26 August 2014

ASX Company Announcements Office

FINANCIAL STATEMENTS & REPORTS FOR 12 MONTHS TO 30 JUNE 2014

Please find attached Icon Energy Ltd Financial Statements and Reports for the financial year ended 30 June 2014.

Yours sincerely

Ross Mallett
Company Secretary
Icon Energy Limited

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Icon Energy Limited

ABN 61 058 454 569

FULL YEAR ACCOUNTS

For the year ended
30 June 2014

Icon Energy Limited

ABN 61 058 454 569

Full Year Accounts

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DIRECTORS' REPORT

The Directors of Icon Energy Limited (***Icon Energy*** or ***Company***) present their report together with the financial statements of the Company and its controlled entities ("the Group" or "the Consolidated Entity") for the financial year ended 30 June 2014. In order to comply with the provisions of the *Corporations Act 2001*, the Directors of Icon Energy report as follows:

PRINCIPAL ACTIVITIES

The principal activities of Icon Energy during the year included the exploration, appraisal and development of oil and gas properties. There were no significant changes in the nature of these activities during the year.

DIRECTORS

The Directors of the Company who held office during or since the end of the year are set out below:

Name	Position	First Appointed
Stephen Michael Barry	Non-executive Chairman	Director since 05/01/1993
Raymond Swinburn James	Managing Director	Director since 01/02/1993
Dr Kevin Jih	Chief Financial Officer & Executive Director	Director since 30/11/2011
Dr Keith Hilless AM	Non-executive Director	Director since 03/04/2009
Howard Lu	Non-executive Director	Director since 07/01/2011
Derek James Murtagh Murphy	Non-executive Director	Director since 20/03/2009

Details of the qualifications and experience, other directorships of listed entities and special responsibilities of Directors are set out in the Board of Directors' section of this Annual Report.
Refer to table 12 of Remuneration Report for Directors' interests in shares and performance rights .

REVIEW OF OPERATIONS AND RESULTS

A review of operations of the consolidated entity during the financial year and the results of those operations is included in the Review of Operations section of this Annual Report.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Cooper Basin Queensland

- 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 Hervey-1 vertical exploration well reached a total of 4,269 metres on 11 July 2013 and encountered encouraging gas shows through the Permian section.

- The Keppel-1 vertical exploration well located 25 kilometres north east of Halifax-1 was spudded on 3 June 2013. Keppel-1 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 26 August 2013 Icon announced that Beach Energy, in its capacity as Operator of the ATP 855 joint venture, had engaged DeGolyer & MacNaughton, a leading United States based independent consulting firm focused on the petroleum industry, 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 in accordance with the Petroleum Resources Management System.[1]

- The Geoffrey-1 vertical well, which is located 36 kilometres north-east of Hervey-1, spudded on 14 October 2013. On 9 December 2013 the Geoffrey-1 well reached a total depth of 4,125 metres in the Patchawarra formation and the results have been very encouraging with good gas shows throughout the Permian section.

- The Redland-1 vertical well, which is located 22 kilometres north-west of Geoffrey-1, was spudded on 15 December 2013. On 23 January 2014 Redland-1 reached its target depth of 3,804 metres. Redland-1 recorded significant gas shows in the Toolachee and Daralingie Formations.

- The vertical exploration well, Etty-1, which is located 8.6 kilometres east of Halifax-1, was spudded on 9 February 2014. Etty-1 reached a total depth of 3,807 metres on 23 March 2014 and encountered gas shows throughout the Permian section.

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

- A new contract for fracture stimulation and completion of 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.

- On 19 June 2014 Icon announced that DeGolyer & MacNaughton 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. The Unconventional Prospective Resources Estimates prepared by DeGolyer and MacNaughton were evaluated in accordance with the Petroleum Resources Management System. [1]

- ATP 560 U Eleven block was relinquished on 31 October 2013, under the relinquishment requirements of the work program.

- ATP 794 Brightspot block was relinquished on 31 October 2013, under the relinquishment requirements of the work program. Icon Energy remains the operator of the Regleigh and Springfield blocks in ATP 794.

- 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.

[1] Icon confirms that it is not aware of any new information or data that materially affects the information included in the announcements released on 23 August 2013 and 19 June 2014 and that all the material assumptions and technical parameters underpinning the estimates in the announcements continue to apply and have not materially changed.

Surat Basin Queensland

- ATP 849 in the Surat Basin was voluntarily surrendered to DNRM on 31 August 2013 following a geological review of Surat Basin data gathered by Icon Energy from 2008 to 2013. The ATP 849 End of Tenure Report was lodged with DNRM on 27 February 2014.

- The plug, abandonment and rehabilitation program covering the former ATP 626 Joint Venture wells was completed by 30 June 2014.

- Following a strategic review of ATP 626 and in accordance with the Queensland Government's mandatory relinquishment policy, Icon relinquished 20 sub-blocks or two–thirds of ATP 626 in the southern portion of the tenement and lodged the 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 ATP626 with DNRM on 28 April 2014 in order to conduct conventional exploration in the retained blocks within ATP 626.

Gippsland Basin Victoria

- 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 registered on 1 November 2013 by the National Native Title Tribunal.

- 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.

Corporate

- On 2 December 2013, Icon Energy successfully raised $18.88 million through a share placement to Hong Kong-based Company, HK Prosperous Technology Limited (***HK Prosperous***) at a price of 23.5 cents.

- Icon and Shantou SinoEnergy Co Ltd, of the Peoples' Republic of China, have agreed to extend the completion date for conditions precedent in the GSA to 30 June 2015. The Shantou SinoEnergy Gas Sale Agreement is for a total of 40 million tonnes of LNG, (2Mtpa) for 20 years.

Research and Development Activity

Icon Energy 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 Energy is currently in the process of preparing another R&D claim for the full year ended 30 June 2014. This claim will cover activities carried out in one project area; ATP 855 in the Nappamerri Trough, Cooper Basin in south west Queensland. The overall technical objective of this project is to develop new methods and techniques that enable gas to be extracted efficiently from the deep Nappamerri Trough. Deloitte's will be assisting Icon in the preparation and lodgement of this claim.

EVENTS AFTER THE BALANCE DATE

Other than the above transactions there has not arisen in the interval between 30 June 2014 and the date of this report, any item, transaction or event of a material or unusual nature likely in the opinion of the Directors, to affect substantially the operations or state of affairs of the consolidated entity in subsequent financial years unless otherwise noted in the Annual Report.

CORPORATE STRATEGIES AND FUTURE DEVELOPMENTS

Reference to corporate strategies and future development is included in the Chairman's and Managing Director's Report. Other than matters included in this Report or elsewhere in the Annual Report, likely developments in the operations of the consolidated entity and expected results of those operations have not been disclosed as the Directors believe that the inclusion would most likely result in unreasonable prejudice to the Company (in accordance with Section 299A(3) of the *Corporations Act 2001*).

FINANCIAL POSITION

The net profit after tax for the Company and its controlled entities for the financial year ended 30 June 2014 was $1,577,590 (30 June 2013: net profit after tax of $3,720,392). Further information on the company's financial position is included in the Chairman's and Managing Director's Report.

DIVIDENDS

The Directors recommend that no dividend be paid by the Company. No dividends have been declared or paid by the Company since the end of the previous financial year (30 June 2013: Nil).

REMUNERATION REPORT

The Remuneration Report for the financial period which forms part of the Director's Report can be found on page 35 of this Annual Report.

COMPANY SECRETARY

The Company Secretary is Ross Mallett. He was appointed Legal Counsel and Company Secretary on 13 March 2012. Details of Mr Mallett's qualifications and experience are set out in the Senior Leaders section of this Annual Report.

MEETINGS OF DIRECTORS

During the financial period, sixteen meetings of Directors (including committees) were held. Attendances at these meetings by each director were as follows:

	Directors Meetings		Audit and Risk Management Committee Meetings		Remuneration Nominations and Succession Committee Meetings	
	Held	**Attended**	**Held**	**Attended**	**Held**	**Attended**
R S James	9	9	-	-	-	-
S M Barry	9	9	4	4	9	9
D Murphy	9	9	4	4	9	9
K Hilless	9	9	4	4	-	-
H Lu	9	9	-	-	-	-
K Jih	9	9	-	-	-	-

ENVIRONMENTAL REGULATION

The consolidated entity's operations are subject to various environmental regulations. The Company has a policy of at least complying, but in most cases exceeding environmental performance obligations. Further information on the Company's environmental performance can be found in the Sustainability section of this Annual Report.

The Directors are not aware of any environmental breaches nor has the Company been notified of any breaches by any Government Agency during the financial period.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings**.**

DIRECTORS AND AUDITORS INDEMNIFICATION

The Directors and Company Secretary are indemnified by the Company against any liability incurred in their capacity as an officer of the Company or a related body corporate to the maximum extent permitted by law. The Company has not paid any premiums in respect of any contract insuring the Directors of the Company against a liability for legal costs.

The Company has not paid any premiums in respect of any contract insuring the auditor against a liability incurred in the role as an auditor of the Company. In respect of non-audit services, Crowe Howarth, the Company's auditor, has the benefit of indemnity to the extent Crowe Howarth reasonably relies on information provided by the Company which is false, misleading or incomplete. No amount has been paid under this indemnity during the period ended 30 June 2014 or to the date of this Report.

Details of the nature of the liabilities covered in respect of Directors' and Officers' insurance policies are not disclosed as such disclosure is prohibited under the terms of the contracts.
The total premium expense for the year was $24,479.61 (30 June 2013: $25,135.54).

NON-AUDIT SERVICES

The auditors did not perform any non-audit services during the year (2013: none)

There are no officers of the Company who are former audit partners of Crowe Horwath.

Assurance of Section 295A Declaration

The Board of Directors has received assurance from the Managing Director and the Chief Financial Officer that the declaration provided in accordance with Section 295A of the *Corporations Act 2001* is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.

Lead Auditor's Independence Declaration under Section 307C of the *Corporations Act 2001*

The lead auditor's independence declaration is set out on page 47 and forms part of the Directors' Report for the period ended 30 June 2014. Crowe Horwath continues in office in accordance with Section 327 of the *Corporations Act 2001*.

Signed in accordance with a resolution of the Board of Directors of Icon Energy Limited.

S M Barry	R S James
Chairman	Managing Director
26 August 2014	26 August 2014

REMUNERATION REPORT – AUDITED

Key Points	
*	**Remuneration framework structured to reward executives for achievement of goals that add shareholder value**
*	**Short and long term incentives only vest on achievement of corporate and individual performance goals**
*	**Long term incentives will not vest unless the share price at least doubles and Icon's share price growth performs well when benchmarked against other energy companies**
*	**Company achieves after tax profit result of $1,577,590**

The Directors of Icon Energy Limited present this Remuneration Report for the consolidated entity for the year ended 30 June 2014. The information provided in this report has been audited as required by the *Corporations Act 2001 (Cth)* and forms part of the Directors' Report. This Remuneration Report sets out remuneration information for Icon Energy's Key Management Personnel (KMPs) including the following persons who were non-executive directors and senior executives during the financial year:

Table 1: Icon Energy's Key Management Personnel

Name	**Position Held**
Non-Executive Directors	
Stephen Barry	Chairman
Keith Hilless	Director
Howard Lu	Director
Derek Murphy	Director
Executive & Senior Managers	
Ray James	Managing Director
Kevin Jih	Chief Financial Officer & Executive Director
Ross Mallett	Company Secretary & Legal Counsel
Martin Berry(i)(ii)	Exploration Manager
Richard Holliday	Commercial Manager

(i) Appointed 1 August 2013
(ii) James Carr resigned as Operations Manager on 21 June 2013

1. REMUNERATION FRAMEWORK

The Company's Remuneration framework is designed to ensure that:

- Executive and Senior Managers receive competitive and reasonable market based levels of base remuneration;
- Employees and Executive and Senior Managers who perform well have the opportunity to be rewarded through an annual short term incentive plan;

- Long term incentives are aligned to the achievement of strategic objectives and creation of value for shareholders.

