

28 April 2014

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 March 2014.

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Company Secretary

Icon Energy Limited

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# QUARTERLY REPORT

Period Ending 31 March 2014

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## ICON ENERGY LIMITED

ABN 61 058 454 569

## DIRECTORS

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



## Operations

### ATP 855

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

- Redland-1, which was spudded on 15 December 2013, reached its target depth of 3,804 metres on 23 January 2014. The well, which is located 22 kilometres north-west of Geoffrey-1, recorded significant gas shows in the Toolachee and Daralingie Formations.
- The next well, Etty-1 which is located 8.6 kilometres east of Halifax-1, was spudded on 9 February 2014. The Etty-1 vertical exploration well reached a total depth of 3,807 metres on 23 March 2014 and encountered gas shows throughout the Permian section.
- The work program through 2014 will include hydraulic stimulation and extended well testing commencing in Q3 2014.
- All wells drilled within ATP 855 to date, Halifax-1, Hervey-1, Keppel-1, Geoffrey-1, Redland-1 and Etty-1 have exhibited gas shows and confirmed the continuation of a basin-centred gas play in the Nappamerri Trough in Queensland. Notices of Petroleum Discovery have been lodged with the Department of Natural Resources and Mines (**DNRM**) for Halifax-1, Keppel-1, Redland-1 and Etty-1.

## Financial Position at end of March 2014 Quarter

The total cash balance at the end of the March 2014 quarter was \$27.6 million.

At 31 March 2014 Icon Energy had 7,330 shareholders.

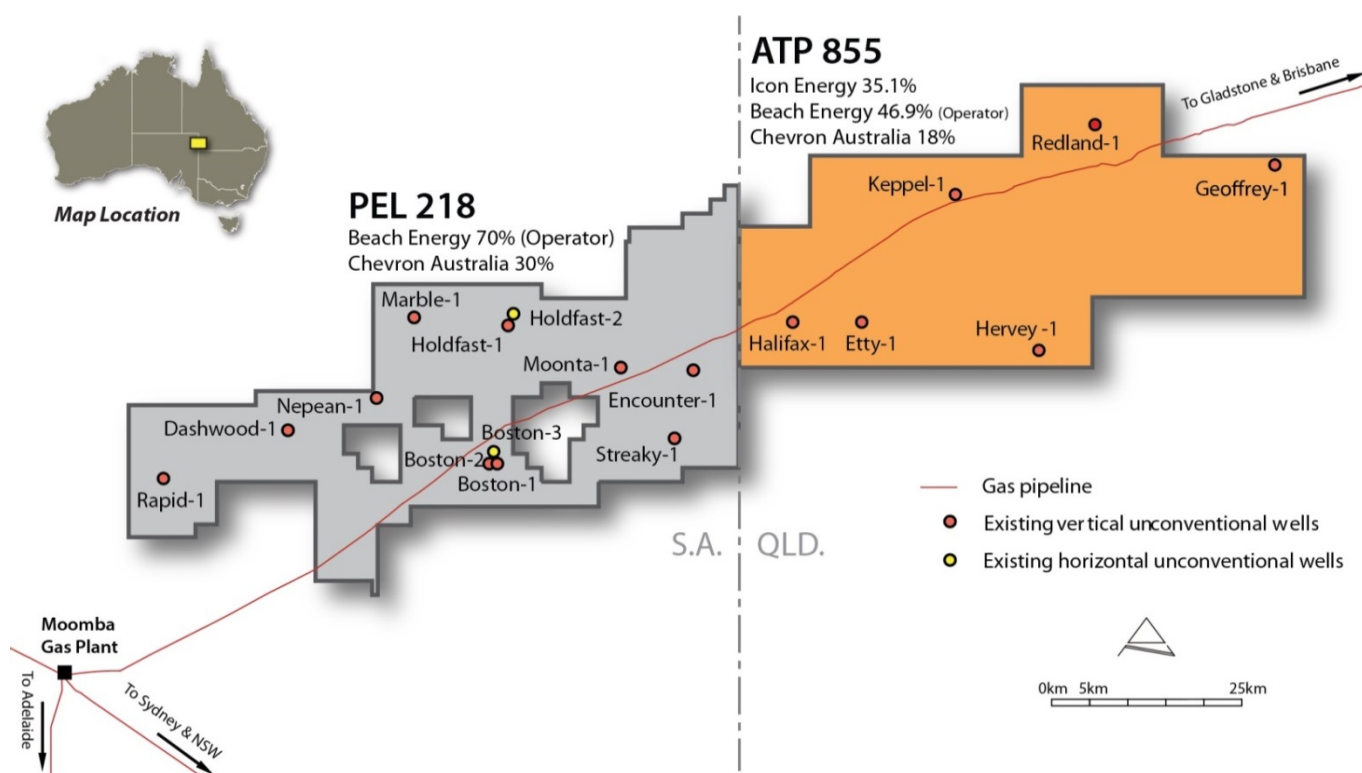
## Queensland – Petroleum Exploration – Cooper Basin – ATP 855

