

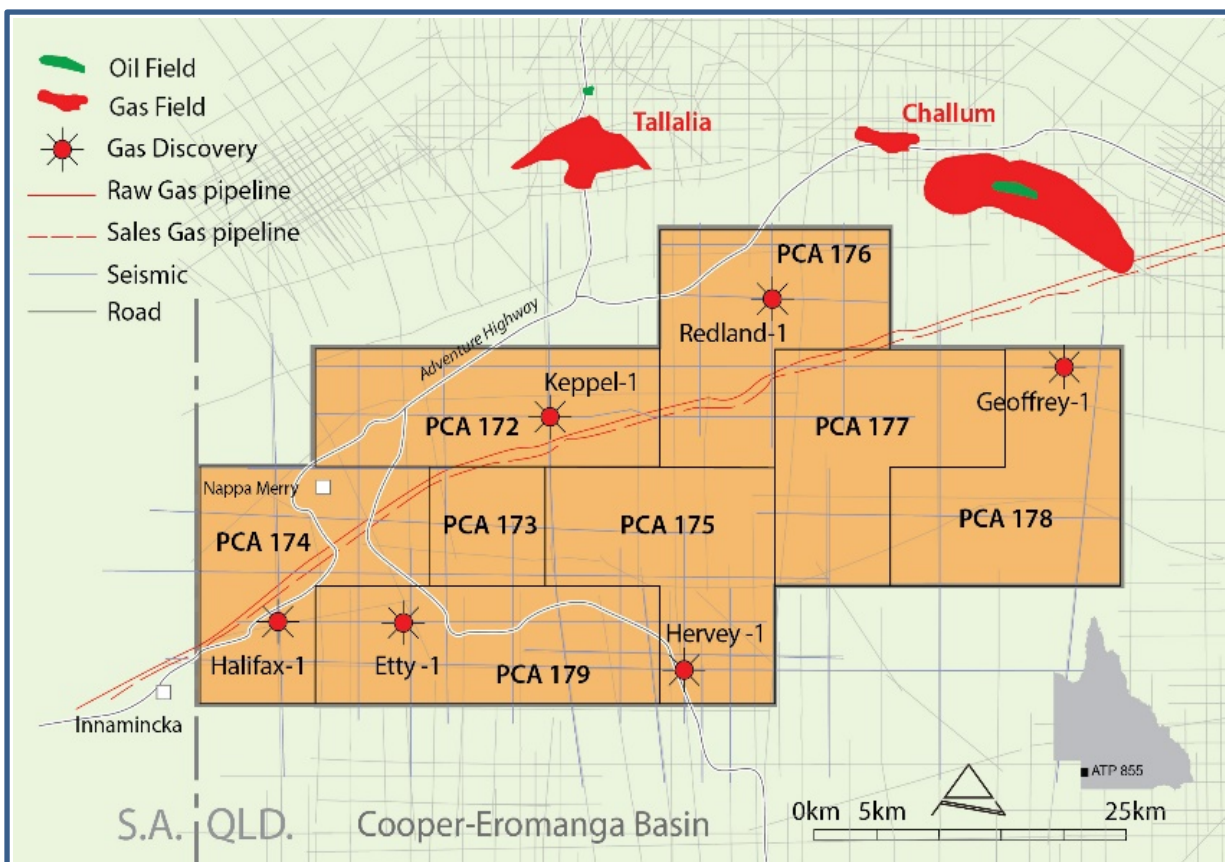
## **SUMMARY OF OPERATIONS**

- Icon is reviewing its appraisal drilling program with a view to being fully zero carbon when production commences.
- Icon's plans to achieve zero carbon are to use a cryogenic process to separate the CO<sub>2</sub> and hydrogen while maintaining the high gas production pressures encountered in all wells drilled so far'.
- Once carbon dioxide is removed, the retained high pressures can be used to pump the carbon dioxide back into the ground. Carbon capture and storage (CCS) is being promoted by our Governments to avoid atmospheric pollution.
- The methane produced from the tenement is dry and very suitable as a feed stock to make hydrogen in the future. Several methods to produce hydrogen are being researched at present. Hydrogen from methane is attractive as it is one of the least expensive methods and has most of the infrastructure in place.
- Icon is progressing plans for seismic identification of fractured zones in ATP 855 associated with numerous faults, which could obviate the need for fracking. These fractured zones were tested in three wells viz Keppel, Halifax and Geoffrey.
- At the present time, Icon's main focus is on reaching an agreement with a joint venturer in ATP 855. Two parties have signed non-disclosure agreements but names remain confidential.
- As Australia transitions to zero carbon by 2050, the market is changing for the conversion of methane to hydrogen gas for power generation and transportation fuels. Gas to hydrogen techniques are evolving at a rapid rate and once the most cost effective methods have been tested, hydrogen will rank alongside electric power as a popular choice of fuels, according to predictions by the Australian Energy Market Operator (AEMO).

