



**ICON ENERGY LIMITED**

ABN 61 058 454 569

*energy for the future - the future of energy*



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28 October 2013

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 30 September 2013.

Ross Mallett  
Company Secretary

Icon Energy Limited

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# QUARTERLY REPORT ICON ENERGY LIMITED

Period Ending 30 September 2013



ATP 855 Ensign 965 Rig drilled Hervey-1 and is now drilling Geoffrey-1

## ICON ENERGY LIMITED

ABN 61 058 454 569

## DIRECTORS

Stephen Barry (Chairman)  
Raymond James (Managing Director)  
Dr Kevin Jih (Executive Director and CFO)  
Derek Murphy (Non-Executive Director)  
Dr Keith Hilless AM (Non-Executive Director)  
Howard Lu (Non-Executive Director)

## REGISTERED OFFICE

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## Operations

### ATP 855

(Beach 46.9% and operator, Chevron 18%, Icon Energy Ltd (Icon) 35.1%)

- Over the six month flow test period from February to August 2013, the Halifax-1 well produced 243 MMscf of gas. In late August, Halifax-1 was shut in and the well is currently on long term pressure build-up.
- In August 2013 Beach Energy, in its capacity as Operator of the ATP 855 joint venture, engaged a petroleum resource evaluation consultant to undertake a report on Contingent Resources in the area around the Halifax-1 well. The assessment reported 318 Bcf of 1C, 629 Bcf of 2C and 1.115 Tcf of 3C gross contingent resource.
- Geoffrey-1 spudded on 14 October 2013. The Geoffrey-1 vertical well is located 36 kilometres north-east of Hervey-1 and will be drilled to a target depth of 4,266 metres.

### PEP's 170, 172 and 173

(Icon Energy Ltd 100%)

- In accordance with the conditions of grant for PEPs 172 and 173, Icon Energy was required to complete an Indigenous Land Use Agreement with the Gunaikurnai Land and Waters Aboriginal Corporation Registered Native Title Body Corporate (**ILUA**) prior to the 19 August 2013. The ILUA which covers PEPs 172, 173 and 170 was executed on 9 August 2013 and is in the process of being registered with the National Native Title Tribunal.

## Financial Position

The total cash balance at the end of September 2013 quarter was \$25.95 million.

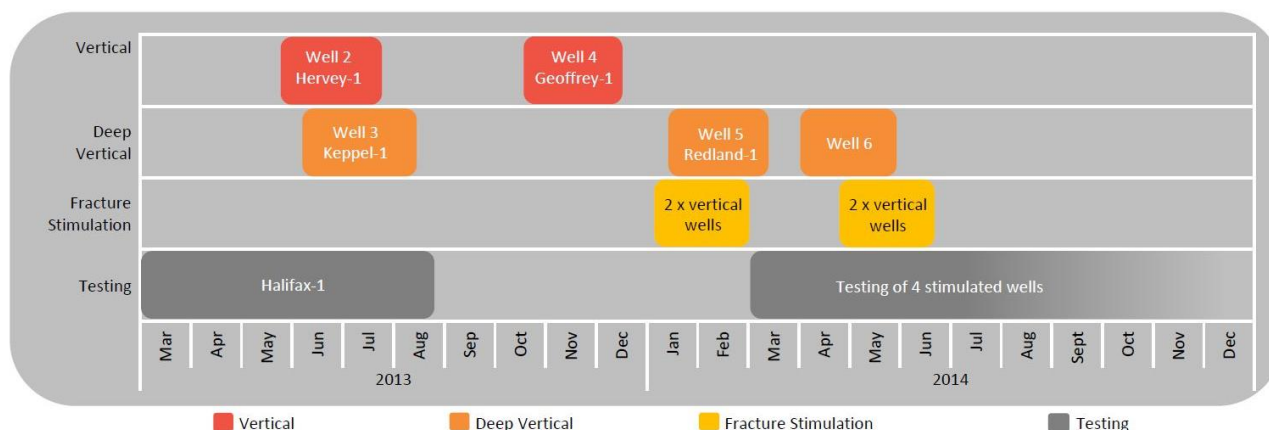
At 30 September 2013 Icon Energy had 533,455,958 shares on issue and 7,585 shareholders.



