

OPERATIONS

Queensland – Petroleum Exploration – Cooper-Eromanga Basin ATP 855

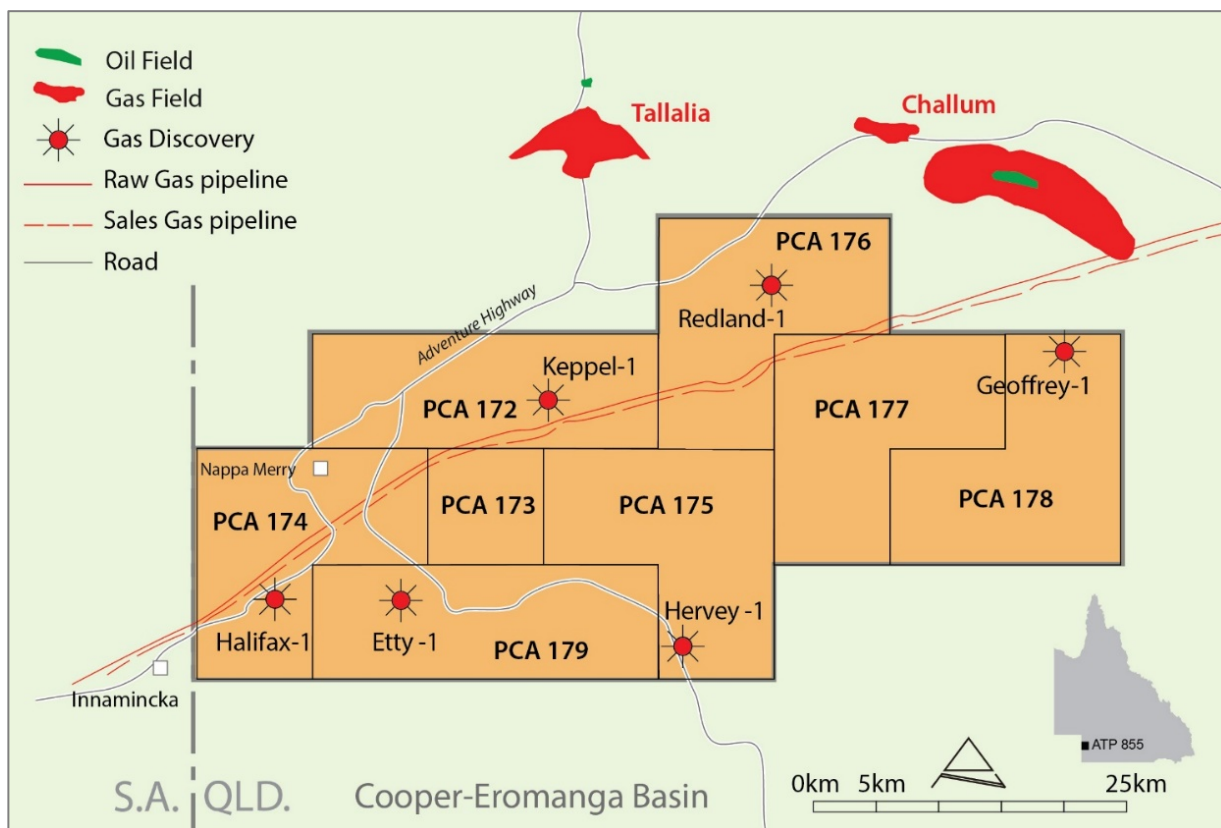
Icon has 100% interest in and is Operator of ATP 855 located in the Nappamerri Trough, Cooper Basin, which contains a very large, unconventional, basin-centred gas resource. The permit is covered by eight (8) Potential Commercial Areas (PCAs), which are for a period of 15 years and are designed to enable Icon to retain the entire interest in, and ultimately develop, the gas discovery.

Icon is currently preparing for the next stage of activity in ATP 855 to conduct further exploration, evaluation and appraisal of the gas resource with the express purpose of demonstrating commerciality.

This next stage requires significant additional finance and/or a joint venture partner to enable this work to take place. Icon is continuing discussions with several companies that have expressed a strong interest in participating in the future appraisal and development of the gas resource within ATP 855. Icon will immediately issue an announcement should any agreements be reached.

Icon continues to monitor the discovery wells drilled within the permit, which currently remain suspended and in a stable condition.

Icon's equity interest in the tenement is 100%.



Map showing the location of ATP 855 and the Potential Commercial Areas in the Cooper-Eromanga Basin, Queensland