On 23 January 2014, the Geoffrey-1 well reached a total depth of 4,125 metres in the Patchawarra Formation. The results of the well have been very encouraging with good gas shows throughout the Permian section. Geoffrey-1 was cased and suspended pending subsequent hydraulic stimulation and flow testing as part of a multi-well stimulation campaign commencing in Q3 2014.

The next well in the drilling campaign was Redland-1, which reached its target depth of 3,804 metres on 23 January 2014. Located 22 kilometres north-west of Geoffrey-1, Redland-1 is the most northerly petroleum exploration well drilled to date in the permit and specifically targeted the Toolachee and Daralingie Formations.

The sixth and final vertical exploration well, Etty-1, was spudded on 9 February 2014. Etty-1 is located approximately nine kilometres east of Halifax-1 and targeted the basin centred gas potential of the Permian Formations from the top Toolachee to the top of the Patchawarra Formation in the southern part of the Nappamerri Trough. Etty-1 reached a total depth of 3,807 metres in the top of the Patchawarra Formation on 23 March 2014, with preliminary interpretation of wireline logs indicating the target interval to be gas saturated. As a result, Etty-1 will be cased and suspended for fracture stimulation and production testing in a campaign that will include Redland-1, Geoffrey-1, and Hervey-1.

Notices of Petroleum Discovery have been lodged with the DNRM for Halifax-1, Keppel-1, Redland-1 and Etty-1.