# OPERATIONS

## Queensland – Petroleum Exploration – Cooper Basin – ATP 855

Exploration activity in ATP 855 will continue throughout the quarter with the drilling of Geoffrey-1. In the future, additional wells are planned to be drilled, hydraulic stimulated and flow tested to provide proof of concept of the over-pressured, gas-saturated tight sand and shale formations within the Permian section of the Nappamerri Trough.



2013 – 2014 ATP 855 Exploration Timeline<sup>1</sup>

### Halifax-1

The Halifax-1 vertical exploration well, which has been on extended comingled flow test from all stimulated formations, was finally shut in at midday on 25 August 2013, after a flow period of 188 days. During the extended flow test the well produced a cumulative total of 243 MMscf of gas and a Notice of Petroleum Discovery was lodged with the Department of Natural Resources and Mines (**DNRM**). The well is currently on long term pressure build-up.

Following the results from the Halifax-1 well the Company announced that five additional wells would be drilled in ATP 855 prior to October 2014 to meet the exploration permit obligations, subject to JV and regulatory approvals.

Beach Energy, in its capacity as Operator of the ATP 855 joint venture, engaged an experienced international petroleum resource evaluation consultant to undertake an assessment of the Contingent Resources estimated in the areas around the Halifax-1 well. The report prepared by the consultants in respect of the estimated Contingent Resources attributable to the Halifax-1 well has been disclosed by Beach Energy to Icon Energy.

The estimated contingent Resources are as follows:

1C (Bcf)	2C (Bcf)	3C (Bcf)
318	629	1,115

Gross Contingent Resources<sup>2</sup>

<sup>1</sup> Future wells subject to Joint Venture and Regulatory approvals

<sup>2</sup> Contingent resources are those quantities of wet gas (produced gas minus carbon dioxide) that are potentially recoverable from known accumulations but which are not considered to be commercially recoverable due to the need for additional delineation drilling, further validation of deliverability and Original Hydrocarbon in Place (**OHIP**) and confirmation of prices and development costs. This is based on a statistical aggregation method using Monte Carlo simulation estimates from each formation.

## Hervey-1

The Hervey-1 vertical exploration well is located 30 kilometres east of Halifax-1 and was drilled to a total depth of 4,269 metres after encountering significant gas shows throughout the Permian section which was very encouraging and the thickest Patchawarra Formation segment intersected to date of over 800 metres.

The Joint Venture is currently formulating a hydraulic stimulation program for the well, which will be followed by a production test.

## Keppel-1

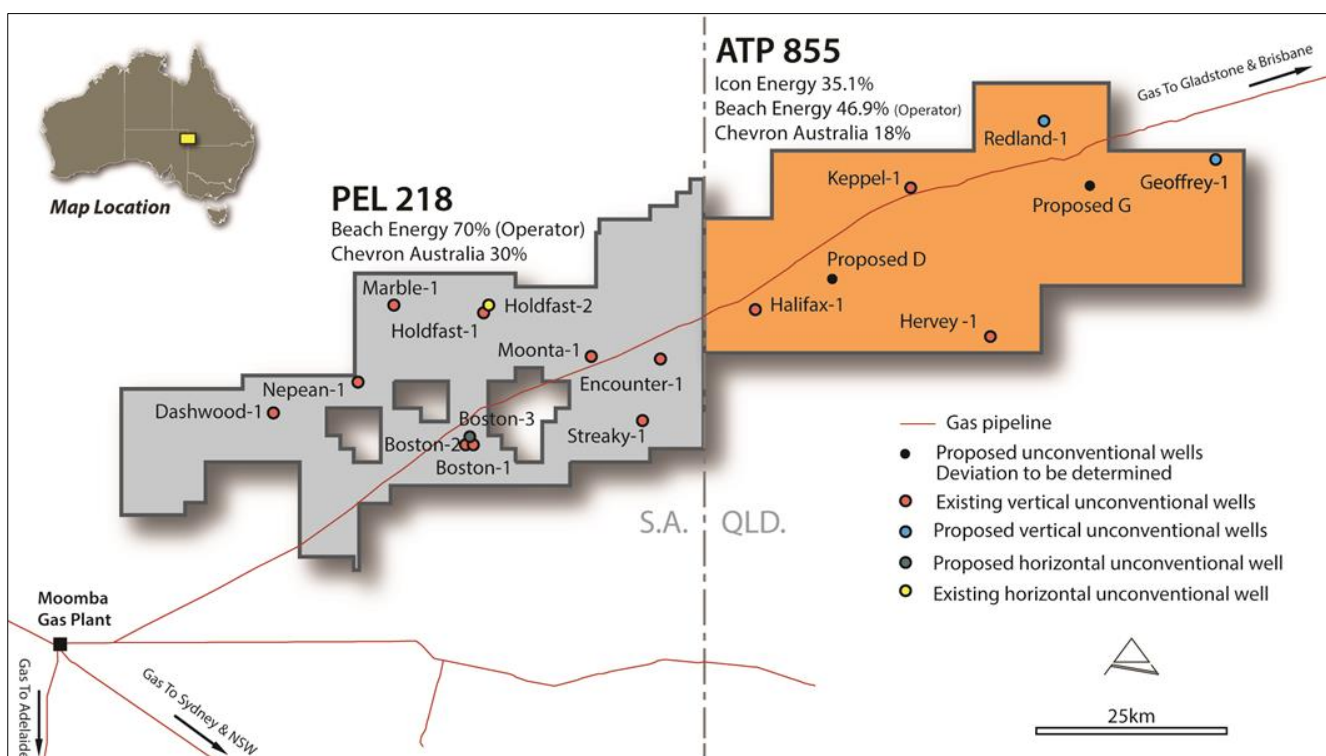
The Keppel-1 vertical exploration well is located 25 kilometres north east of Halifax-1 and was drilled to a depth of 3,898 metres before drilling was suspended due to elevated gas in the drilling mud and well control methodology was used to secure and suspend the well.