### **ATP 855 COOPER BASIN, QUEENSLAND (PCAs 172-179)**

ATP 855 is located in the Cooper-Eromanga Basin in Queensland, approximately 1,200 kilometres west of Brisbane, and covers an area of 1,679 square kilometres, (414,000 acres). The map below shows the Authority to Prospect (ATP 855) and its subdivision into eight Potential Commercial Areas (PCAs 172-179). These PCAs have been granted for a period of 15 years and are designed to enable time to raise funds to develop such a large and complex project through appraisal drilling and development of the gas resource. The DNRME recognizes the time frame required as large gas developments require a long time to come to fruition. The prices for oil and gas have varied over the financial year and at the time were not favourable for funding fossil fuels. The recent world-wide gas shortage has resulted in significant rises in world prices. Icon acknowledges that the sentiment is changing and hopes that current discussions with potential joint venturers will succeed soon.

The gas resource estimates within ATP 855, was determined by DeGolyer and MacNaughton, at 28.5 trillion cubic feet (TCF) of Gross Unconventional Prospective Raw Natural Gas Resources<sup>1</sup> over all PCAs, and 1.57 TCF of 2C Contingent Gas Resources<sup>2</sup> determined within defined areas surrounding the five wells tested. These resource estimates were evaluated in accordance with the Petroleum Resources Management System (March 2007).five wells tested. These resource estimates were evaluated in accordance with the Petroleum Resources Management System (March 2007).



<sup>1</sup> DeGolyer and MacNaughton, a well-respected and qualified international petroleum reserve and resource evaluation company, estimated that, the 2C Recoverable Gross Contingent Resource was 1,572 Bcf or 1.57 Tcf. 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 for each formation.

<sup>2</sup> Icon Energy announced on 27 March 2015, that<sup>2</sup> Icon Energy announced on 19 June 2014, that DeGolyer and MacNaughton, a well-respected and qualified international petroleum reserve and resource evaluation company, estimated that the Unconventional Prospective Raw Natural Gas Resource was 28.5 (P50) Tcf. Unconventional Prospective Resources are defined as those quantities of petroleum that are estimated, as of a given date, to be potentially recoverable from undiscovered unconventional accumulations by application of future development projects. Unconventional Prospective Resources may exist in petroleum accumulations that are pervasive throughout a large potential production area and would not be significantly affected by hydrodynamic influences (also called continuous-type deposits). The estimated quantities of petroleum that may potentially be recovered by the application of a future development project relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons. These Unconventional Prospective Resources are based on probabilistic estimates for each target formation and these have been statistically aggregated.

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 29<sup>th</sup> 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). The remaining work under the current LWP includes a suite of G&G studies and 300 km<sup>2</sup> of new 3D seismic acquisition.

Icon successfully plugged Halifax No.1 over the deep gas zones, leaving the shallow gas zones for future testing. Redland No.1 was completely abandoned.

Following further research into our future program, a lot of effort has gone into carbon capture and storage (CCS) and production of hydrogen. Therefore, the remaining wells remain suspended and available for future use in a new Carbon Capture and Storage (CCS) program, with the aim of becoming a Zero Carbon operating company.

Negotiations with potential joint venture parties are still being frustrated by the inability for foreign parties to send technical representatives to Australia visit our office and to inspect ATP 855.

Icon is the Operator of ATP 855 and currently has a 100% working interest in the tenement.

#### **ATP 594 COOPER-EROMANGA BASIN, QUEENSLAND**

ATP 594 is located in western Queensland approximately 1,000 kilometres west of Brisbane and 140 kilometres west of the regional town of Quilpie. The tenement consists of three separate blocks covering a total area of 1,230 square kilometres.

After further review of the seismic program conducted in the tenement Icon has not been able to attract a new partner. This tenement expired in April 2021. In the given circumstances it was determined that it was appropriate not to renew the tenement, hence it is in the process of being relinquished.

#### **PEP 170 (PEP 172 AND 173 PENDING), GIPPSLAND BASIN, VICTORIA**

PEP 170 (granted), and PEP 172 and 173 (grants pending), remained subject to a moratorium on onshore exploration until 30 June 2021 and a permanent ban on unconventional drilling activity.

Icon has not advanced activity in this tenement while the new regulations are being finalized and Ministerial approval given before any final decision can be made. Meanwhile, Icon has continued to keep the tenement in good standing by paying all necessary statutory fees.

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

## PRLs 35, 37, 38, 41, 43, 44, 45, 48 and 49 South Australia

Icon has a 33.33% interest in the post-Permian section of the remaining PRLs 35, 37, 38, 41, 43, 44, 45, 48 and 49 in South Australia, which cover a total area of 857 square kilometres.

No operations have been proposed by the Joint Venture for next coming year.