2. ROLE OF THE REMUNERATION, NOMINATIONS AND SUCCESSION COMMITTEE

The Remuneration, Nominations and Succession Committee is responsible for making recommendations to the Board on remuneration policies. The Committee, where necessary, obtains independent advice on the remuneration packages offered to potential employees. The Company's broad remuneration policy ensures that each remuneration package is properly aligned to the person's duties and responsibilities and that remuneration is competitive in attracting, retaining and motivating people of the highest quality. The Company has structured an executive remuneration framework that is competitive and complementary to the reward strategy of the organisation.

The Remuneration, Nominations and Succession Committee Charter sets out the Board's policy for the nomination and appointment of directors and the process for the evaluation of the performance of senior executives. The performance of the Managing Director is evaluated by the Committee on an annual basis in July in accordance with the procedures set out in the Committee's Charter. The Corporate Governance Statement provides further information on the role of the Committee. The Committee also reviews and approves the outcomes for the Managing Director's direct reports on the recommendation of the Managing Director and reviews incentive programs and employment terms offered to the wider group.

3. METHODOLOGY USED TO DETERMINE THE NATURE AND AMOUNT OF REMUNERATION

Non-Executive Directors

Fees paid to Non-Executive Directors reflect the demands made on, and responsibilities of, such directors. Non-Executive Directors' fees are reviewed by the Board on an annual basis. The maximum total amount available for payment of all Non-Executive Director fees is $500,000 per annum which was approved by shareholders at the 2010 Annual General Meeting. The total amount of fees actually paid to Non-Executive Directors during the financial year was $352,922. During the year the Board, with Committee members abstaining, approved the payment of additional fees to Directors serving on Board Committees to recognise their significant contribution to the Company. An additional $7,500 per annum per Committee is paid to Committee members and $8,500 per annum per Committee for the Chairmen of the Committees. Non-Executive Directors do not receive performance based remuneration.

Executive Managers and Senior Management

Executive and Senior Managers are remunerated through a combination of:

- Fixed Remuneration (FR);
- Short-term Incentive (STI) – an annual cash and/or equity based incentive awarded at the discretion of the Board on achievement of specified company and individual performance goals;
- Long-term Incentive (LTI) – equity grants which may be granted on an annual basis, at the discretion of the Board, and have the potential to vest following achievement of specified company objectives measured over a 3 year period

STI and LTI represent the 'at-risk' portions of remuneration.

Consistent with market practice, the proportion of remuneration attributable to each component of the Icon Energy Remuneration Policy is dependent on the level of seniority of the employee. The Managing Director has the highest level of 'at-risk' remuneration reflecting the greater level of responsibility of this role. Table 2 sets out the relative proportion of at-risk remuneration for senior executives and managers.

Generally, the LTI will only be available to the executive directors and senior executives; whereas STI may be made available to employees throughout the Company.

Table 2: Relative Proportions of Remuneration Packages

Position	Fixed	At Risk	
	FR%	STI%	LTI%
Managing Director	50	25	25
Executive Managers	56	22	22
Senior Managers	67	20	13
Other Employees	91	9	-

The Icon Energy Limited Performance Rights Plan ("Plan") was presented and approved by shareholders at the Annual General Meeting held on 22 April 2010, under which the Company is able to grant appropriately structured short and long-term incentives to employees (including Executive Directors) in addition to their fixed remuneration. The structure of the STI and LTI plans and achievement of predefined STI and LTI targets is reviewed by the Board, and modified where appropriate, on an annual basis. In accordance with ASX listing rule 7.2 Exception 9 the Plan is being resubmitted to shareholders for approval at the 2014 AGM. This is because Listing Rule 7.1 prohibits Icon from issuing or agreeing to issue new securities amounting to more than 15% of Icon's Issued Capital during a 12 month period, without shareholder approval unless exception 9 of listing rule 7.2 applies. Exception 9 excludes securities issued under an employee incentive plan where shareholders have approved the issue of the securities under the Plan within the previous 3 years. As it has been over 3 years since shareholder approval was last obtained the Company is seeking a renewal of approval of the Icon Performance Rights Plan by shareholders at the 2014 AGM so that securities issued under the Plan will not be included in the 15% limit referred to above.

4. FIXED REMUNERATION

Fixed remuneration consists of the base remuneration calculated on a total cost basis and including FBT charges on employee benefits, as well as contributions to superannuation funds. Remuneration levels are reviewed annually. Senior executives were restricted to CPI increases over the financial year.

5. SHORT-TERM INCENTIVES

During the year the Company issued Short-term Incentive (STI) plan awards under the 2013-14 STI Plan. Set out below are some of the key features of the Company's 2013-14 STI Plan.

Table 3: Short Term Incentives

What is the STI?	STI is an annual cash (30%) and equity (70%) based incentive awarded at the discretion of the Board on achievement of specified company and individual performance goals established on an annual basis between management and their direct reports, which includes the Group's financial performance and individual performance.
How does STI contribute to Company Performance?	The STI rewards company executives and staff for meeting or exceeding corporate and individual performance goals. The STI aligns the interests of company executives with shareholders by incentivising executives to meet company goals that add value to the company and contributes to share price growth.
What is the value of STI that can be earned?	The STI that can be earned is based on a percentage of the executive's Fixed Remuneration (FR) ranging from 50% of FR for the Managing Director to 10% of FR for employees (refer to table 2 for further details).
What are the performance conditions?	Performance conditions are set by the Board and reflect the financial and operational goals of Icon Energy and individual performance objectives over a 12 month period. Corporate key performance indicators include a focus on the following areas: • Exploration success; • Funding of Icon activities; • Health, Safety & Environment performance targets; • Growth in the Company's market capitalisation;

	• Sourcing, evaluation and execution of new opportunities.
Performance Period, Grant Date & Issue Price	Performance Rights issued under the 2013-14 STI were granted with effect from 4 March 2014. Performance Rights were granted at no cost to the participants. The Performance Period is between 1 July 2013 and 30 June 2014.
How is performance assessed?	Following the conclusion of the Performance Period (30 June 2014) the Board made an assessment as to the extent to which the STI corporate performance conditions have been met and the number of Performance Rights that will vest. Financial and operational performance is assessed against targets set at the start of the year. The performance of the Managing Director (MD) is assessed by the Board through the Remuneration, Nomination and Succession Committee and the performance of individual executives (other than the MD) is reviewed by the Committee based on the recommendation of the MD following executive performance appraisals.
When do the STI benefits vest?	The STI benefits will vest effective 30 June 2014 following the assessment of performance carried out by the Board after the end of the financial period. In the case of the cash component the benefit will be paid to employees following the assessment process. Where the Performance Rights vest, they may be exercised by the executive at any time up to the 'STI Last Exercise Date', which is 30 June 2016 for the 2013-14 STI grant. Any unexercised Performance Rights will lapse following the STI Last Exercise Date.
STI Performance Right Expiry/Lapse	STI Performance Rights lapse if vesting does not occur on testing of the performance conditions. Where Performance Rights vest they may be exercised at any time up to the STI Last Exercise Date being 30 June 2016. Any Performance Rights not exercised by the STI Last Exercise Date will lapse. The Expiry Date for 2013-14 STI Performance Rights is 30 June 2016.
What happens on exercise of rights?	When an executive exercises a Performance Right following vesting they will be issued with one ordinary share for every Performance Right exercised. No exercise price is paid on vesting as Performance Rights are issued at no cost.

Special Short Term Incentive

During the year the Company completed a capital raising of $18 million at an issue price of 23.5 cents. In recognition of their roles in securing the placement the Board on the recommendation of the Remuneration Committee approved a special cash performance bonus of $125,000 to each of the Managing Director and the Chief Financial Officer.

6. LONG-TERM INCENTIVES

The only Long-term Incentive (LTI) plan awards issued or in operation during the year were the 2012-13 LTIs and 2013-14 LTIs. Set out below are some of the key features of the Company's 2013-14 LTI plan.

Table 4: Long Term Incentives

What is the LTI?	Long-term incentives are delivered to executives in the form of equity awards (Performance Rights) which may vest as Icon shares upon the satisfaction of performance conditions/key performance drivers which underpin long term sustainable growth for the Company.
How does LTI contribute to Company Performance?	The LTI provides an incentive to company executives to achieve company goals that add value to the company and contribute to long term shareholder wealth. The LTI benefits only pass to executives following a sustained increase in the share price and the level of benefits paid to executives is dependent on the relative performance of the company when benchmarked against other listed energy companies incentivising executives to outperform.
What is the value of LTI that can be earned?	The LTI that can be earned is based on a percentage of the executive's Fixed Remuneration (FR) ranging from 50% of FR for the Managing Director to 19% of FR for senior managers (refer to table 2 for further details)
What are the performance conditions?	In order for Performance Rights under the LTI to vest the following two sets of performance criteria must be met: (1) The average daily Icon Energy share price must achieve and maintain a level of at least 45 cents per share for at least 30 consecutive days over the 3 years commencing 1 July 2013; and

<table>
<tr><td></td><td>(2) The growth of the Icon Energy share price relative to the share price of a comparator group of Australian oil and gas exploration and production companies and other companies appearing in the S&P/ASX 300 Energy list as determined by the Board (expressed as a percentile ranking) over the 3 years commencing 1 July 2013 must achieve the 40th percentile in order for rights to begin vesting</td></tr>
<tr><td>Why were these performance conditions chosen?</td><td>Performance conditions based on growth in Icon’s share price were chosen because share price growth is directly linked to growth in shareholder value. The performance conditions ensure that senior executives will only benefit if, and to the extent that, there is a significant sustained increase in the company’s share price over a three year period. No LTI benefits will vest unless Icon’s share price growth performs well when benchmarked against other energy companies and the share price achieves a minimum threshold level (45 cents)</td></tr>
<tr><td>Performance Period, Grant Date & Issue Price</td><td>Performance Rights issued under the 2013-14 LTI were granted with effect from 4 March 2014. Performance Rights were granted at no cost to the participants. The Performance Period is between 1 July 2013 to 30 June 2016.</td></tr>
<tr><td>How is performance assessed?</td><td>Following the conclusion of the Performance Period (30 June 2016) the Board will make an assessment as to the extent to which the LTI performance conditions have been met and the number of Performance Rights that will vest based on meeting the above conditions and the following table:
<table>
<tr><th>Movement in Share Price as Relative Percentile Ranking Against Comparator Group</th><th>Percentage of performance rights to vest</th></tr>
<tr><td>Below 40th percentile</td><td>0%</td></tr>
<tr><td>40th percentile</td><td>40%</td></tr>
<tr><td>Between 40th and 75th percentile</td><td>Pro-rata</td></tr>
<tr><td>75th percentile or above 100%</td><td>100%</td></tr>
</table></td></tr>
<tr><td>LTI Performance Right Expiry/Lapse</td><td>LTI Performance Rights lapse if vesting does not occur on testing of the performance conditions. Where Performance Rights vest they may be exercised at any time up to the LTI Last Exercise Date being 30 June 2018. Any Rights not exercised by the LTI Last Exercise Date will lapse on that date.
The Expiry Date for 2013 LTI Performance Rights is 30 June 2018.</td></tr>
<tr><td>What happens on exercise of rights?</td><td>When an executive exercises a Performance Right following vesting they will be issued with one ordinary share for every Performance Right exercised. No exercise price is paid on vesting as Performance Rights are issued at no cost.</td></tr>
</table>

Allotment of STI and LTI Performance Rights to Executive Directors is subject to approval by shareholders. The 2013-14 STI and LTI allotments were approved by shareholders at the 2013 Annual General Meeting in accordance with ASX Listing Rule 10.14.