On 20 August, the Operator lodged a Notice of Petroleum Discovery with the Department of Natural Resources and Mines.

## Geoffrey-1

Geoffrey -1, which is located 36 kilometres north-east of Hervey-1, was spudded subsequent to the end of the quarter, on 14 October 2013 using the Ensign 916 Rig.

The Geoffrey -1 vertical exploration well will be drilled to a depth of approximately 4266 metres. The well will evaluate the shale and basin-centred gas play over the entire Permian section within the Nappamerri Trough in the eastern region of ATP 855.



## Queensland – Petroleum Exploration – Surat Basin – ATP 626

The Plug and Abandonment (**P&A**) and rehabilitation of the former ATP 626 Joint Venture wells is underway.

The current Rehabilitation Program is expected to be completed by the end of November 2013. The remaining wells in the tenement will be Eolus-1, Mindagabie-1 and Stitch-1, which are currently suspended pending a future work program.

Icon Energy holds 100% of the interest in ATP 626 following the acquisition of Goondi Energy's interest in July 2013.

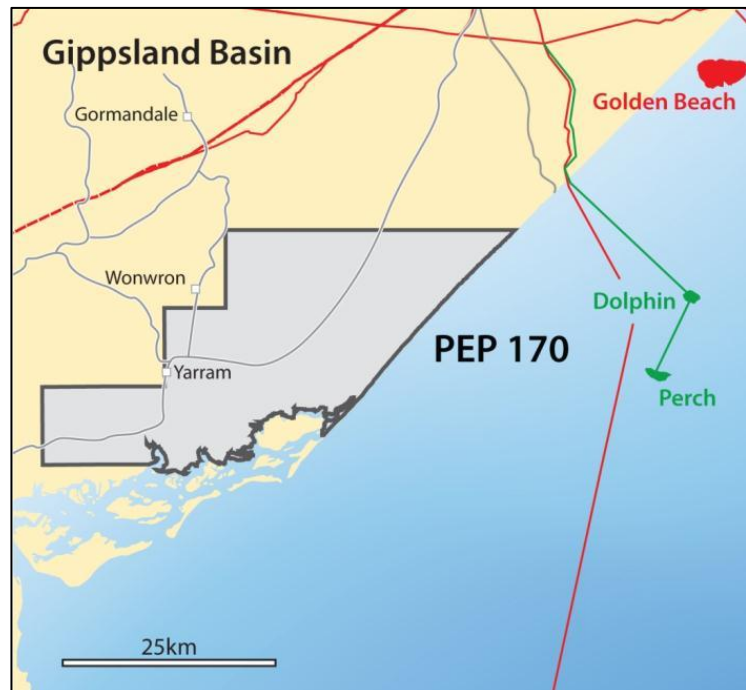


*ATP 626 2013 Rehabilitation Program underway in the Surat Basin, Queensland*

## Victoria – Petroleum Exploration - Gippsland Basin – PEP 170

As at the end of the reporting period the Victorian Government had not lifted the suspension on the use of hydraulic fracturing in coal seam and conventional gas exploration projects in Victoria. Icon has deferred its exploration program in Victoria until the suspension has been lifted.

