

29 July 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 30 June 2014.



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Company Secretary

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QUARTERLY REPORT

Period Ending 30 June 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)

Corporate

- Icon Energy Limited (**Icon Energy** or **Icon**) lodged a Research and Development (**R&D**) claim for the full year ended 30 June 2013, in April 2014 and a payment of \$7,492,356 was received in July 2014.
- Icon and Shantou SinoEnergy Co Ltd, of the Peoples' Republic of China, have agreed to extend the completion date for conditions precedent in the Gas Sales Agreement (**GSA**) to 30 June 2015. The GSA is for a total of 40 million tonnes of LNG, (2Mtpa) for 20 years.

Operations

ATP 855

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

- On 19 June 2014, Icon announced that DeGolyer & MacNaughton, a leading United States based independent consulting firm focused on the petroleum industry, had provided a report on the Unconventional Prospective Resources in ATP 855. The findings of this independent report show a best estimate (P50) of 28Tcf of Gross Unconventional Prospective Raw Natural Gas Resources (as of 15 June, 2014) in ATP 855 of which Icon's interest is 10Tcf (35.1%). The Unconventional Prospective Resources Estimates prepared by DeGolyer & MacNaughton were evaluated in accordance with the Petroleum Resources Management System.
- 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.
- 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.

Financial Position at end of June 2014 Quarter

The total cash balance at the end of the June 2014 quarter was \$19.6 million. A further \$7,492,356 was received in early July 2014 in respect of a R & D grant claim.

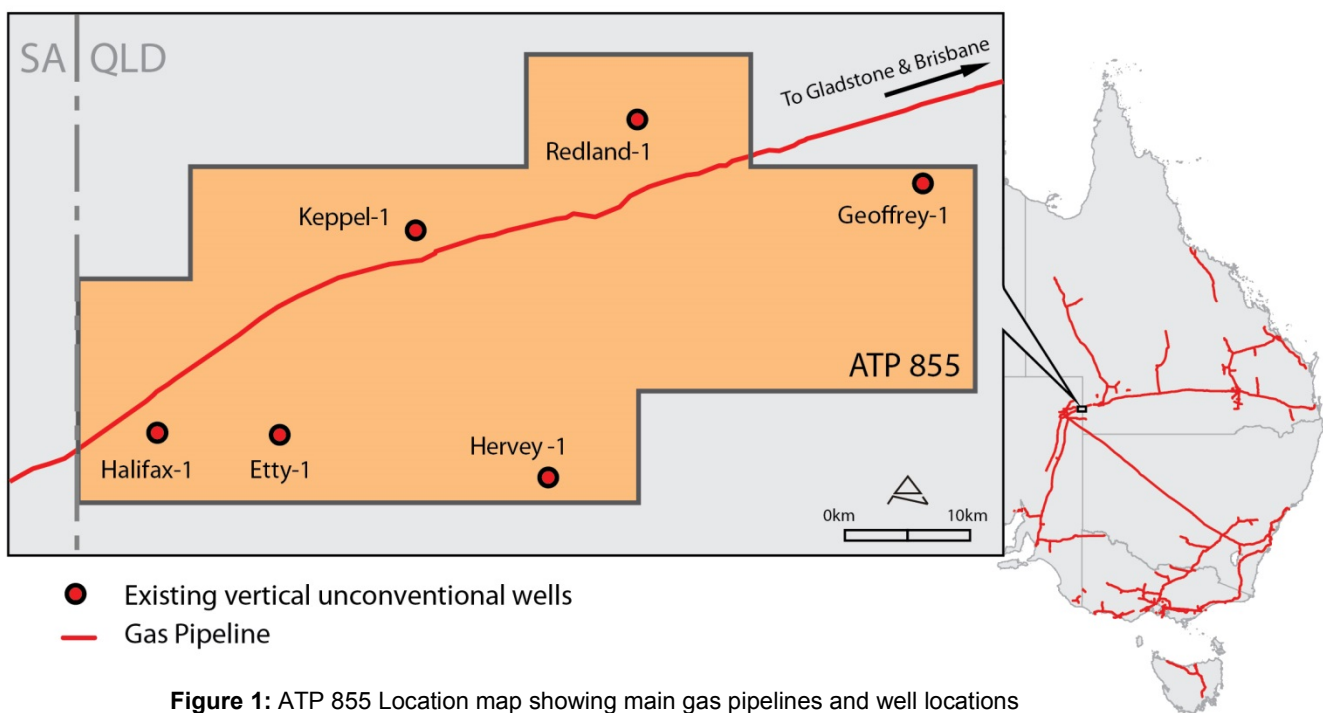
At 30 June 2014 Icon Energy had 7,134 shareholders.

