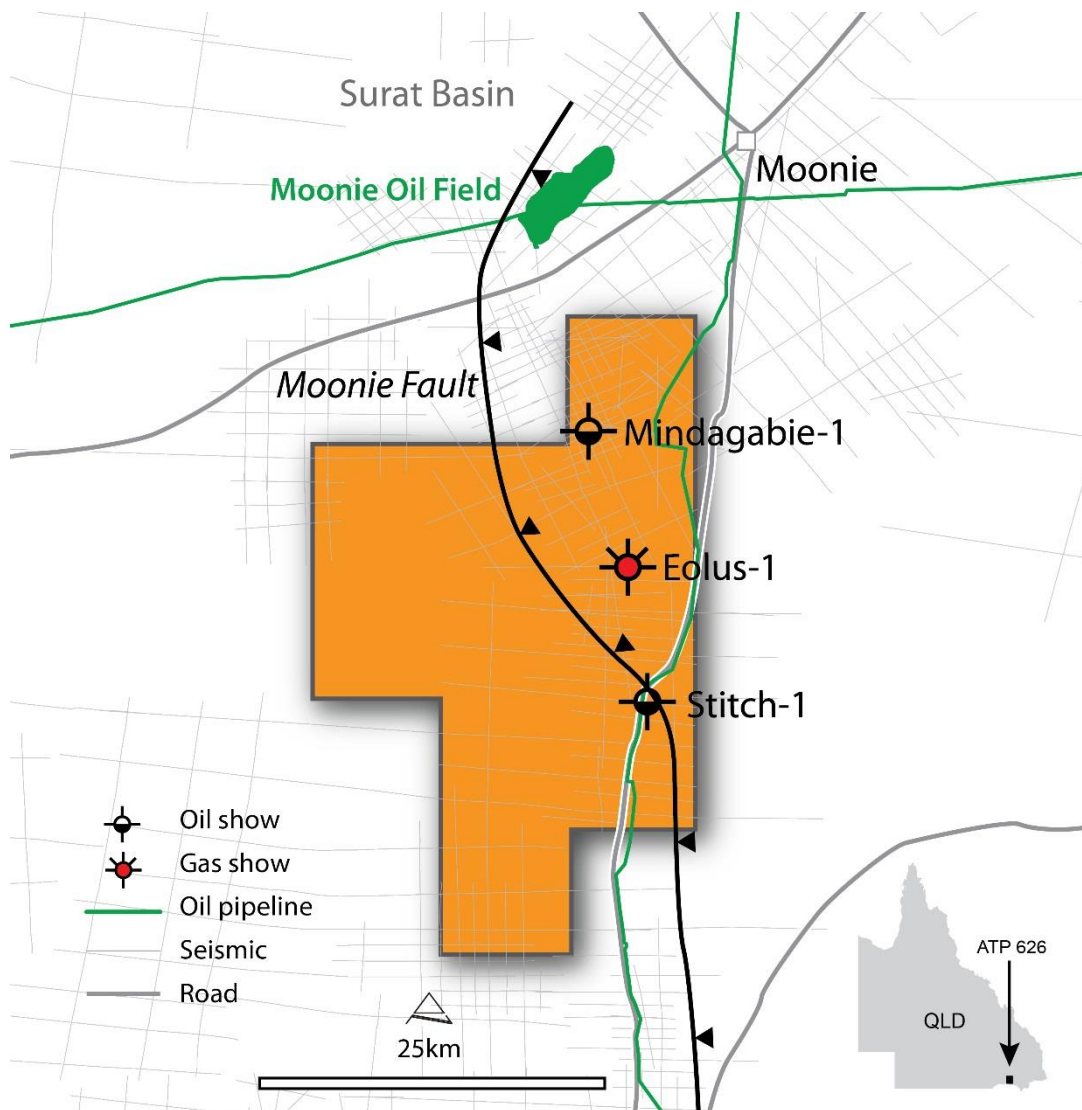


Figure 3: Map showing the blocks retained in ATP 626 in the Surat Basin, Queensland