On 22 July 2013, Icon Energy wrote to the Department of Environment and Primary Industries (**DEPI**) requesting, an extension and or suspension of the permit conditions until the National Harmonised Framework for CSG is implemented. This request has now been approved on 3 October 2013.



*PEP 170 in the Gippsland Basin, Victoria*

### **Proposed Exploration**

When the abovementioned restrictions are lifted Icon Energy proposes to drill two conventional onshore gas wells and conduct 400km of seismic acquisition across the tenement, subject to landholder approval.

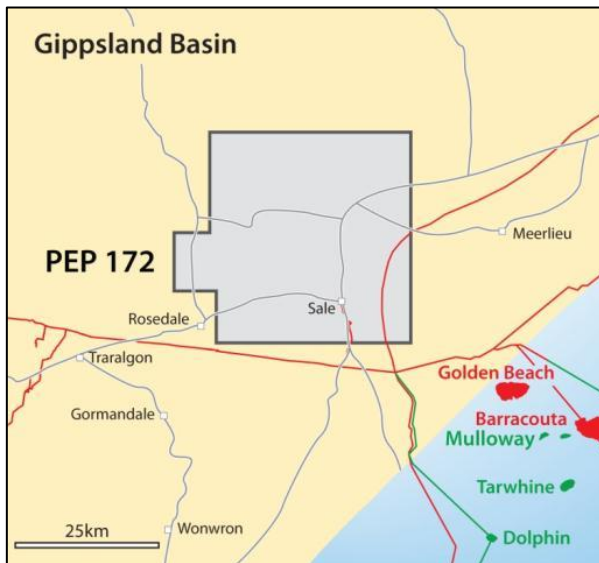
### **Drilling**

The two proposed wells Tiger West-1 and Dragon-1 in PEP 170 are expected to be drilled to approximately 2,200 metres for each well primarily targeting the Strzelecki Formation. The well sites are located on freehold properties.

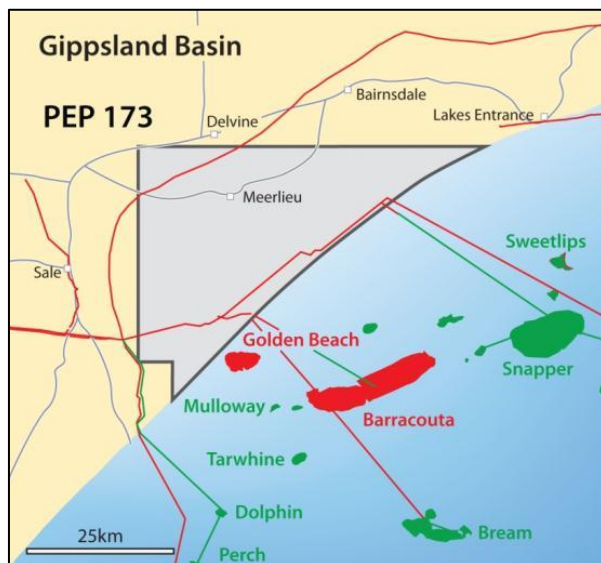
### **Seismic Acquisition**

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

## Victoria – Petroleum Exploration - PEP 172 & PEP 173



*PEP 172 in the Gippsland Basin, Victoria*



*PEP 173 in the Gippsland Basin, Victoria*

In August 2011, the Victorian DEPI offered to grant Icon Energy PEP 172 and subsequently PEP 173 in December 2011, both subject to the negotiation of an Indigenous Land Use Agreement with the Gunaikurnai Land and Waters Aboriginal Corporation Registered Native Title Body Corporate (**ILUA**) prior to the 19 August 2013.

The ILUA covering for PEPs 172, 173 and 170 was executed on 9 August 2013 and is in the process of being registered with the National Native Title Tribunal.