Table 5: Details of STI Performance Rights

Name	Date of Grant	Rights on issue at 30 June 2013 (number)	Issued at grant date (number)	Fair Value at Grant Date $ (i)	Exercise Price $	Exercised during the year (number)	Vested during the year (number)	Lapsed during the year (number)	Rights on issue at 30 June 2014 (number)	Date Rights First Vest & Can Be Exercised
Ray James	4-Mar-14	-	1,260,217	176,430	-	-	976,668	283,549	976,668	30-Jun-14
	14-Dec-12	754,881	834,860	192,018	-	754,881	-	-	-	30-Jun-13
Kevin Jih	4-Mar-14	-	728,823	102,03	-	-	564,838	163,985	564,838	30-Jun-14
	14-Dec-12	436,571	482,826	111,050	-	436,571	-	-	-	30-Jun-13
Ross Mallett	4-Mar-14	-	597,483	83,648	-	-	433,175	164,308	433,175	30-Jun-14
	14-Dec-12	334,742	395,817	91,038	-	334,742	-	-	-	30-Jun-13
Martin Berry	4-Mar-14	-	395,221	55,331	-	-	296,416	98,805	296,416	30-Jun-14
	14-Dec-12	-	-	-	-	-	-	-	-	30-Jun-13
Richard Holliday	4-Mar-14	-	408,346	57,168	-	-	296,051	112,295	296,051	30-Jun-14
	14-Dec-12	228,777	270,518	62,219	-	228,777	-	-	-	30-Jun-13
Total	**4-Mar-14**	**-**	**3,390,090**	**474,612**	**-**	**-**	**2,567,148**	**822,941**	**2,567,148**	**-**
	14-Dec-12	**1,754,971**	**1,984,021**	**456,325**	**-**	**1,754,971**	**-**	**-**	**-**	**-**

Table 6: Details of LTI Performance Rights on Issue

Name	Date of Grant	Rights on issue at 30 June 2013 (number)	Issued at grant date (number)	Fair Value at Grant Date $ (ii)	Exercise Price $	Exercised during the year (number)	Vested during the year (number)	Lapsed during the year (number)	Rights on issue at 30 June 2014 (number)	Date Rights First Vest & Can Be Exercised
Ray James	4-Mar-14	-	1,800,310	147,625	-	-	-	-	1,800,310	30-Jun-16
	14-Dec-12	1,192,658	-	226,605	-	-	-	-	1,192,658	30-Jun-15
Kevin Jih	4-Mar-14	-	1,041,175	85,376	-	-	-	-	1,041,175	30-Jun-16
	14-Dec-12	689,751	-	131,053	-	-		-	689,751	30-Jun-15
Ross Mallett	4-Mar-14	-	853,547	69,991	-	-	-	-	853,547	30-Jun-16
	14-Dec-12	565,452	-	107,436	-	-	-	-	565,452	30-Jun-15
Martin Berry	4-Mar-14	-	410,604	33,670	-	-	-	-	410,604	30-Jun-16
	14-Dec-12	-	-		-	-	-	-	-	
Richard Holliday	4-Mar-14	-	388,901	31,890	-	-	-	-	388,901	30-Jun-16
	14-Dec-12	257,636	-	48,951	-	-	-	-	257,636	30-Jun-15
Total	**4-Mar-14**	**-**	**4,494,537**	**368,552**	**-**	**-**	**-**	**-**	**4,494,537**	**-**
	14-Dec-12	**2,705,497**	**-**	**514,045**	**-**	**-**	**-**	**-**	**2,705,497**	**-**

NOTES ON 2013 STI and LTI Performance Rights:

(i) The aggregate fair value of rights granted with effect from 4 March 2014 (at the date of their grant) was $474,612 of which $359,401 was expensed in the 2013/14 financial year, with the remainder lapsing. In accordance with the requirements of the Australian Accounting Standards, remuneration includes the fair value of equity compensation granted or outstanding during the year. The fair value of equity instruments granted during the reporting period is determined as at the grant date and is progressively allocated over the vesting period. The amount included as remuneration is not related to or indicative of the benefit (if any) that individuals may ultimately realise should the rights vest. The value of the rights as at the grant date has been determined in accordance with AASB 2 Share Based Payments. The calculations are performed using various approved rights valuation methodologies. See Note 16 to the Financial Report.

(ii) At 30 June 2014, the total fair value of the LTI rights granted during the year was $368,552 of which $122,851 was expensed in the 2013/14 financial year, with the remainder to be expensed in the subsequent two years.

(iii) No exercise price is paid on exercise of the rights.

(iv) Fair value of each right granted on 14.12.12 is $0.23 for both STIs and for LTIs and for rights granted on 4.03.14 $0.082 for STIs and $0.14 for LTIs.

(v) Share rights holders do not have any rights to participate in any issues of shares or other interests in the company or any other entity.

7. RELATIONSHIP BETWEEN REMUNERATION POLICY AND PERFORMANCE

Icon Energy's remuneration policy seeks to encourage an alignment between the performance of the Company, increase in shareholder wealth and remuneration of its executive KMPs. It does this by including short-term and long-term 'at risk' incentives that only vest when executives achieve pre-determined key corporate performance objectives. The long-term incentive plan in particular links vesting of LTI plan rights to achievement of long-term company objectives such as growth in share price and market capitalisation and exploration performance which contributes to an increase in long-term shareholder wealth.

Icon’s remuneration policy encourages and rewards good performance and an alignment to shareholder wealth by:

- Attracting, incentivising and retaining high calibre senior executives focused on achieving company objectives;
- Packaging the remuneration with a mix of fixed, short term and long term incentives. This motivates executives to focus on and achieve a combination of short and long term objectives that leads to sustainable growth in shareholder wealth, in the form of share price growth.

The following table shows the Company's Profit/Loss (after tax) for the last four years as well as the share price and market capitalisation over those years.

Table 7: Company's Profit/Loss (after tax)

	30-Jun-11	30-Jun-12	30-Jun-13	30-Jun-14
Closing Share Price	0.14	0.18	0.145	0.14
Number of Shares	469,301,394	469,301,394	533,391,210	615,774,351
Market Cap	$65,702,195	$84,474,251	$77,341,725	$86,208,409
Profit (Loss) after tax	($6,000,512)	($4,618,666)	$3,720,392	$1,577,590

During the year the Company achieved a number of positive milestones. These included:

- The Company maintained its excellent safety record with no Lost Time Injuries experienced during the year;
- The ATP855 joint venture, of which Icon has a 35.1% interest, completed the drilling of 5 additional wells as part of its exploration program in the Cooper Basin fulfilling its work program commitments. All wells recorded significant gas shows and confirmed the continuation of the basin centred gas play across the tenement;
- During the year the Company secured the necessary capital to progress its exploration campaign in the Cooper Basin. The Company raised $18.8 million via a corporate placement in December of 80.3 million shares at 23.5 cents per share.

The Company issued a total of 3,390,089 Performance Rights to senior executives under the Company's 2013/14 Short–term (STI) incentive plan and 4,494,537 Performance Rights to senior executives under the 2013/14 Long-term (LTI) incentive plan effective 4 March 2014. The benefits available under these plans will only vest to the extent that the Company and its executives can achieve rigorous performance objectives that will add shareholder value.

Short Term Incentive

In July 2014 the Remuneration Committee assessed the extent to which Executive and Senior Managers and staff had achieved corporate and individual objectives during the year to 30 June 2014. Based on that assessment the Committee determined that on average 70% of STI performance rights issued on 4 March 2014 would vest. On average 30% of STI did not vest due to not all vesting conditions being met.

Long Term Incentive

In July 2016 the Remuneration Committee will assess the extent to which Executive and Senior Managers have achieved corporate objectives during the 3 years to 30 June 2016. 2012 LTI incentives will not vest unless the share price exceeds 45 cents for a continuous period of at least 30 days (40 cents for 2012 rights) and the company's share price growth performs well when benchmarked against that of other energy companies.

8. SERVICE AGREEMENTS

The Company has a policy that service agreements with Executive and Senior Managers are limited in term and include termination clauses of between one and twelve months.

Service agreements are in place for the Managing Director (Mr Raymond James), the Chief Financial Officer (Dr Kevin Jih), the Legal Counsel & Company Secretary (Mr Ross Mallett), the Exploration Manager (Mr Martin Berry) and Commercial Manager (Mr Richard Holliday).

The service agreements with the Company run for a period of five years, from the date of engagement or renewal and set out the duties and obligations of the respective senior executives.

The contracts provide that the agreements may be terminated by either party providing up to twelve months' notice as shown in the table below. The Company may make a payment in lieu of notice equal to the base amount prescribed in the service agreement for a specified period. In addition, accrued statutory benefits and superannuation benefits are payable. Should the Company be taken over and the contract terminated, an amount equal to one year's base salary is payable.