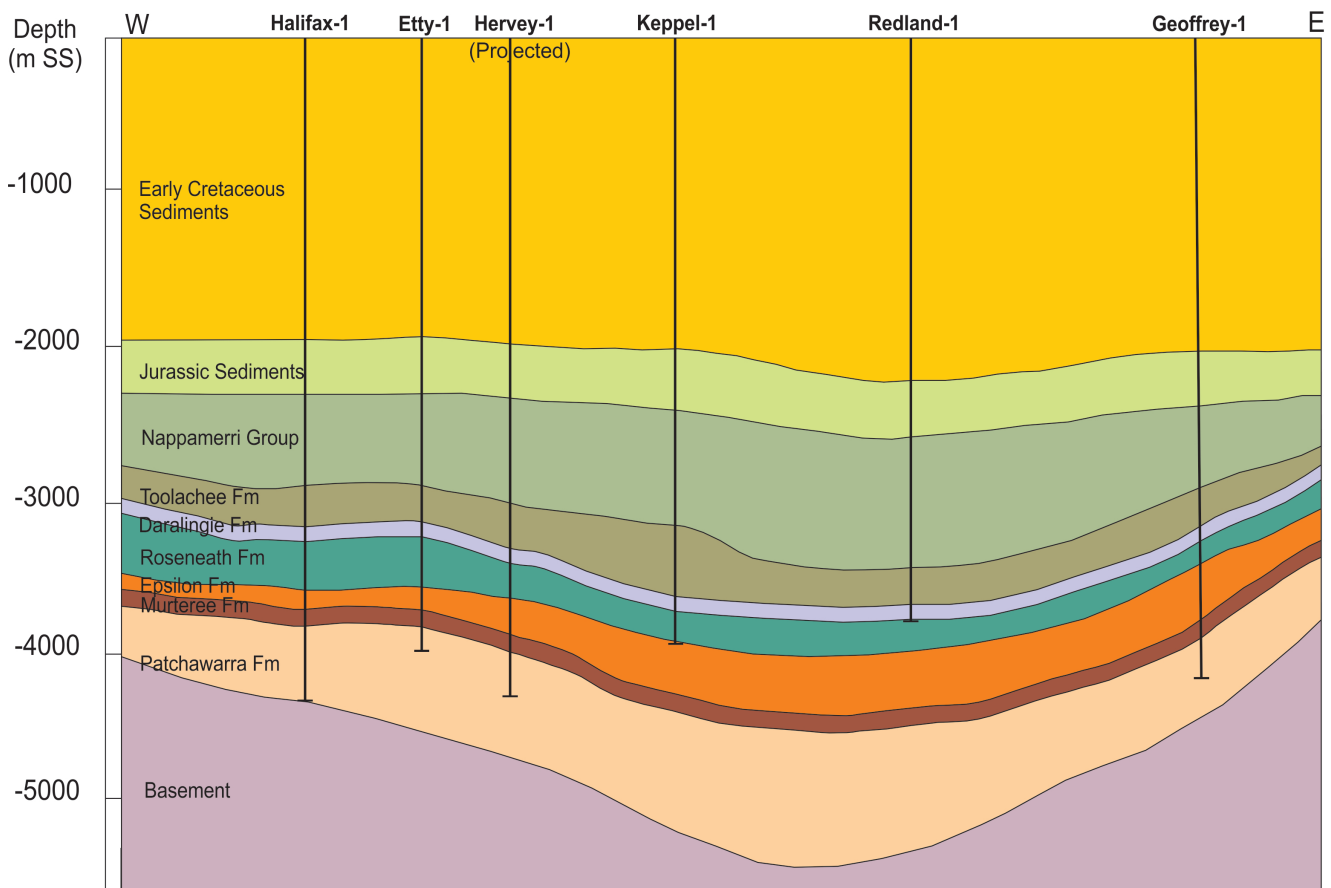


**Figure 1:** Map showing the unconventional shale gas wells in PEL 218 and Queensland permit ATP 855



All wells drilled within ATP 855 to date, Halifax-1, Hervey-1, Keppel-1, Geoffrey-1 Redland-1 and Etty-1, have exhibited good gas shows and confirmed the continuation of the basin-centred gas play in the Nappamerri Trough, in Queensland with ATP 855 containing the deepest sections of the Trough.

The 2014 multi-well stimulation campaign of the wells including Hervey-1, Geoffrey-1, Redland-1 and Etty-1 will take place in Q3 of calendar 2014. Key target reservoirs have been identified for specific zone fracture stimulation and flow tests. These tests are aimed at gathering information on the contribution from individual target zones, which will represent only a fraction of each well's capability. A new contract for fracture stimulation and completion of the four wells in ATP 855 was awarded to Condor Energy Services Limited, a newly established Australian company with new equipment from North America. Condor personnel have experience both in the Cooper Basin and internationally.



**Figure 2:** Structural cross section through ATP 855 in the Cooper Basin, Queensland. Hervey-1, which is located southeast of this cross section, has been projected onto the cross section to show its relative position.

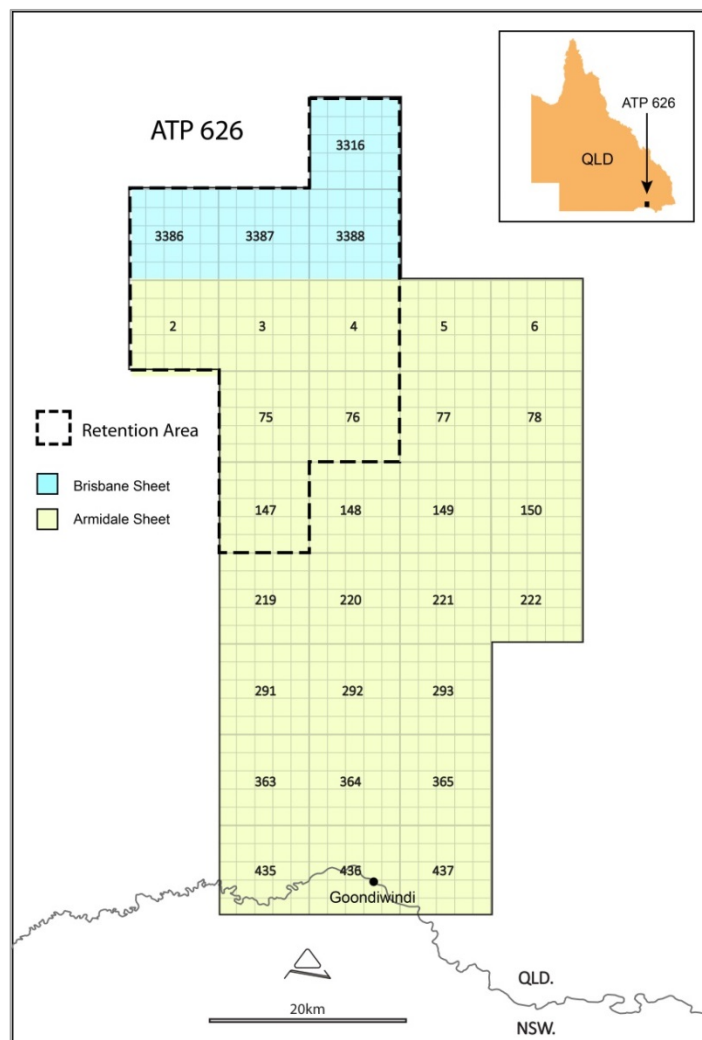
## Queensland – Petroleum Exploration – Surat Basin – ATP 626

### ATP 626

(Icon Energy 100% and Operator)

Following a strategic review of ATP 626 and in accordance with the Queensland Government's mandatory relinquishment policy, Icon is required to relinquish 20 sub-blocks or two-thirds of ATP 626 in the southern portion of the tenement (refer to map below). After an extensive two stage program and comprehensive independent research, the coal seam gas play has proved to be uncommercial in ATP 626.