OPERATIONS

Queensland – Petroleum Exploration – Cooper Basin – ATP 855

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 proportion 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.

Notices of Petroleum Discovery have been lodged with the Department of Natural Resources and Mines (**DNRM**) for the Halifax-1, Keppel-1, Redland-1 and Etty-1 wells.



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.

Queensland – Petroleum Exploration – Cooper Basin – ATP 855

On 19 June 2014 Icon announced that DeGolyer & MacNaughton, a leading United States based independent consulting firm focused on the petroleum industry, had been engaged to provide a report on the Unconventional Prospective Resources in ATP 855.

The findings of this independent report show a best estimate (P50) of 28Tcf of Gross Unconventional Prospective Raw Natural Gas Resources (as of 15 June, 2014) in ATP 855, of which Icon Energy's interest is 10Tcf (35.1%). The results are summarised as follows:

ATP 855 – Gross Unconventional Prospective Raw Natural Gas Resource

	Low Estimate (P90)	Best Estimate (P50)	High Estimate (P10)
Gross Unconventional Prospective Raw Natural Gas Resources (Tcf)	21.48	28.49	37.74

- (1) Icon Energy's share: 35.1%
- (2) Icon confirms that it is not aware of any new information or data that materially affects the information included in the announcement released on 19 June 2014 and that all the material assumptions and technical parameters underpinning the estimates in the announcement continue to apply and have not materially changed.

The Unconventional Prospective Resources Estimates prepared by DeGolyer and MacNaughton were evaluated in accordance with the Petroleum Resources Management System (**PRMS**) (March 2007).

In the release Icon Energy Managing Director Mr Ray James said, "Today's independent report is a very encouraging outcome for the joint venture. To have a 28Tcf Recoverable Prospective Resource booking with Icon's interest being approximately 10Tcf which is a significant step towards our primary objective of proving up 2Tcf of 2P reserves in ATP 855."

"This booking released today confirms the potential of the Nappamerri Trough shale and basin-centred gas province and as a joint venture partner we are working hard to "crack the code" of this exciting resource play".

Queensland – Petroleum Exploration – Surat Basin – ATP 626

ATP 626 (Icon Energy Operator)

Following a strategic review of ATP 626, Icon relinquished 20 sub-blocks or two-thirds of ATP 626 in the southern portion of the tenement (refer to map below) and lodged a Partial Relinquishment Report with DNRM on 27 June 2014. After an extensive two stage program and comprehensive independent research, the Company announced that the coal seam gas play has proved to be uncommercial in ATP 626.

Icon Energy lodged a Later Work Program for ATP 626 with DNRM on 28 April 2014 in order to conduct conventional exploration in the retained blocks within ATP 626.