Table 8: Service Agreements with Executive and Senior Managers

Name of Executive	Date of Contract	Termination by Icon (without cause)	Termination by employee	Termination Payments (where terminated by Company)	STI & LTI Entitlements
R James	1-Jan 12	12 months	6 months	Payment in lieu of notice based on FR Discretion of Board to pay portion of STI & LTI	STI: May earn up to 50% of FR LTI: May earn up to 50% of FR
K Jih	11-Aug-10	12 months	6 months	Payment in lieu of notice based on FR Discretion of Board to pay portion of STI & LTI	STI: May earn up to 40% of FR LTI: May earn up to 40% of FR

R Mallett	13-Mar-12	6 months	6 months	Payment in lieu of notice based on FR Discretion of Board to pay portion of STI & LTI	STI: May earn up to 40% of FR LTI: May earn up to 40% of FR
M Berry	1-Aug-13	2 months	2 months	Payment in lieu of notice based on FR Discretion of Board to pay portion of STI & LTI	STI: May earn up to 30% of FR LTI: May earn up to 20% of FR
R Holliday	1-Jul- 12	2 months	2 months	Payment in lieu of notice based on FR Discretion of Board to pay portion of STI & LTI	STI: May earn up to 30% of FR LTI: May earn up to 20% of FR

9. REMUNERATION OF EACH MEMBER OF KEY MANAGEMENT PERSONNEL AND DIRECTORS FOR THE CONSOLIDATED ENTITY

Table 9: Directors and Key Management Personnel Remuneration

		Short Term				Post-employment			Share-based Payment		Portion of Remuneration Based on Performance
	Year ended	Salaries & Fees (i)	Cash Bonus	Non-monetary Benefits	Other Benefits (ii)	Super-annuation	Long-term Employee Benefits (iii)	Termination benefits	Shares and Units (iv)	Total	
		$	$		$	$	$	$	$	$	%
Non-executive Directors											
Stephen Barry	2014	99,333	-	-	-	9,188	-	-	-	108,521	-
	2013	90,000	-	-	-	8,100	-	-	-	98,100	-
Keith Hilless	2014	33,358	-			48,534	-	-	-	81,892	-
	2013	26,300	-			50,000	-	-	-	76,300	-
Derek Murphy	2014	78,750	-	-	-	7,284	-	-	-	86,034	-
	2013	70,000	-	-	-	6,300	-	-	-	76,300	-
Howard Lu	2014	70,000	-	-	-	6,475	-	-	-	76,475	-
	2013	70,000	-	-	-	6,300	-	-	-	76,300	-
Executive and Senior Managers											
Ray James	2014	491,264	182,016	-	45,000	63,537	14,057	-	261,477	1,057,351	25%
	2013	483,223	71,174	-	101,569	47,648	13,524	-	249,158	966,296	26%
Kevin Jih	2014	356,097	161,651	28,715	23,333	48,184	6,227	-	151,220	775,427	20%
	2013	347,923	41,162	17,962	31,457	33,723	3,653	-	144,095	619,975	23%
Ross Mallett	2014	293,973	27,032	-	-	29,820	1,943	-	119,787	472,555	25%
	2013	287,439	31,561	-	-	25,670	352	-	112,803	457,825	25%

Martin Berry (v)	2014	254,413	18,827	-	-	23,254	405	-	52,721	349,620	15%
	2013	-	-	-	-	-	-	-	-	-	-
Richard Holliday	2014	267,269	18,579	-	-	26,509	770	-	68,394	381,521	18%
	2013	256,033	21,570	-	-	22,980	333	-	68,936	369,852	19%
James Carr (v)	2013	290,026	-	-	-	25,670	367	-	-	316,063	-
Total	**2014**	**1,944,457**	**408,105**	**28,715**	**68,333**	**262,785**	**23,402**	**-**	**653,599**	**3,389,396**	
	2013	**1,920,944**	**165,467**	**17,962**	**133,026**	**226,391**	**18,229**	**-**	**547,992**	**3,057,011**	

(i) Salaries & Fees include annual leave paid during the year.

(ii) Other Benefits represent car allowance received during the year for Ray James of $45,000 (30 June 2013: $45,000). Mr James and Dr Jih received a payout of accrued annual leave amounting to $56,569 and $31,457 during the year ended 30 June 2013. Dr Jih also received $23,333 for 2014 car allowance.

(iii) Long-term employee benefits represent only the long service leave accrued during the year.

(iv) Share-based payments include both short term and long term incentives. Incentives will only vest if certain performance conditions are met. For details of performance conditions please see Table 3 and 4 on page 37 and 38.

(v) M Berry was appointed effective 1 August 2013. J Carr resigned effective 21 June 2013.

10. DIRECTORS' AND SENIOR MANAGEMENTS' INTERESTS IN SHARES AND OPTIONS

As at 30 June 2014, the interests of the directors and senior management or entities associated with them in shares of Icon Energy Limited are:

Table 10: Directors' and Executive and Senior Manager's Interests

Shareholdings

The movement during the year in the number of ordinary shares in Icon Energy Limited held directly, indirectly or beneficially, by each Key Management Personnel, including their related parties, is as follows:

2014	**Balance 1.07.2013**	**Employee Performance Rights Plan**	**Purchases**	**Options Exercised**	**Sold/ Other***	**Balance 30.06.2014**
	No	**No**	**No**	**No**	**No**	**No**
Directors						
Stephen Barry*	1,623,593	-	-	-	-	1,623,593
Derek Murphy*	288,181	-	-	-	-	288,181
Keith Hilless	46,727	-	-	-	-	46,727
Howard Lu	16,068,181	-	-	-	-	16,068,181
Raymond James*	21,345,517	780,975	250,000	-		22,376,492
Kevin Jih*	201,766	436,571	150,000			788,337
Senior Management						
Ross Mallett*	593,872	334,742	-	-	-	928,614
Richard Holliday*	907,517	228,777	213,856	-	-	1,350,150
Martin Berry (Appointed 1/08/2013)		-	-	-	-	-
	41,075,354	**1,781,065**	**613,856**	**-**	**-**	**43,470,275**

* These KMP's shareholdings include indirect shareholdings held by their spouse and/or related corporations.

2013	Balance 1.07.2012	Employee Performance Rights Plan	Purchases	Options Exercised	Sold/ Other*	Balance 30.06.2013
	No	No	No	No	No	No
Directors						
Stephen Barry*	1,600,866	-	22,727	-	-	1,623,593
Derek Murphy*	150,000	-	138,181	-	-	288,181
Keith Hilless	24,000	-	22,727	-	-	46,727
Howard Lu	16,000,000	-	68,181	-	-	16,068,181
Raymond James*	21,277,336	-	68,181	-		21,345,517
Kevin Jih*	133,585		68,181			201,766
Senior Management						
Ross Mallett*	-	-	593,872	-	-	593,872
Richard Holliday*	623,760	-	283,757	-	-	907,517
James Carr (Resigned 21/06/2013)	-		-	-	-	-
	39,809,547	**-**	**1,265,807**	**-**	**-**	**41,075,354**

* Sold/Other shares include shares removed as a result of no longer being a KMP.
** These KMP's shareholdings include indirect shareholdings held by their spouse and/or related corporations.

11. EMPLOYEE PERFORMANCE RIGHTS

During the financial year the following movements in rights to acquire fully paid shares occurred:

On 4 March 2014, Icon issued 2,064,748 unlisted performance rights to employees under the 2013 performance rights plan short term incentive (STI) offer. The STI performance right vest effective 30 June 2014 subject to the achievement of corporate and individual performance goals.

On 4 March 2014, Icon also issued a further 4,494,537 unlisted performance rights to senior executives under the 2013 performance rights plan long term incentive (LTI) offer. The LTI performance rights vest effective 30 June 2016 subject to the achievement of corporate performance hurdles. These rights, which expire on 30 June 2018, are exercisable for no consideration and are not exercisable before 30 June 2016.

Table 11: Employee Performance Rights

Employee Performance Rights	Balance at beginning of financial year	Issued during the financial year	Exercised during the financial year	Expired/Lapsed during the year and not exercised	Balance at end of financial year
2012 STI unlisted rights Issued 14 December 2012 (Refer Note 16)	2,064,748	-	2,064,748	-	-
2013 STI unlisted rights Issued 4 March 2014 (Refer Note 16)	-	3,883,186	-	940,034	2,943,152
2012 LTI unlisted rights Issued 14 December 2012 (Refer Note 16)	2,705,497	-	-	-	2,705,497
2013 LTI unlisted rights Issued 4 March 2014 (Refer Note 16)	-	4,494,537	-	-	4,494,537
Total	**4,770,245**	**8,364,893**	**2,064,748**	**940,034**	**10,143,186**

12. SHARE OPTIONS

Options Granted to Directors and Key Management Personnel of the Company

There have been no options granted over unissued shares or interests of any controlled entity within the Group during or since the end of the reporting period.

Options Held by Key Management Personnel

There were no options outstanding at 30 June 2014 or as at 30 June 2013.

13. CHANGES TO LTI PERFORMANCE RIGHTS PLAN COMMENCING 2014/15

In 2014 the Board's Remuneration, Nominations and Succession Committee reviewed the Company's LTI Performance Rights Plan and recommended the following change to the Plan which was approved by the Board commencing with the 2014/15 LTI offer:

- In order for Performance Rights under the LTI to vest at least one of the following two sets of performance criteria must be satisfied:

  (1) Absolute share price hurdle

  The average daily Icon Energy share price must achieve and maintain a level of at least 45 cents per share for at least 30 consecutive days over the 3 years commencing 1 July 2014, in which event all LTI rights for the 2014-15 year will vest:

  (2) Relative Share Price Growth hurdle

  The growth of the Icon Energy share price relative to the share price of a comparator group of Australian oil and gas exploration companies as determined by the Board (expressed as a percentile ranking) over the three years commencing 1 July 2014 must achieve the 40th percentile in order for rights to begin vesting. Performance rights will vest in accordance with the following schedule:

Movement in Share Price as Relative Percentile Ranking Against Comparator Group	Percentage of performance rights to vest
Below 40th percentile	0%
40th percentile	40%
Between 40th and 75th percentile	Pro-rata
75th percentile or above	100%

This concludes the remuneration report, which has been audited.

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Auditor's Independence Declaration

As auditor of Icon Energy Limited for the year ended 30 June 2014, I declare that, to the best of my knowledge and belief, there have been:

i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

ii. no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Icon Energy Limited and the entities it controlled during the year.

Crowe Horwath Brisbane

CROWE HORWATH BRISBANE

BRENDAN WORRALL
Partner

Signed at Brisbane, 26 August 2014

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Independent Auditor's Report

To the members of Icon Energy Limited

Report on the Financial Statements

We have audited the accompanying financial report of Icon Energy Limited, which comprises the consolidated statements of financial position as at 30 June 2014, the consolidated statements of profit or loss and other comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the company and the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with the Accounting Standard AASB101 *Presentation of Financial Statements* that the financial statements comply with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Opinion

a) In our opinion the financial report of Icon Energy Limited is in accordance with the *Corporations Act 2001*, including:

   i. giving a true and fair view of the consolidated entity's financial position as at 30 June 2014 and of it's performance for the year ended on that date; and

   ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

b) The consolidated financial statements and notes also comply with the International Financial Reporting Standards as disclosed in Note 1.

Report on Remuneration Report

We have audited the Remuneration Report included in pages 35 to 46 of the directors' report for the year ended 30 June 2014. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion
In our opinion, the Remuneration Report of Icon Energy Limited for the year ended 30 June 2014, complies with section 300A of the *Corporations Act 2001*.

CROWE HORWATH BRISBANE

BRENDAN WORRALL
Partner

Signed at Brisbane, 26 August 2014

DIRECTORS' DECLARATION

The Directors of the Company declare that:

1) The financial statements and notes, as set out on pages 51 to 81, are in accordance with the *Corporations Act 2001* and other mandatory professional reporting requirements and:

    a) comply with Accounting Standards; and

    b) give a true and fair view of the financial position as at 30 June 2014 and of the performance for the year ended on that date of the consolidated entity;

2) The Managing Director and Chief Financial Officer have each declared that:

    a) the financial records of the Company for the financial period have been properly maintained in accordance with section 286 of the *Corporations Act 2001*;

    b) the financial statements and notes for the financial period comply with the Accounting Standards; and

    c) the financial statements and notes for the financial period give a true and fair view.

3) In the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they come due and payable;

4) The attached financial statements are in compliance with International Financial Reporting Standards, as stated in note 1 to the financial statements.

Signed in accordance with a resolution of the Board of Directors.