Icon holds a 33.3% interest in these retention areas and no immediate activity is planned.

## ICON ENERGY TENEMENTS

Permit / Area	Tenement Area	Permit Interest	Operator	Prospect Type
<b>Cooper - Eromanga Basin</b>				
<b>ATP 594*</b>	1,230 km <sup>2</sup>	100%	Icon Energy	Oil Gas
<b>Cooper - Eromanga Basin, Nappamerri Trough</b>				
<b>ATP 855</b>	1,679 km <sup>2</sup>	100%	Icon Energy	Shale Gas, Basin Centred Gas
<b>PRLs –35, 37, 38, 41, 43, 44, 45, 48, 49**</b>	857 km <sup>2</sup>	33.33%	Beach Energy	Oil
<b>Gippsland Basin</b>				
<b>PEP 170</b>	804 km <sup>2</sup>	100%	Icon Energy	Oil Gas
<b>PEP 172***</b>	1,312 km <sup>2</sup>	100%	Icon Energy	Gas
<b>PEP 173***</b>	1,220 km <sup>2</sup>	100%	Icon Energy	Gas

\*ATP 594 expired on 16 April 2021 and is in the process of being relinquished

\*\*Formerly PEL 218 (Post Permian Section)

\*\*\* Permit to be granted

*Table showing all Icon Energy's tenements*

**TWENTY LARGEST ORDINARY SHAREHOLDERS as at 27 October 2021**

1	HK PROSPEROUS TECHNOLOGY LIMITED	80,318,393	12.21
2	BNP PARIBAS NOMINEES PTY LTD <LGT BANK AG DRP>	59,835,516	9.10
3	SABA SUPER PTY LTD <SABA SUPERANNUATION FUND A/C>	30,000,000	4.56
4	RAY JAMES	25,038,469	3.81
5	HOWARD LU	16,068,181	2.44
6	MR EDDIE SABA	15,875,378	2.41
7	JIM BAYEH + LILLIANA BAYEH	15,000,000	2.28
7	WILLATON PROPERTIES PTY LTD	15,000,000	2.28
9	MR DANIEL SABA	14,000,000	2.13
10	CITICORP NOMINEES PTY LIMITED	13,485,213	2.05
11	TAIWAN FRUCTOSE CO LTD	9,000,000	1.37
12	SAMBOR TRADING PTY LTD	6,012,256	0.91
13	ICON HOLDINGS PTY LTD <THE K J PAGANIN FAMILY A/C>	6,000,000	0.91
14	JOHN E GILL TRADING PTY LTD	5,861,750	0.89
15	MR ROBERT CAMERON GALBRAITH	5,350,000	0.81
16	CABLEX INDUSTRIES PTY LTD	4,991,332	0.76
17	MR CHIEN HUA LEE	4,500,000	0.68
17	MR DOUGLAS CAMPBELL TIPPING + MRS NEREIDA MARY TIPPING <DC & NM TIPPING S/F A/C>	4,500,000	0.68
19	ALPHA GEM PTY LTD	4,304,581	0.65
20	MR IANAKI SEMERDZIEV	3,741,000	0.57
<b>Totals: Top 20 holders of FULLY PAID ORDINARY SHARES (TOTAL)</b>		<b>338,882,069</b>	<b>51.53</b>
<b>Total Remaining Holders Balance</b>		<b>318,724,869</b>	<b>48.47</b>

Icon will release information on the progress of ATP 855 gas developments when any agreements are reached as required under ASX Listing Rule 3.1 .

**For further information, please contact:**
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Director

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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. 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 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")

30 September 2021

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	(56)	(56)
(b) development		
(c) production		
(d) staff costs	(42)	(42)
(e) administration and corporate costs	(149)	(149)
1.3 Dividends received (see note 3)		
1.4 Interest received	1	1
1.5 Interest and other costs of finance paid	(2)	(2)
1.6 Income taxes paid		
1.7 Government grants and tax incentives		
1.8 Other (COVID19 gov support)	(41)	(41)
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(289)</b>	<b>(289)</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	0	0
(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 (3 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>0</b>	<b>0</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	600	600
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	(24)	(24)
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>576</b>	<b>576</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	1,582	1,582
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(289)	(289)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	0	0
4.4	Net cash from / (used in) financing activities (item 3.10 above)	576	576

## 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 (3 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>1,869</b>	<b>1,869</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	1,869	1,582
5.2	Call deposits	0	0
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>1,869</b>	<b>1,582</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	66
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/salaries (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.</i>		
<i>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)	(289)
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)	(289)
8.4	Cash and cash equivalents at quarter end (item 4.6)	1,869
8.5	Unused finance facilities available at quarter end (item 7.5)	0
8.6	Total available funding (item 8.4 + item 8.5)	1,869
8.7	<b>Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	6.47
<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: 29 October 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.