# ICON ENERGY OTHER TENEMENTS

Basin / Area	Permit / Area	Tenement Area (sqkm)	Permit Interest	Operator	Prospect Type
Cooper Eromanga Basin, Nappamerri Trough	PEL 218	1,602	33.33% Post-permian section only	Beach Energy	Conventional Oil and Gas
Eromanga Basin, Nappamerri Trough	EPG 49	200	100%	Icon Energy	Geothermal
Eromanga Basin, Nappamerri Trough	EPG 51	200	100%	Icon Energy	Geothermal
Cooper Basin	ATP 560 UEleven	307	50.5%	Icon Energy	Oil Gas
Eromanga Basin	ATP 549 West	3,681	33.33%	Drillsearch	Natural Gas Oil
Eromanga Basin	ATP 794 Brightspot Block Regleigh Block Springfield Block	5,315	75% 60% 60%	Icon Energy	Coal Seam Gas Shale Gas Oil
Eromanga Basin	ATP 594P	1,538	50%	Icon Energy	Natural Gas Coal Seam Gas Oil
Surat Basin	ATP 849P*	3,854	80%	Icon Energy	Coal Seam Gas

No field operations occurred in these tenements during the quarter.

\* Voluntarily surrendered to Department Natural Resources and Mines on 31 August 2013 following geological review of Surat Basin data gathered by Icon from 2008 to 2013.



For further information please contact:

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**About Icon Energy Limited (ASX:ICN)**, which listed on the ASX in 1993, is a gas and 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.

**Competent Persons Statement**

This report contains information on Icon's contingent resources that has been compiled by Mr Martin Berry who is a full-time employee of Icon Energy Limited, is qualified in accordance with ASX listing rule 5.11, and has consented to the inclusion of this information in the form and context in which it appears.

# 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")

30 September 2013

### Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (3 months ) \$A'000
1.1	Receipts from product sales and related debtors		
1.2	Payments for (a) exploration & evaluation	(6,731)	(6,731)
	(b) development		
	(c) production		
	(d) administration	(1,064)	(1,064)
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	145	145
1.5	Interest and other costs of finance paid	(15)	(15)
1.6	Income taxes paid		
1.7	Other (provide details if material)		
<b>Net Operating Cash Flows</b>		<b>(7,665)</b>	<b>(7,665)</b>
<b>Cash flows related to investing activities</b>			
1.8	Payment for purchases of: (a) prospects		
	(b) equity investments		
	(c) other fixed assets	(4)	(4)
1.9	Proceeds from sale of: (a) prospects	424	424
	(b) equity investments		
	(c) other fixed assets		
1.10	Loans to other entities		
1.11	Loans repaid by other entities		
1.12	Other (provide details if material)		
<b>Net investing cash flows</b>		<b>420</b>	<b>420</b>
1.13	Total operating and investing cash flows (carried forward)	<b>(7,245)</b>	<b>(7,245)</b>

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	(7,245)	(7,245)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.		
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings	(4)	(4)
1.18	Dividends paid		
1.19	Other (provide details if material)		
	<b>Net financing cash flows</b>	(4)	(4)
	<b>Net increase (decrease) in cash held</b>	(7,249)	(7,249)
1.20	Cash at beginning of quarter/year to date	33,203	33,203
1.21	Exchange rate adjustments to item 1.20		
1.22	<b>Cash at end of quarter</b>	25,954	25,954

**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	448
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	3,400
3.2 Credit standby arrangements	275	25

**Estimated cash outflows for next quarter**

	\$A'000
4.1 Exploration and evaluation	12,570
4.2 Development	Nil
4.3 Production	Nil
4.4 Administration	1,300
<b>Total</b>	<b>13,870</b>

**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	18,954	21,841
5.2 Deposits at call	Nil	Nil
5.3 Bank overdraft	Nil	Nil
5.4 Other – bank term deposits	7,000	11,362
<b>Total: cash at end of quarter</b> (item 1.22)	<b>25,954</b>	<b>33,203</b>

**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	ATP849	Authority to Prospect 849 (Petroleum Exploration)	80%	0%
6.2 Interests in mining tenements acquired or increased	ATP626	Authority to Prospect 626 (Petroleum Exploration)	99%	100%

+ 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	<b>Preference securities</b> (description)				
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	<b>+Ordinary securities</b>	535,455,958	535,455,958		
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	2,064,748	2,064,748		
7.5	<b>+Convertible debt securities</b> (description)				
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	<b>Options</b> (description and conversion factor)			<i>Exercise price</i>	<i>Expiry date</i>
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	<b>Debentures</b> (totals only)				
7.12	<b>Unsecured notes</b> (totals only)				

+ See chapter 19 for defined terms.

## 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 October 2013

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 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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