Stephen Barry
Chairman
26 August 2014

CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2014

	NOTES	30 June 2014 $	30 June 2013 $
Continuing operations			
Revenue		-	-
Less: Cost of sales		-	-
Gross Profit/(Loss)		-	-
Other income	2a	1,074,094	590,724
Administration expenses		(3,541,466)	(3,284,173)
Depreciation and amortisation expense		(305,232)	(259,419)
Employee benefits and expenses		(3,138,198)	(2,939,212)
Occupancy expenses		(40,005)	(37,856)
Profit/(Loss) on sale of property, plant and equipment	2b	(33,753)	17,982,143
Impairment expense	2c	(92,097)	(11,297,963)
Reversal of excess provision	15	217,778	-
Finance costs		(55,889)	(53,533)
Profit/(Loss) before income tax	**3**	**(5,914,766)**	**700,711**
Income tax benefit	4	**7,492,356**	**3,019,681**
Net Profit/(Loss) for the year from continuing operations		**1,577,590**	**3,720,392**
Other comprehensive income			
Items that will be reclassified to profit and loss			
Exchange differences arising on translation of foreign operations		(257)	880
Other comprehensive income/(loss) for the year, net of tax		(257)	880
Total comprehensive income/(loss) for the year		**1,577,333**	**3,721,272**
Net Profit/(Loss) for the year attributable to:			
Owners of the parent entity		1,577,590	3,720,392
Non-controlling interests		-	-
Net Profit/(Loss) for the year		**1,577,590**	**3,720,392**
Total comprehensive income/(loss) for the year attributable to:			
Owners of the parent entity		1,577,333	3,721,272
Non-controlling interests		-	-
Total comprehensive income/(loss) for the year		**1,577,333**	**3,721,272**
Earnings per share			
From continuing operations			
Basic earnings/(loss) per share (cents per share)	**19**	0.27	0.73
Diluted earnings/(loss) per share (cents per share)	**19**	0.27	0.73

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2014

	NOTES	30 June 2014 $	Restated 30 June 2013 $
CURRENT ASSETS			
Cash and cash equivalents	6	7,605,461	21,840,575
Trade and other receivables	7	9,080,045	1,645,387
Financial assets	8	12,000,000	11,362,339
TOTAL CURRENT ASSETS		**28,685,506**	**34,848,301**
NON-CURRENT ASSETS			
Property, plant, and equipment	9	5,234,606	5,490,764
Financial assets	8	1	1
Exploration and evaluation expenditure	10	37,253,075	12,576,227
Performance guarantee bonds	11	198,877	218,011
TOTAL NON-CURRENT ASSETS		**42,686,559**	**18,285,003**
TOTAL ASSETS		**71,372,065**	**53,133,304**
CURRENT LIABILITIES			
Trade and other payables	12	1,471,170	465,733
Employee benefits	13	533,387	415,862
Borrowings	14	-	3,429,500
TOTAL CURRENT LIABILITIES		**2,004,557**	**4,311,096**
NON-CURRENT LIABILITIES			
Employee benefits	13	116,340	58,396
Provisions	15	1,570,110	1,773,973
TOTAL NON-CURRENT LIABILITIES		**1,686,450**	**1,832,369**
TOTAL LIABILITIES		**3,691,007**	**6,143,465**
NET ASSETS		**67,681,058**	**46,989,840**
EQUITY			
Issued capital	16	102,724,971	83,842,452
Reserves	18	(1,364,134)	(1,595,243)
Accumulated losses		(33,679,779)	(35,257,369)
TOTAL EQUITY		**67,681,058**	**46,989,840**

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2014

	Ordinary Share Capital (Note 16) $	Share-Based Payments Reserve (Note 17, 18) $	Foreign Exchange Reserve (Note 18) $	Accumulated Losses $	Total $
Balance 1 July 2012	70,463,292	-	(2,242,345)	(38,977,761)	29,243,186
Total comprehensive income:					
Loss for the year	-	-		3,720,392	3,720,392
Other comprehensive income	-		880	-	880
Total Comprehensive Income for the year	-	-	880	3,720,392	3,721,272
Transactions with owners in their capacity as owners:					
Shares issued	14,099,760	-	-	-	14,099,760
Share issue costs	(720,600)	-	-	-	(720,600)
Increase in share based payments reserve	-	646,222	-	-	646,222
Total transactions with owners	13,379,160	646,222	-	-	14,025,382
Balance at 30 June 2013 - attributable to owners of parent entity	**83,842,452**	**646,222**	**(2,241,465)**	**(35,257,369)**	**46,989,840**
Balance 1 July 2013	83,842,452	646,222	(2,241,465)	(35,257,369)	46,989,840
Total comprehensive income:					
Loss for the year	-	-	-	1,577,590	1,577,590
Other comprehensive income	-		(257)	-	(257)
Total Comprehensive Income for the year	-	-	(257)	1,577,590	1,577,333
Transactions with owners in their capacity as owners:					
Shares issued	18,874,823	-	-	-	18,874,823
Reserve transfer for performance rights vested	474,892	(474,874)	-		18
Share issue costs	(467,196)	-	-	-	(467,196)
Increase in share based payments reserve	-	706,240	-	-	706,240
Total transactions with owners	18,882,519	231,366	-	-	19,113,885
Balance at 30 June 2014 - attributable to owners of parent entity	**102,724,971**	**877,588**	**(2,241,722)**	**(33,679,779)**	**67,681,058**

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2014

	NOTES	30 June 2014 $ Inflows (Outflows)	30 June 2013 $ Inflows (Outflows)
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from customers		29,881	89,977
Cash payments to suppliers and employees		(5,540,996)	(4,658,758)
Interest received		755,471	380,746
Finance costs		(26,337)	(53,533)
Income tax benefit		-	3,019,681
Net Cash used in operating activities	20	**(4,781,981)**	**(1,221,887)**
CASH FLOWS FROM INVESTMENT ACTIVITIES			
Investment in financial assets		(637,662)	(11,362,338)
Payments for property, plant & equipment		(17,673)	(19,586)
Payments for deferred exploration and evaluation expenditure		(23,040,099)	(6,439,791)
Prepayments for deferred exploration and evaluation expenditure		(1,197,920)	(1,212,868)
Proceeds from sale of property, plant and equipment		38,500	18,850,636
Proceeds from joint venture contributions		423,594	540,289
Net Cash from/(used in) investment activities		**(24,431,260)**	**356,342**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of share capital		18,874,823	14,099,760
Capital raising costs		(467,196)	(720,600)
Repayment of borrowings		(3,429,500)	(83,773)
Net cash from/(used in) financing activities		**14,978,127**	**13,295,387**
Net increase/(decrease) in cash and cash equivalents held		**(14,235,114)**	**12,429,842**
Cash and cash equivalents at beginning of the financial year		**21,840,575**	**9,410,733**
Cash and cash equivalents at the end of the financial year	6	**7,605,461**	**21,840,575**

The accompanying notes form part of these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

NOTE 1 - STATEMENT OF ACCOUNTING POLICIES

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and other authorative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001* .

The financial statements cover Icon Energy Limited and controlled entities as a consolidated entity. Icon Energy Limited is a listed public company, incorporated and domiciled in Australia.

The financial statements have been prepared on an accruals basis and are based on historical costs modified by the revaluation of selected non-current assets and financial assets for which the fair value basis of accounting is applied. All amounts are presented in Australian dollars, unless otherwise noted. This is also the functional currency of the parent.

The financial statements of Icon Energy Limited and its controlled entities comply with all International Financial Reporting Standards (IFRS) in their entirety.

The financial report was authorised for issue by the Board of Directors on 26 August 2014.

The following is a summary of the material accounting policies adopted by the consolidated entity in the preparation of the financial statements. The accounting policies have been consistently applied unless otherwise stated.

(a) Changes in Accounting Policies

Standards and Interpretations adopted

The new and revised accounting standards that are mandatory for the first time for the year ended 30 June 2014.

Standards and Interpretations affecting presentation and disclosure

- *AASB 10 Consolidated Financial Statements* changes the guidance on control and consolidation in *AASB 127 Consolidated and Separate Financial Statements* . *AASB 10* introduces a single definition of control that applies to all entities. The entity has reviewed its investments in other entities to assess whether the conclusion to consolidate is different under *AASB 10* than under *AASB 127* . No differences were found and therefore no changes are required to the amounts within the consolidated financials statements as a result of the adoption of *AASB 10* . This standard is applicable to annual reporting periods beginning on or after 1 January 2013.

- *AASB 11 Joint Arrangements* deals with the classification of joint arrangements with two or more parties having joint control. This standard also deals with the joint arrangements where parties do not share joint control. *AASB 11* replaces A*ASB 131 Interests in Joint Ventures* . With the adoption of this Accounting Standard investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. The option to proportionately consolidate has been eliminated. This standard is effective from 1 January 2013.

  The management of the entity reviewed and assessed the classification of the entity's investments in joint arrangements in according to the requirements of *AASB 11* . Comparative amounts for 2013 have been restated retrospectively to reflect the change in accounting policy for the entity. As a result, the entity now recognises its direct right to the jointly held assets, liabilities, revenues and expenses and has incorporated them in the financial statements under appropriate headings.

- *AASB 12 Disclosure of Interest in Other Entities* is a disclosure standard and therefore will not affect any of the amounts recognised in the financial statements. This standard is applicable to the entities with interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. It is effective from 1 January 2013.

- *AASB 13 Fair Value Measurement* and *AASB 2001-8 Amendments to Australian Accounting Standards* arising from *AASB 13* . It is effective from 1 January 2013 and explains how to measure fair value and aims to enhance fair value disclosures. The adoption of this standard did not affect any of the amounts recognised in the financial statements.

- *AASB 119 'Employee Benefits' (2011) and AASB 2011-10 'Amendments to Australian Accounting Standards arising from AASB 119 (2011)'* . The amendments to AASB 119 revise the definitions of short term and long term employee benefits taking into consideration when the benefit is excepcted to be settled rather than when it is due to be settled. This classification only affects the measurement of the obligation and does not affect the current/non-current classification of the liability in the Statement of Financial Position. Therefore, the adoption of the revised AASB 119 does not have any material impact on the financial statements. It is effective from 1 January 2013.

- *AASB 2012-2 Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities.* The application of these amendments did not affect any amounts recognised in the financial statement as the entity does not have any offsetting arrangements in place. It is effective from 1 January 2013.

- *AASB 2012-5 Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle.* The Annual Improvements to AASBs 2009-2011 have made a number of amendments to AASBs. The amendments that are relevant to the entity are the amendments to AASB 101 regarding when a statement of financial position as at the beginning of the preceding period (third statement of financial position) and the related notes are required to be presented. It is effective from 1 January 2013.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

NOTE 1 - STATEMENT OF ACCOUNTING POLICIES (Continued)

- *AASB 2012-10 'Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments'* . This standard makes amendment to AASB 10 and various Australian Accounting Standards to revise the transition guidance on the initial application of those Standards . This standard also clarifies the circumstances in which adjustments to an entity's previous accounting for its involvement with other entities are required and the timing of such adjustments. The adoption of this amending standard does not have any material impact on the financial statements. It is effective from 1 January 2013.
- *AASB Interpretation 20 Stripping Costs and AASb 2011-12 Amendments to Australian Accounting Standards arising from Interpretation 20* . The interpretation explains how to account for waste removal (stripping) costs in the production phase of a mine. The interpretation did not affect any amounts recognised in the consolidated financial statements as the entity is in exploration phase. It is effective from 1 January 2013.