Icon has lodged a later work program for this area with the Department of Natural Resources and Mines (**DNRM**) as required under the Act.



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

The plug, abandonment and rehabilitation program covering the former ATP 626 Joint Venture wells has now been completed. The remaining wells in the tenement are Eolus-1, Mindagabie-1 and Stitch-1, which are currently suspended.

Basin / Area	Permit / Area	Tenement Area (sqkm)	Permit Interest	Operator	Prospect Type
Cooper Eromanga Basin, Nappamerri Trough	ATP 855	1674	35.1	Beach Energy	Shale Gas
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
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	0% 60% 60%	Icon Energy	Shale Gas Oil
Eromanga Basin	ATP 594P	1,538	50%	Icon Energy	Natural Gas Oil
Gippsland Basin	PEP 170	808	100%	Icon Energy	Natural Gas Oil
Gippsland Basin	PEP 172***	1,312	100%	Icon Energy	Natural Gas Oil
Gippsland Basin	PEP 173***	1,220	100%	Icon Energy	Natural Gas Oil
Cooper Basin	ATP 560 UEleven****	307	0%	Icon Energy	Oil Gas
<p>* The Company is currently finalising the voluntarily relinquishment of the two geothermal tenements.</p> <p>** Relinquished on 31 October 2013, under the work program relinquishment requirements.</p> <p>*** The granting of PEP 172 and PEP 173 has been deferred until the Victorian Government has implemented measures in response to the National Harmonised Framework.</p> <p>**** Relinquished on 31 October 2013, under the relinquishment requirements of the work program.</p>					

**Figure 5:** Table showing all Icon Energy's tenements .

**For further information please contact:**

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**About 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 March 2014

### Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (9 months ) \$A'000
1.1	Receipts from product sales and related debtors		
1.2	Payments for (a) exploration & evaluation	(6,397)	(17,172)
	(b) development		
	(c) production		
	(d) administration	(1,847)	(4,955)
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	44	463
1.5	Interest and other costs of finance paid	(13)	(39)
1.6	Income taxes paid		
1.7	Other (provide details if material)		
<b>Net Operating Cash Flows</b>		<b>(8,213)</b>	<b>(21,703)</b>
<b>Cash flows related to investing activities</b>			
1.8	Payment for purchases of: (a) prospects		
	(b) equity investments		
	(c) other fixed assets	124	161
1.9	Proceeds from sale of: (a) prospects	(424)	3
	(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>(300)</b>	<b>164</b>
1.13	Total operating and investing cash flows (carried forward)	<b>(8,513)</b>	<b>(21,539)</b>

+ See chapter 19 for defined terms.

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

1.13	Total operating and investing cash flows (brought forward)	(8,513)	(21,539)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	487	19,361
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings	0	(3,430)
1.18	Dividends paid		
1.19	Other (provide details if material)		
	<b>Net financing cash flows</b>	487	15,931
	<b>Net increase (decrease) in cash held</b>	(8,026)	(5,608)
1.20	Cash at beginning of quarter/year to date	35,621	33,203
1.21	Exchange rate adjustments to item 1.20		
1.22	<b>Cash at end of quarter</b>	27,595	27,595

**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	332
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	7,500
4.2 Development	Nil
4.3 Production	Nil
4.4 Administration	1,400
<b>Total</b>	<b>8,900</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	595	8,621
5.2 Deposits at call	Nil	Nil
5.3 Bank overdraft	Nil	Nil
5.4 Other – bank term deposits	27,000	27,000
<b>Total: cash at end of quarter</b> (item 1.22)	<b>27,595</b>	<b>35,621</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	ATP560 UEleven	Authority to Prospect 560 (Petroleum Exploration)	50.5%	0%
	ATP794 Brightspot Block	Authority to Prospect 794 (Petroleum Exploration)	75%	0%
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 <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>	615,774,351	615,774,351		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
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>
<b>Unlisted Performance Rights</b> (performance rights issued pursuant to the Long Term Incentive Policy and Employee Performance Rights Plan)	2,705,497	Nil	Nil	30 June 2017

+ See chapter 19 for defined terms.

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)				

## 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: 10 March 2014

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.

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+ See chapter 19 for defined terms.



## Appendix 5B

### Mining exploration entity quarterly report

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- 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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