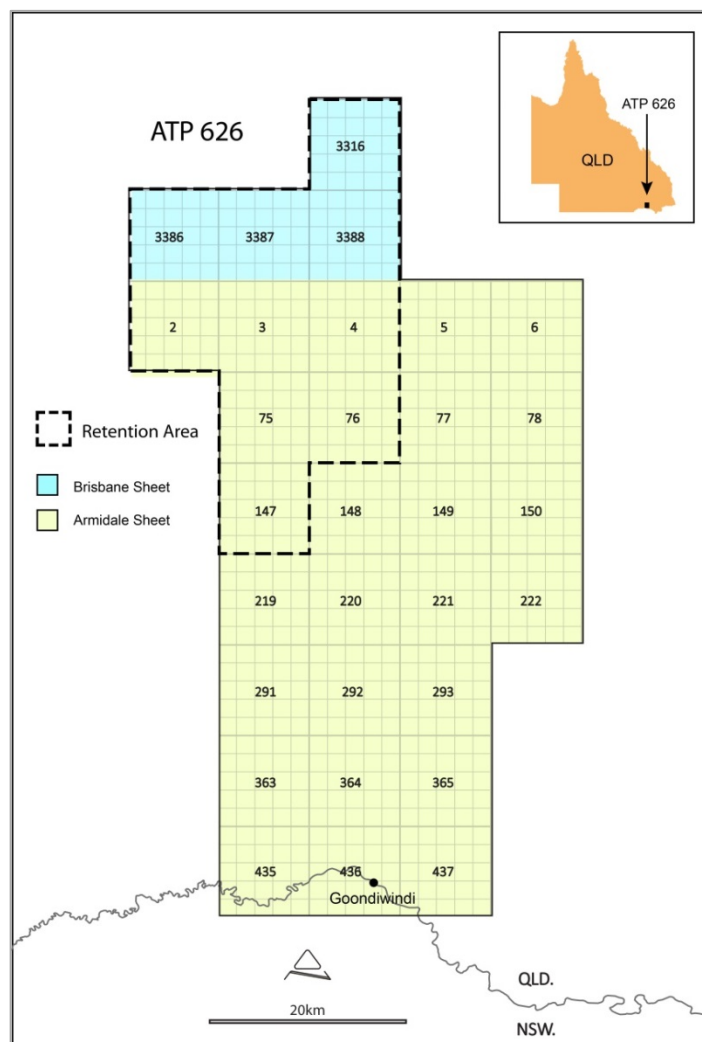


Figure 2: Map showing the blocks retained in ATP 626 in the Surat Basin, Queensland

The plugging, abandonment and rehabilitation program covering the former ATP 626 Joint Venture wells was completed by 30 June 2014. The remaining wells in the tenement are Eolus-1, Mindagabie-1 and Stitch-1, which are currently suspended.

ICON ENERGY TENEMENTS

QUARTERLY REPORT
Period ending 30 June 2014

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	4,742	0% 60% 60%	Icon Energy	Shale Gas Oil
Eromanga Basin	ATP 594	1,538	50%	Icon Energy	Natural Gas Oil
Surat Basin	ATP 626 ***	741	99%	Icon Energy	Conventional Oil and Gas
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
<p>* Icon Energy's geothermal tenements EPG 49 and 51 were voluntarily surrendered during the year with approval being granted for the surrender on 23 May 2014.</p> <p>** The Brightspot block was relinquished on 31 October 2013, under the work program relinquishment requirements.</p> <p>*** The remaining 1% is currently being processed by DNRM, after which Icon Energy will hold 100% of ATP 626.</p> <p>**** The granting of PEP 172 and PEP 173 has been deferred. Icon Energy wrote to the Department of Environment and Primary Industries (DEPI) requesting, an extension and or suspension of the permit conditions until the moratorium on all on-shore gas exploration is lifted in Victoria.</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")

30 June 2014

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (12 months) \$A'000
1.1	Receipts from product sales and related debtors		
1.2	Payments for (a) exploration & evaluation	(7,283)	(24,455)
	(b) development		
	(c) production		
	(d) administration	(1,125)	(6,080)
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	318	781
1.5	Interest and other costs of finance paid	0	(39)
1.6	Income taxes paid		
1.7	Other (provide details if material)		
Net Operating Cash Flows		(8,090)	(29,793)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a) prospects		
	(b) equity investments		
	(c) other fixed assets	100	261
1.9	Proceeds from sale of: (a) prospects	0	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)		
Net investing cash flows		100	264
1.13	Total operating and investing cash flows (carried forward)	(7,990)	(29,529)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(7,990)	(29,529)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	0	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)		
	Net financing cash flows	0	15,931
	Net increase (decrease) in cash held	(7,990)	(13,598)
1.20	Cash at beginning of quarter/year to date	27,595	33,203
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	19,605	19,605

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	325
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	5,564
4.2 Development	Nil
4.3 Production	Nil
4.4 Administration	2,040
Total	7,604

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	7,605	595
5.2 Deposits at call	Nil	Nil
5.3 Bank overdraft	Nil	Nil
5.4 Other – bank term deposits	12,000	27,000
Total: cash at end of quarter (item 1.22)	19,605	27,595

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			
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 Preference securities (description)				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	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 +Convertible debt securities (description)				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options (description and conversion factor)			<i>Exercise price</i>	<i>Expiry date</i>
Unlisted Performance Rights (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	Debentures (totals only)				
7.12	Unsecured notes (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: 15 July 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.

Appendix 5B

Mining exploration entity quarterly report

- 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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