Standards and Interpretations issued but not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2014 reporting periods. They are available for early adoption at 30 June 2014, but have not been applied in preparing this financial report. The consolidated entity's assessment of the impact of these new standards and interpretations is set out below:

- AASB 9 *Financial Instruments* includes requirements for the classification and measurement of financial assets resulting from the first part of Phase 1 of the project to replace AASB 139 *Financial Instruments: Recognition and Measurement* . AASB 9 is applicable to annual reporting periods beginning on or after 1 January 2017. The entity has not yet determined the potential effect of the standard.
- *AASB 1031 Materiality* (2013) is an interim Standard that cross-references to other Standards and the Framework for the Preparation and Presentation of Financial Statements (as identified in AASB 1048 Interpretation of Standards) 1 (Framework) that contain guidance on materiality. Once all the references to AASB 1031 have been removed from Standards, this Standard (AASB 1031) will be withdrawn. This Standard is applicable to annual reporting periods beginning on or after 1 January 2014. The entity has not yet determined the potential effect of the standard.
- *AASB 2012-3 Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities* (Amendments to AASB 132). This Standard adds application guidance to AASB 132 to address inconsistencies identified in applying some of the offsetting criteria of AASB 132, including clarifying the meaning of "currently has a legally enforceable right of set-off" and that some gross settlement systems may be considered equivalent to net settlement. This Standard applies to annual reporting periods beginning on or after 1 January 2014.
- *AASB 2013-3 Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets* . This Standard amends the disclosure requirements in AASB 136 and applies to annual reporting periods beginning on or after 1 January 2014.

(b) Principles of Consolidation

A controlled entity is any entity controlled by Icon Energy Limited. Control exists where Icon Energy Limited is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. A list of controlled entities is contained in Note 22 to the accounts. All controlled entities have a June financial year end.

All inter-company balances and transactions between entities in the consolidated entity, including any unrealised profits or losses, have been eliminated on consolidation.

Where controlled entities have entered or left the consolidated entity during the year, their operating results have been included from the date control was obtained or until the date control ceased.

(c) Income Tax

The income tax expense/(benefit) for the year comprises current income tax expense/(income) and deferred tax expense/(income).

Current income tax expense/(benefit) charged or credited to the profit or loss is the tax payable/(receivable) on taxable income calculated using applicable income tax rates enacted, or substantively enacted, as at the reporting date. Current tax liabilities/(assets) are therefore measured at the amounts expected to be paid to/(recovered from) the relevant taxation authority.

Deferred income tax expense/(benefit) reflects movements in deferred tax asset and deferred tax liability balances during the period as well as unused tax losses.

Current and deferred income tax expense/(benefit) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

NOTE 1 - STATEMENT OF ACCOUNTING POLICIES (Continued)

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

Tax Consolidation

Icon Energy Limited ("Head entity") and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under tax consolidation legislation. Each entity in the Group recognises its own current and deferred tax assets and liabilities. Such taxes are measured using the ‘stand-alone taxpayer’ approach to allocation. Current tax liabilities/(assets) and deferred tax assets arising from unused tax losses and tax credits in the subsidiaries are immediately transferred to the head entity. The Group notified the Tax Office that it had formed an income tax consolidated group to apply from 1 July 2008.

(d) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred by a purchaser is not recoverable from the taxation authority. Under these circumstances, the GST is recognised as part of the cost of acquisition of an asset or as part of an item of expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the consolidated statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(e) Property, Plant, and Equipment

Property, plant and equipment are brought to account at cost less, where applicable, any accumulated depreciation or amortisation. The carrying amount of property, plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets employment and subsequent disposal.

The depreciable amount of all property, plant and equipment including capitalised leased assets, but excluding freehold land, are depreciated over their useful lives using the diminishing method commencing from the time the asset is held ready for use. Leasehold improvements are amortised over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements. Depreciation rates and methods are reviewed annually and, if necessary, adjustments are made.

The depreciation rates used for each class of depreciable asset are:

Class of Asset	Depreciation Rate
Plant and Equipment	20 – 40%
Buildings	2.50%
Fixtures and Fittings	3 - 20%

The gain or loss on disposal of all property, plant and equipment is determined as the difference between the carrying amount of the asset at the time of disposal and the proceeds of disposal, and is included in operating profit before income tax in the year of disposal.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

NOTE 1 - STATEMENT OF ACCOUNTING POLICIES (Continued)

(f) Leases

Leases of plant and equipment, under which the entity or its controlled entities assume substantially all the risks and benefits of ownership, but not the legal ownership, are classified as finance leases. Other leases are classified as operating leases.

Finance leases are capitalised. A lease asset and a lease liability equal to the present value of the minimum lease payments is recorded at the inception of the lease. Contingent rentals are written off as an expense of the accounting period in which they are incurred. Capitalised leased assets are amortised on a straight line basis over the term of the relevant lease, or where it is likely the consolidated entity will obtain ownership of the asset, the life of the asset. Lease liabilities are reduced by repayments of principal. The interest component of the lease payments is charged to Statement of Comprehensive Income.

Lease payments for operating leases, where substantially all risks and benefits remain with the lessor, are charged as an expense on a straight-line basis over the lease term.

(g) Exploration, Evaluation and Development Expenditure

Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of an area or sale of the respective area of interest or where activities in the area have not yet reached a stage which permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit/(loss) in the year in which the decision to abandon the area is made.

When commercial production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves. Any costs of site restoration are provided for during the relevant production stages and included in the costs of that stage. The capitalised costs relating to site restoration are amortised over the life of the petroleum asset.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly, the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

(h) Interests in Joint Arrangements

Investments in joint arrangements are classified as either joint operations or joint ventures. The classification of joint arrangements is determined based on the contractual rights and obligations of parties to the joint arrangements rather than the legal structure of joint arrangement. The entity has only joint operations.

Joint Operations

The consolidated entity has interests in joint arrangements that are joint operations. As a joint operator, the consolidated entity recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These are included in the respective items of the consolidated statement of financial position and consolidated statement of comprehensive income.

The entity accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the AASBs applicable to the particular assets, liabilities, revenues and expenses.

(i) Trade Creditors

A liability is recorded for the goods and services received prior to balance date, whether invoiced to the company or not that remain unpaid. Trade creditors are normally settled within 30 days.

(j) Cash and Cash Equivalents

Cash and cash equivalents in the consolidated statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity of 90 days or less that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value.

For the purpose of the consolidated statements of cash flows, cash and cash equivalents include cash and cash equivalents as above, net of outstanding bank overdrafts.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

NOTE 1 - STATEMENT OF ACCOUNTING POLICIES (Continued)

(k) Provisions

Other provisions for make good obligations are recognised when the group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Restoration provision

The entity recognises a restoration provision to meet all future obligations for the restoration of petroleum assets when the petroleum assets are abandoned. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with clauses of the mining permits. The liability for restoration is discounted to present value and capitalised as part of the exploration expenditure of an area of interest and revised at the end of each reporting period through the profit and loss. The capitalised costs are amortised over the life of the petroleum asset. The periodic unwinding of the discount is recognised in the consolidated statement of profit or loss and other comprehensive income as part of finance costs.

Changes in the estimates of restoration costs are dealt with prospectively by recognising an adjustment to the restoration liability and a corresponding adjustment to the asset to which it relates. If any reduction in the restoration liability exceeds the carrying amount of that asset, any excess is recognised in the consolidated statement of profit or loss and other comprehensive income.

(l) Employee Benefits

Employee benefits is made for the company’s liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Liabilities for unpaid wages and salaries are recognised in trade and other payables.

Current entitlements to annual leave accrued for services up to the reporting date are recognised in employee benefits and are measured at the amounts expected to be paid.

A liability for long service leave is recognised in employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Long service leave liability covers all conditional and unconditional entitlements. The long service leave expense accrued at the time of liability recognition.

A liability for annual leave and long service leave is recognised within the current employee benefits if the settlement within 12 months of the reporting date cannot be deferred.

Share based payments

Share based payment benefits are provided to employees through the Icon's Employee Performance Rights Plan. Information relating to this scheme is set out in Note 16. The fair value of performance rights granted under the Icon's Employee Performance Rights Plan is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the rights granted, which includes any market performance conditions and the impact of any non-vesting conditions but excludes the impact of any service and non-market performance vesting conditions.

Non-market vesting conditions are included in assumptions about the number of rights that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of rights that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

(m) Revenue

Revenue is recognised and measured at the fair value of consideration received or receivable.
Revenue from sale of goods is recognised upon the delivery of goods to customers.

Interest and royalty revenue is recognised as earned.
Revenue from rendering of service is determined with reference to the stage of completion of the transaction. The method for determining stage of completion is cost over total estimated cost. Where this can’t be determined, service revenue is recognised in line with expenses incurred.

All revenue is stated net of the amount of GST.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

NOTE 1 - STATEMENT OF ACCOUNTING POLICIES (Continued)

(n) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker. The Chief Operating Decision Maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Managing Director.

(o) Comparative Figures

Where required by Accounting Standards, comparative figures have been adjusted to conform with changes in presentation for the current financial year. Refer to note 29 for more information on correction of prior period error.

(p) Financial Instruments

Recognition

Financial instruments are initially measured at fair value at settlement date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Financial assets at fair value through profit or loss

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management and within the requirements of *AASB 139: Recognition and Measurement of Financial Instruments* . Derivatives are classified as held for trading unless they are designated as hedges. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the consolidated statement of comprehensive income in the period in which they arise. Assets in this category are classified as current assets if they are expected to be settled within 12 months; otherwise they are classified as non-current.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired. Loans and receivables are classified as current assets, except for those with maturities greater than 12 months after the reporting period which are classified as non-current assets. The entity classifies cash and cash equivalents, trade and other receivables and performance guarantees as loans and receivables.

Held-to-maturity investments

These investments have fixed or determinable payments and fixed maturities, and it is the group's intention to hold these investments to maturity. Any held-to-maturity investments held by the group are stated at amortised cost using the effective interest rate method. Gains or losses are recognised in profit or loss when the investments are derecognised or impaired, as well as through the amortisation process. These assets are included in non-current assets, except for those with maturities less than 12 months from the end of the reporting period, which would be classified as current assets. The entity classifies term deposits as held-to-maturity investments.

Available-for-sale financial assets

Available-for-sale financial assets include any financial assets not included in the above categories. Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to equity until the investment is derecognised or determined to be impaired, at which time the cumulative gain or loss previously reported in equity is recognised in profit or loss. These assets are classified as non-current assets unless the investment matures or management intends to dispose of investment within 12 months of the end of the reporting period. The entity classifies financial assets as available-for-sale financial assets.

Financial liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation. The entity classifies trade and other payables and borrowings as financial liabilities.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models. The net fair value of financial assets and liabilities approximates their carrying value.

Amortised cost

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

NOTE 1 - STATEMENT OF ACCOUNTING POLICIES (Continued)

Impairment

At each reporting date, the consolidated entity assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in profit or loss.

