

## **SUMMARY OF OPERATIONS**

- Icon examining plans to utilize methane as a feedstock to produce hydrogen on the east coast of Australia.
- Icon is examining plans to utilize the high pressure of the gas produced from ATP 855 to separate methane and carbon dioxide using cryogenic and membrane techniques.
- Icon is having talks with potential partners interested in farming into ATP 855.
- Icon to target gas filled fracture halos along identified fault zones.
- Drilling targeting natural fractures along faults will avoid the need for fracking.
- Icon's rehabilitation program in ATP is currently suspended.

### **ATP 855**

Icon plans to go Hydrogen Blue to protect the environment.

As Australia transitions to carbon neutrality the market is changing in favour of methane and hydrogen gas for power generation and transportation fuels. New techniques are on the verge of using new plasma methods to split the methane molecule into pure carbon and hydrogen without generating any carbon dioxide. This new hydrogen is labelled "blue " hydrogen and is likely to be highly efficient and cost effective when sourced from methane. The Australian Energy Market Operator (AEMO) has predicted that both blue and green hydrogen will become a preferred transport and heating fuel of the future.

Icon commissioned a new study over the past six months, to draw up a plan for the future development of ATP 855. This plan entitled "Roadmap to Commercialisation", is not yet completed and involves several positive new ideas utilizing the high pressures and temperatures of the production gas. Originally these high pressures and temperatures were an impediment to future exploration. The new techniques will significantly reduce costs and at the same time provide a carbon neutral operation to protect the environment.

The plan provides a solution to the problem of separation and disposal of carbon dioxide using a self chilling cryogenic/membrane separation technique utilizing the high pressure which has not been used in this way in the Australian petroleum industry to date. This separation technique keeps the carbon dioxide in a liquid phase at all times. Liquid carbon dioxide can then be sold in the industrial market or sequestered into the ground at the same producing wellsite, as a liquid, thereby removing the costs associated with gas compression. After removing the carbon dioxide, the methane is further treated utilizing a membrane filter which is a common industrial technique. Modelling has indicated that this final filtration step can be done at high temperatures and pressures yielding pure methane gas. Methane can then be transported to the east coast of Australia for the production of hydrogen or utilized as a transition fuel.

Icon's focus on 100 percent carbon neutrality under our proposals to develop Australia's large gas discovery in ATP 855. Icon will release further details in the months ahead of our Roadmap to Commercialisation.

The rehabilitation program in ATP 855 will be suspended and included in a new drilling program.

## **ATP 594**

After further review of the seismic program conducted in the tenement Icon has not been able to attract a new partner. In those circumstances Icon determined that it is appropriate to relinquish the tenement. ATP 594 expired on 16 April 2021 and may not be renewed.

## **VICTORIAN TENEMENTS**

The Geological Survey of Victoria has advised that when the tenements are re-instated the clock would be reset to zero to start all tenements with a new five year term. In addition it will be necessary to revise the program as our original applications included stimulation which is not allowed.

Icon has lodged its submission to the Department of Jobs, Precincts and Regions with a revised new tenement terms for conventional drilling in PEP 170. These new terms have excluded any unconventional drilling which is bound by legislation in Victoria.

Icon has received a preliminary advice that its proposed work program for PEP 170 is not considered satisfactory to be approved. It is therefore likely that the permit will not be renewed.

Revised terms for conventional drilling in PEP 172 and 173 are yet to be called by the Department. When called upon to do so by the Victorian government, Icon will conduct a further review as to the prospective for the of a conventional drilling program and propose a new work program if warranted. At this time PEP 172 and 173 remain pending.

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

## **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.

## 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)

\*\*\*Will be relinquished if the permit is not be renewed

\*\*\*\* Permit to be granted

*Table showing all Icon Energy's tenements*

**TWENTY LARGEST ORDINARY SHAREHOLDERS as at 28 April 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	15,875,378	2.66
6	MR EDDIE SABA <SABA SUPERANNUATION FUND A/C>	14,000,000	2.34
7	CITICORP NOMINEES PTY LIMITED	13,468,751	2.25
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	4,572,256	0.77
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	MOROHI PTY LTD	3,620,058	0.61
18	LINK ORANGE PTY LTD	3,393,181	0.57
19	MR ROBERT CAMERON GALBRAITH	3,350,000	0.56
20	IAN PETHERBRIDGE RETIREMENT FUND PTY LTD <IAN PETHERBRIDGE R/F A/C>	3,250,000	0.54
<b>Totals: Top 20 holders of FULLY PAID ORDINARY SHARES (Total)</b>		<b>285,188,846</b>	<b>47.72</b>
<b>Total Remaining Holders Balance</b>		<b>312,418,092</b>	<b>52.28</b>

**For further information, please contact:**

**Ray James**

Director

Phone +61 7 5554 7111

Email [contact@iconenergy.com](mailto:contact@iconenergy.com)

**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")

31 March 2021

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	(1,669)	(2,682)
(b) development		
(c) production		
(d) staff costs	(47)	(165)
(e) administration and corporate costs	(167)	(553)
1.3 Dividends received (see note 3)		
1.4 Interest received	1	13
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)	0	58
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(1,882)</b>	<b>(3,329)</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	(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 (9 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>(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	4,091	5,541
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,882)	(3,329)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	0	(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 (9 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>2,209</b>	<b>2,209</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	2,209	3,091
5.2	Call deposits	0	1,000
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>2,209</b>	<b>4,091</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	71
6.2	Aggregate amount of payments to related parties and their associates included in item 2	

**Note: Amount 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.</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)	(1,882)
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)	(1,882)
8.4 Cash and cash equivalents at quarter end (item 4.6)	2,209
8.5 Unused finance facilities available at quarter end (item 7.5)	0
8.6 Total available funding (item 8.4 + item 8.5)	2,209
8.7 <b>Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	1.17
<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: No, Icon does not expect the current level of net operating cash flows because the March quarter included rehabilitation expenses totalling \$1,623,279 which will not be incurred in the next quarters.	
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: Yes, Icon is pursuing opportunities to farmout interest in ATP 855 and capital raising opportunities.	



**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: Yes, the March quarter expenditure will not be repeated and Icon is looking at raising cash as stated above.

*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: 30 April 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.