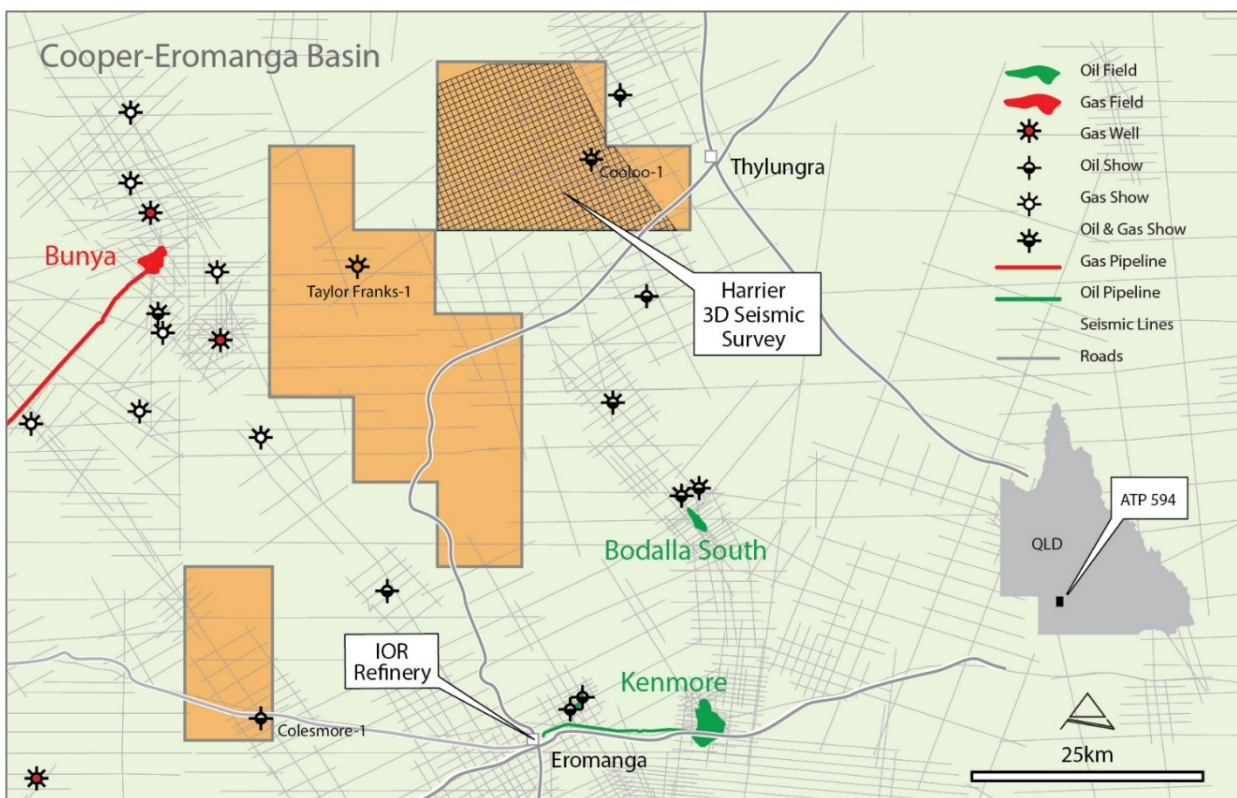
Queensland – Petroleum Exploration – Cooper-Eromanga Basin ATP 594

ATP 594 is located on the eastern flank of the Cooper-Eromanga Basin, approximately 140 km west of Quilpie. The tenement is well positioned on the eastern flank of the Cooper Basin and is considered to be prospective for both oil and gas. The areas immediately adjacent to ATP 594 are resource rich with the Kenmore and Bodalla South oil fields in close proximity.

Following the acquisition of 3D seismic in 2017, Icon has identified several prospects and leads within the northern block of ATP 594, which has confirmed the prospectivity within the permit.

Icon continues to engage in discussions with potential partners interested in farming into ATP 594 to continue the exploration of the permit. This involves further geological and geophysical work, the drilling of one or more wells and acquisition of additional seismic in the central and southern blocks within the tenement.

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



Map showing the location of ATP 594 and the Harrier 3D Seismic Survey, in the Cooper-Eromanga Basin, Queensland

Victoria – Gippsland Basin PEP 170, 172 and 173

PEP 170 (granted), and PEP 172 and 173 (grants pending), remain subject to a moratorium on onshore exploration and a ban on unconventional drilling activity.

The Victorian Government advised Icon that the *Resources Legislation Amendment (Fracking Ban) Act 2017* came into effect on 16 March 2017.

The Act bans hydraulic fracturing under the *Petroleum Act 1990* and imposes a moratorium on conventional petroleum exploration and petroleum production in the onshore areas of Victoria until 30 June 2020.

An application for suspension and extension of PEP 170 was submitted to the Department of Economic Development, Jobs, Transport and Resources (*DEDJT&R*) on 9 October 2018 and Icon expect to receive approval for this in due course.

The Earth Resources Regulation intends to vary the permit conditions of PEP 170 to reflect the approved suspension and extension and will consider Icon's proposed revised work program submitted in December 2017.

Icon has continued to keep the tenement in good standing by paying all necessary statutory fees.

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

ICON ENERGY TENEMENTS

Permit / Area	Tenement Area	Permit Interest	Operator	Prospect Type
Cooper - Eromanga Basin, Eastern Flank				
ATP 594	1,230 km ²	100%	Icon Energy	Oil
Cooper - Eromanga Basin, Nappamerri Trough				
ATP 855	1,679 km ²	100%	Icon Energy	Shale Gas, Basin Centred Gas
PRLs 33 - 49*	1,601 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

* Formerly PEL 218 (Post Permian Section)

** Permit to be granted

Table showing all Icon Energy's tenements

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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 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")

31 December 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	(73)	(169)
(b) development		
(c) production		
(d) staff costs	(539)	(1,105)
(e) administration and corporate costs	(430)	(889)
1.3 Dividends received (see note 3)		
1.4 Interest received	53	113
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Research and development refunds		
1.8 Other (includes GST collected for sale of the office building)	1	2
1.9 Net cash from / (used in) operating activities	(988)	(2,048)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(3)	(9)
(b) tenements (see item 10)		
(c) investments		
(d) other non-current assets		

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
2.2 Proceeds from the disposal of:		
(a) property, plant and equipment	1	65
(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 (Bank Guarantee)		
2.6 Net cash from / (used in) investing activities	(2)	56

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	11,265	12,267
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(988)	(2,048)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(2)	56
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	10,275	10,275

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	775	1,765
5.2 Call deposits	9,500	9,500
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)	10,275	11,265

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**

362

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**

1

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	100
9.2 Development	
9.3 Production	
9.4 Staff costs	550
9.5 Administration and corporate costs	400
9.6 Other (provide details if material)	
9.7 Total estimated cash outflows	1,050

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: 31 January 2019

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.