(q) Impairment of Assets

At each reporting date, the directors review the carrying values of its tangible and intangible assets which include exploration, evaluation and development expenditures and property, plant and equipment, to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed and included in profit or loss.

Where it is not possible to estimate the recoverable amount of an individual asset, the consolidated entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(r) Foreign Currency Transactions and Balances

Functional and presentation currency

The functional currency of each of the controlled entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the profit or loss, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity, otherwise the exchange difference is recognised in profit or loss.

Group

The financial results and position of foreign operations whose functional currency is different from the group's presentation currency are translated as follows:

- assets and liabilities are translated at year-end exchange rates prevailing at that reporting date;
- income and expenses are translated at average exchange rates for the period; and
- retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations are transferred directly to the group's foreign currency translation reserve in the consolidated statement of financial position and are recognised as other comprehensive income.

(s) Critical accounting estimates and judgments

The directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the group.

The resulting accounting estimates may not equal the related actual results. The estimates, assumptions and judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Impairment

The directors assess impairment at each reporting date by evaluating conditions specific to the entity that may lead to impairment of assets including exploration and evaluation expenditure. Where an impairment trigger exists, the recoverable amount of the asset is determined. Any exess of asset's carrying value over recoverable amount is expensed and included in profit and loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

NOTE 1 - STATEMENT OF ACCOUNTING POLICIES (Continued)

Employee benefits - long service leave
The liability for long service leave is recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account. Estimation in determining the probability of the employee becoming entitled to long service leave based on history (Note 13).

Employee benefits - annual leave
Estimation is required for determining the expectation of amount of leave that employees will take within the next 12 months based on past history (Note 13).

Share based payments
In fair value of each share option granted in the Short Term Incentive Plan and Long Term Incentive plan was calculated by applying the Black Scholes model. The model requires inputs where estimation is required for expected volatility in line with the company's share trading history.

Mineral interest valuation
The mineral interest in West Baton Rouge Parish, Louisiana (Note 8) is carried at impaired value. Judgement is used when determining impairment in relation to future production.

Exploration and evaluation expenditure
The application of entity's policy for exploration and evaluation discussed in Note 1(g) requires management to make certain estimates and assumptions as to future events and circumstances. Any such estimates and assumptions may change as new information becomes available. If, after having capitalised exploration and evaluation expenditure, a judgement is made that the capitalised expenditure is unlikely to be recovered, the relevant capitalised amount will be impaired through the consolidated statement of profit and loss and other comprehensive income.

Restoration provision
The consolidated entity assesses its future liabilities in relation to the restoration costs which include the removal of facilities, abandonment of wells and restoration of affected areas. The estimate of future restoration costs is done at the time of installation of the assets. In most instances, removal of assets occurs many years into the future. Therefore, management is required to make judgments regarding the removal date, future environmental legislation, the extent of restoraion activities and future removal technologies. Refer to note 15 for key assumptions

Useful life of property, plant and equipment
In preparation of the financial statements, estimates and assumptions have been made by the management regarding the estimated useful lives of property, plant and eequipment.The management estimates that the useful life of these assets, being the period of time during which the assets can be utilised without any significant modifications, repairs or replacements, is between 2 and 5 years. However, the actual useful life may be shorter or longer then 2-5 years.

NOTE 2 - REVENUE

	CONSOLIDATED ENTITY	
	30 June 2014 $	30 June 2013 $
2a. OTHER INCOME		
Administration fees	-	31,173
Recovery of drilling supervision costs	-	-
Interest received:		
- Financial Institutions	1,045,484	380,746
Royalties	25,643	57,488
Other Income	2,967	121,317
TOTAL OTHER INCOME	**1,074,094**	**590,724**
2b. PROFIT/(LOSS) ON SALE OF PREPERTY, PLANT AND EQUIPMENT		
Proceeds on disposal of property, plant and equipment assets	38,500	18,850,636
Written down value of property, plant and equipment assets sold	(72,253)	(868,494)
	(33,753)	**17,982,143**
2c. IMPAIRMENT EXPENSE		
Exploration impairment expense	92,097	10,723,548
Impairment of investment - US Mineral Interest	-	572,499
Impairment property, plant & equipment	-	1,915
	92,097	**11,297,963**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

NOTE 3 - PROFIT/(LOSS) BEFORE INCOME TAX	CONSOLIDATED ENTITY 30 June 2014 $	30 June 2013 $
Profit/(Loss) before income tax has been determined after:		
Amounts expensed for the parent entity auditor:		
• Audit or review of financial report	79,390	49,615
• Taxation and consultancy fees	-	600
	79,390	**50,215**
Amounts set aside for:		
• Employee entitlements	175,469	233,651
Litigation settlement relating to the Lake Oil NL dispute	-	(120,000)
Foreign exchange (gains)/losses	(478,267)	(257,275)
Superannuation Expense	178,065	167,901

NOTE 4 - INCOME TAX EXPENSE	CONSOLIDATED ENTITY 30 June 2014 $	30 June 2013 $
Profit/(Loss) before tax expense	(5,914,766)	700,711
Prima facie tax payable on profit/(loss) before income tax at 30% (2013: 30%)	(1,774,430)	210,213
Increase/(decrease) in income tax expense due to:		
Non deductible expenses	214,031	255,525
Research and development offset refund	(7,492,356)	(3,019,681)
Under/(over) provision in prior year	291,876	-
Deferred tax benefits not brought to account	1,268,523	(465,738)
Income Tax Attributable to Profit/(loss) before tax	**(7,492,356)**	**(3,019,681)**

Deferred Tax Assets not brought to account, the benefits of which will only be realised if the conditions for deductibility of tax losses set out in Note 1 occur based on corporate tax rate of 30% (2013: 30%) for Australian companies.

	CONSOLIDATED ENTITY 30 June 2014 $	30 June 2013 $
Tax losses	**66,134,598**	**38,852,013**
Potential tax benefit	19,840,379	11,655,604
Temporary differences		
Other	947,397	956,797
Provisions	2,219,838	836,588
Potential tax benefit	950,171	538,016
Total deferred tax benefits not brought to account	**20,790,551**	**12,193,620**
Deferred Tax Liabilities		
Mining and exploration costs	37,253,075	12,801,047
Total deferred tax liabilities not brought to account	11,175,923	3,840,314
Total deferred tax assets not brought to account - net	**9,614,628**	**8,353,306**

NOTE 5 - KEY MANAGEMENT PERSONNEL REMUNERATION

(a) Key management personnel compensation		
• Short term employee benefits	2,449,610	2,237,399
• Long term benefits	23,402	18,229
• Post employment benefits	262,785	226,391
• Share-based payments	653,599	574,992
	3,389,396	**3,057,011**

Apart from the details disclosed in this note, no Director has entered into a material contract with the Company or consolidated entity since 1 July 2013 and there were no material contracts involving Directors' interests existing at year end.

Refer to the remuneration report contained in the directors' report for details of the remuneration paid or payable to each member of the entity's key management personnel (KMP) for the year ended 30 June 2014.

(b) **Performance rights provided as remuneration**

Details of performance rights granted as remuneration, together with their terms and conditions, can be found in the remuneration report.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

NOTE 5 - KEY MANAGEMENT PERSONNEL REMUNERATION (Continued)

Performance rights holdings
The numbers of performance rights granted under the executive short-term and long-term incentive scheme that were held during the financial year by each director of Icon and other key management personnel of the group are set out in the remuneration report contained in the directors' report.

There were no options held by Key Management Personnel during the period ended 30 June 2014 (30 June 2013: Nil).

(c) Transactions with Directors and Director Related Entities	CONSOLIDATED ENTITY	
	30 June 2014 $	30 June 2013 $
Legal fees paid in the ordinary course of business to CKB Partners, a firm with which Mr. S Barry is associated.	**-**	**3,744**

All services provided by the director-related entities were at normal commercial terms and conditions.

NOTE 6 - CASH AND CASH EQUIVALENTS	CONSOLIDATED ENTITY	
	30 June 2014 $	30 June 2013 $
Cash on hand	128	305
Cash at Bank	7,605,332	21,840,269
	7,605,461	**21,840,575**
e		
Cash at the end of the financial year as shown in the consolidated statement of cash flows is reconciled to items in the consolidated statement of financial position as follows:		
Cash and cash equivalents	7,605,461	21,840,575
Balance as per consolidated statement of cash flows	**7,605,461**	**21,840,575**

NOTE 7 - TRADE AND OTHER RECEIVABLES - CURRENT		Restated
Prepayments for deferred exploration and evaluation expenditure	1,197,920	1,212,868
Research and development offset refund	7,492,356	-
Other receivables	389,768	432,519
	9,080,045	**1,645,387**

Trade and other receivables are not past due and are not impaired at 30 June 2014. All amounts are expected to be received in less than 12 months.

In 2013, prepayments for deferred exploration and evaluation expenditure of $1.2m were reclassified from the exploration and evaluation expenditure (Note 10).

NOTE 8 - FINANCIAL ASSETS

		CONSOLIDATED ENTITY	
Current	Note	30 June 2014 $	30 June 2013 $
Held to maturity financial assets:			
Term deposit - investment		12,000,000	11,000,000
Term deposit - security for the bank loan	14	-	362,339
		12,000,000	**11,362,339**
Non Current			
Mineral Interest in West Baton Rouge Parish, Louisiana, USA, at fair value		1	572,500
Less: Impairment		-	(572,499)
		1	**1**

Mineral interest classified as held for sale during the reporting period was measured at fair value. The fair value was determined using the inputs that are not based on observable market data. This is level 3 measurement as per the fair value hierarchy.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

NOTE 9 - PROPERTY, PLANT, AND EQUIPMENT	CONSOLIDATED ENTITY 30 June 2014 $	CONSOLIDATED ENTITY 30 June 2013 $
Plant and Equipment - at cost	1,014,626	1,163,450
less: accumulated depreciation	(797,648)	(801,618)
	216,978	361,832
Building - at cost	2,172,934	2,172,934
less: accumulated depreciation	(236,836)	(187,192)
	1,936,098	1,985,742
Fixtures and Fittings - at cost	1,004,328	1,000,862
less: accumulated depreciation	(362,798)	(297,671)
	641,530	703,191
Land at cost	2,440,000	2,440,000
	5,234,606	**5,490,764**
Plant and Equipment - under lease	154,571	154,571
less: accumulated amortisation	(154,571)	(154,571)
Total property, plant and equipment at written down value	**5,234,606**	**5,490,764**

Movements in carrying amounts

Movements in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

Consolidated Entity	Plant & Equipment $	Building $	Fixture and Fittings $	Land $	Total $
Balance at 1 July 2012	498,161	2,036,658	774,240	2,440,000	5,749,058
Additions	17,336	-	2,250	-	19,586
Disposals	(18,461)	-	-	-	(18,461)
Depreciation	(135,204)	(50,916)	(73,299)	-	(259,419)
Balance at 30 June 2013	**361,832**	**1,985,742**	**703,191**	**2,440,000**	**5,490,764**
Balance at 1 July 2013	361,832	1,985,742	703,191	2,440,000	5,490,765
Additions	14,207	-	3,466	-	17,673
Disposals	(72,253)	-	-	-	(72,253)
Depreciation	(86,808)	(49,644)	(65,127)	-	(201,579)
Balance at 30 June 2014	**216,978**	**1,936,098**	**641,530**	**2,440,000**	**5,234,606**

In 2013, a charge existed over four items of plant and equipment as part of a hire purchase finance arrangements. The written down value of these assets was $40,323 as at 30 June 2013. A commercial property comprising land and buildings is subject to a registered security over the bank loan referred to in Note 14. The book value of the property was $4,425,742 as at 30 June 2013.