Basin / Area	Permit / Area	Tenement Area	Permit Interest	Operator	Prospect Type
Cooper Basin, Nappamerri Trough	ATP 855	1,674 km ²	35.1%	Beach Energy	Shale Gas, Oil
Cooper Basin Nappamerri Trough	PRLs 33- 49*	1,602 km ²	33.33%	Beach Energy	Oil
Cooper - Eromanga Basin	ATP 594	1,538 km ²	100%	Icon Energy	Natural Gas, Oil
Cooper - Eromanga Basin	ATP 549 West	445 km ²	33.33%	Drillsearch	Natural Gas, Oil
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	808 km ²	100%	Icon Energy	Natural Gas, Oil
Gippsland Basin	PEP 172**	1,312 km ² **	100%	Icon Energy	Natural Gas
Gippsland Basin	PEP 173**	1,220 km ² **	100%	Icon Energy	Natural Gas
Surat Basin	ATP 626P	741 km ²	100%	Icon Energy	Shale Gas, Oil

* Formerly PEL 218 (Post Permian Section)

** Permit to be granted

Figure 4: Table showing all Icon Energy's tenements

FURTHER INFORMATION

QUARTERLY REPORT
Period ending 31 December 2014

For further information please contact:

Corporate

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Investor / Media

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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 quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

Name of entity

Icon Energy Limited

ABN

61 058 454 569

Quarter ended ("current quarter")

31 December 2014

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (6 months) \$A'000
1.1 Receipts from product sales and related debtors		
1.2 Payments for (a) exploration & evaluation (b) development (c) production (d) administration	(10,736) (1,257)	(14,164) (3,868)
1.3 Dividends received	510	578
1.4 Interest and other items of a similar nature received	(16)	(16)
1.5 Interest and other costs of finance paid	11,376	18,869
1.6 Income taxes paid		
1.7 Other (provide details if material)		
Net Operating Cash Flows	(123)	1,399
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets	 (7)	 (27)
1.9 Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets	 0	 0
1.10 Loans to other entities		
1.11 Loans repaid by other entities		
1.12 Other (provide details if material)		
Net investing cash flows	(7)	(27)
1.13 Total operating and investing cash flows (carried forward)	(130)	1,372

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(130)	1,372
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	0	0
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings	0	0
1.18	Dividends paid		
1.19	Other (provide details if material)		
	Net financing cash flows	0	0
	Net increase (decrease) in cash held	(130)	1,372
1.20	Cash at beginning of quarter/year to date	21,107	19,605
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	20,977	20,977

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	355
1.24	Aggregate amount of loans to the parties included in item 1.10	Nil

1.25 Explanation necessary for an understanding of the transactions

N/A

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

N/A

Financing facilities available

Add notes as necessary for an understanding of the position.

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	0	0
3.2 Credit standby arrangements	300	0

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	2,500
4.2 Development	Nil
4.3 Production	Nil
4.4 Administration	2,230
Total	4,730

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	2,977	9,107
5.2 Deposits at call	Nil	Nil
5.3 Bank overdraft	Nil	Nil
5.4 Other – bank term deposits	18,000	12,000
Total: cash at end of quarter (item 1.22)	20,977	21,107

Changes in interests in mining tenements

Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed			
6.2 Interests in mining tenements acquired or increased			

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference +securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	618,717,503	618,717,503		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	2,943,152	2,943,152	Nil	Nil
7.5 +Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				

+ See chapter 19 for defined terms.

7.7	Options <i>(description and conversion factor)</i> Unlisted Performance Rights <i>(performance rights issued pursuant to Long Term Incentive (LTI) and Short Term Incentive (STI) offers under the Employee Performance Rights Plan)</i>			<i>Exercise price</i>	<i>Expiry date</i>
	2013 LTI	2,705,497		Nil	30 June 2017
	2014 LTI	4,494,537		Nil	30 June 2018
	Total	7,200,034			
7.8	Issued during quarter	2,943,152		Nil	
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	Debentures <i>(totals only)</i>				
7.12	Unsecured notes <i>(totals only)</i>				

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here: 
(Executive Director / CFO)

Date: 14 January 2015

Print name: Dr Kevin Jih

+ See chapter 19 for defined terms.

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 wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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