No charge existed over any items of plant and equipment during the year ended 30 June 2014. The hire-purchase liability was paid out and closed on 8 October 2013. The bank loan facility was paid out and closed on 6 December 2013.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

NOTE 10 - EXPLORATION AND EVALUATION EXPENDITURE	CONSOLIDATED ENTITY 30 June 2014 $	30 June 2013 $
Exploration and Evaluation Expenditure at cost	**37,253,075**	**12,576,227**

Reconciliations
Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out

Consolidated entity	Note	Exploration and evaluation	Restated Total
Balance at 1 July 2012		18,260,046	18,260,046
Additions	*	23,072,104	23,072,104
Less: Impairment	2c	(10,723,548)	(10,723,548)
Less: Joint venture contributions applied		(17,179,815)	(17,179,815)
Sale of interest in ATP 855		(852,559)	(852,559)
Balance at 30 June 2013		**12,576,227**	**12,576,227**
Balance at 1 July 2013		12,576,227	12,576,227
Additions		25,192,539	25,192,539
Less: Impairment	2c	(92,097)	(92,097)
Less: Joint venture contributions applied		(423,594)	(423,594)
Balance at 30 June 2014		**37,253,075**	**37,253,075**

In 2014, exploration and evaluation expenditure immediately expensed in the consolidated statement of profit or loss and other comprehensive income amounted to $225,302 and consisted of amortisation costs of restoration asset, unwinding of discounting on the restoration provision and impairment of exploration and evaluation expenditure. In 2013, exploration and evaluation expenditure immediately expensed in the consolidated statement of profit or loss and other comprehensive income amounted to $10,723,548 and consisted only of impairment of exploration and evaluation expenditure.

Liabilities arising from exploration and evaluation activities amounted to $52,063 and formed part of trade and other payables (Note 12) (30 June 2013: $7,212)

Exploration and evaluation expenditure incurred is carried forward for each area of interest. This expenditure is only carried forward if it is expected to be recovered through the successful development, commercial exploitation or alternatively sale of respective areas of interest or where the activities in the area of interest have not reached a stage which permits a reasonable assessment of economically recoverable reserves and operations in the area of interest are continuing. In assessing the recoverability of exploration and evaluation expenditure in the financial report, the directors have considered the impacts of relationships with joint venture operators, future funding arrangements and planned future expenditure in relation to mining leases held.

In 2013, based on an independent feasibility study, it was recommended that all coal seam gas (CSG) wells in the ATP 626 area be plugged and abandoned. Therefore, twenty-one wells were plugged and abandoned in ATP 626.

* In 2013, an amount of $1.2m in the additions line was reclassified from the exploration and evaluation expenditure to prepayments for deferred exploration and evaluation expenditure (Note 7).

NOTE 11 - OTHER NON-CURRENT ASSETS	CONSOLIDATED ENTITY 30 June 2014 $	30 June 2013 $
Performance guarantee bonds	198,877	218,011
	198,877	**218,011**

NOTE 12 - TRADE AND OTHER PAYABLES	CONSOLIDATED ENTITY 30 June 2014 $	30 June 2013 $
Current		
Payables and accruals to a joint operations partner	46,151	-
Trade and sundry payables	1,425,019	465,733
	1,471,170	**465,733**

Payables and accruals to a joint operations partner represent expenes are non-interest bearing.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

NOTE 13 - EMPLOYEE BENEFITS

	CONSOLIDATED ENTITY	
	30 June 2014	30 June 2013
	$	$
Current		
Annual Leave	297,502	202,439
Long service leave	235,885	213,423
	533,387	**415,862**
Non Current		
Long service leave	116,340	58,396
	116,340	**58,396**
	649,726	**474,258**
The following amounts reflect leave that is not expected to be taken within the next 12 months:		
Employee benefits obligation expected to be settled after 12 months	298,697	232,883
Number of employees at year end	15	15

Current employee benefits includes all unconditional entitlements where employees have completed the required period of service and also those where employees are entitled to pro-rata payments in certain circumstances. The entire amount is presented as current, since the consolidated entity does not have an unconditional right to defer settlement. However, based on past experience, the consolidated entity does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

Long sevice leave
Liabilities for long service leave form part of employee entitlements. These liabilities expected to be settled within 12 months of the reporting date are recognised in current liabilities in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

The liability long service leave not expected to be settled within 12 months of the reporting date are recognised in non-current liabilities, provided there is an unconditional right to defer settlement of the liability. The liability is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

NOTE 14 - BORROWINGS

	CONSOLIDATED ENTITY	
	30 June 2014	30 June 2013
Secured	$	$
Current		
Hire purchase liabilities	-	29,500
Bank loan	-	3,400,000
	-	**3,429,500**

In 2013, the hire purchase liabilities were secured by motor vehicle with a written down value of $40,323 and were subject to interest rate of 8.14% and were repayable in monthly instalments of $2,028 including finance charges. The hire-purchase liability was paid out and closed on 8 October 2013.

During the year ended 30 June 2013, the bank loan was secured by commercial property with a written down value of $4,425,742 and was subject to interest rate of 4.80%. The bank loan facility was paid out and closed on 6 December 2013.

NOTE 15 - PROVISIONS

	CONSOLIDATED ENTITY	
	30 June 2014	30 June 2013
	$	$
Non Current		
Restoration provision	1,570,110	1,773,973
	1,570,110	**1,773,973**

Restoration provision
Restoration provision represents the present value of estimated costs for future restoration of land explored by the consolidated entity at the end of the exploration activity.

The restoration provision recognised for each tenement is periodically reviewed and updated based on the facts and circumstances available at the time. Changes to the estimated future costs are recognised in the balance sheet by adjusting both the restoration and rehabilitation asset and provision. Such changes trigger a change in future depreciation and financial charges.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

NOTE 15 - PROVISIONS (Continued)

Movements in carrying amounts
Movements in the carrying amounts for each class of provision between the beginning and the end of the current financial year:

Consolidated Entity	CONSOLIDATED ENTITY 30 June 2014 $	CONSOLIDATED ENTITY 30 June 2013 $
Balance at beginning of the year	**1,773,973**	**184,000**
Additional provision recognised	613,720	1,589,973
Reduction due to change in estimate	(61,211)	-
Reversal of provision	(217,778)	-
Charged/(credited) to profit or loss:		-
- unwinding of discount	29,552	-
Amounts used during the year	(568,146)	-
Balance at end of the year	**1,570,110**	**1,773,973**

NOTE 16 - ISSUED CAPITAL

Authorised and Issued Share Capital
Issued share capital 533,391,210 (30 June 2013: 533,391,210) fully paid, no par value ordinary shares.

	30 JUNE 2014		30 JUNE 2013	
Fully Paid Shares	**Number of shares**	**$**	**Number of shares**	**$**
Balance at beginning of the year	533,391,210	83,842,452	469,301,394	70,463,292
Shares issued:				
• November 2012 - Shares issued for cash	-	-	45,454,546	10,000,000
• December 2012 - Shares issued for cash	-	-	18,635,270	4,099,760
• December 2013 - Shares issued for cash	80,318,393	18,874,823	-	-
• August 2013 - Shares issued under Employee Share Ownership Plan	2,064,748	474,892	-	-
• Capital Raising Costs	-	(467,196)	-	(720,600)
Balance at the end of the year	**615,774,351**	**102,724,971**	**533,391,210**	**83,842,452**

The holders of ordinary shares are entitled to receive dividends as declared and are entitled to one vote per share at shareholders' meetings. In the event of winding up the company, all shareholders participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held.

NOTE 17 - SHARE BASED PAYMENTS

Performance rights issued under STI and LTI performance plan (approved at the AGM) are recognised on the date the service are provided from each key management personnel.

Refer to Note 5 Key Management Personnel remuneration and the remuneration report.

The establishment of the Icon's Performance Rights Plan was approved by shareholders at the 2010 AGM and the allotments were approved by shareholders at the 2013 AGM.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

NOTE 17 - SHARE BASED PAYMENTS (Continued)

Under the plan, participants are granted rights which only vest if certain performance standards are met. Participation in the plan is at the board's discretion and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits.
The amount of rights that will vest depends on the extent the performance criteria are met and are granted under the plan for no consideration. Rights granted under the plan carry no dividend or voting rights. When exercisable, each right is convertible into one ordinary share.

The exercise price is nil.

Set out below is a summary of performance rights granted under the plan:

2014
Short-term Incentives

Grant date	Expiry date	Balance at start of the year	Granted during the year	Exercised during the year	Lapsed during the year	Balance at the end of the year	Vested and exercisable at the end of the year
		No	No	No	No	No	No
1 July 2012	30 June 2015	2,064,748	-	(2,064,748)	-	-	-
1 July 2013	30 June 2016	-	3,883,186	-	(940,034)	2,943,152	2,943,152
Total:		**2,064,748**	**3,883,186**	**(2,064,748)**	**(940,034)**	**2,943,152**	**2,943,152**

Long-term incentives

Grant date	Expiry date	Balance at start of the year	Granted during the year	Exercised during the year	Lapsed during the year	Balance at the end of the year	Vested and exercisable at the end of the year
		No	No	No	No	No	No
29 November 2012	30 June 2017	2,705,497	-	-	-	2,705,497	-
25 November 2013	30 June 2018	-	4,494,537	-	-	4,494,537	-
Total:		**2,705,497**	**4,494,537**	**-**	**-**	**7,200,034**	**-**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

NOTE 17 - SHARE BASED PAYMENTS (Continued)

2013
Short-term Incentives

Grant date	Expiry date	Balance at start of the year	Granted during the year	Exercised during the year	Lapsed during the year	Balance at the end of the year	Vested and exercisable at the end of the year
		No	No	No	No	No	No
1 July 2012	30 June 2015	-	2,334,735	-	(269,987)	2,064,748	2,064,748
Total:		**-**	**2,334,735**	**-**	**(269,987)**	**2,064,748**	**2,064,748**

Long-term incentives

Grant date	Expiry date	Balance at start of the year	Granted during the year	Exercised during the year	Lapsed during the year	Balance at the end of the year	Vested and exercisable at the end of the year
		No	No	No	No	No	No
29 November 2012	30 June 2017	-	2,705,497	-	-	2,705,497	-
Total:		**-**	**2,705,497**	**-**	**-**	**2,705,497**	**-**

Expenses arising from share-based payment transactions

Total expenses arising from share-based payment transactions recognised during the year as part of employee benefit expense were as follows:

	30 June 2014 $	30 June 2013 $
Rights issued under Performance Rights Plan - STI	412,041	474,874
Rights issued under Performance Rights Plan - LTI	294,199	171,348
	706,240	**646,222**

Share Based Payments Reserve

	30 June 2014 $	30 June 2013 $
Opening Balance	646,222	-
Reserve transfer for performance rights vested	(474,874)	-
Fair value of shares/rights granted	706,240	646,222
Closing balance	**877,588**	**646,222**

Performance Rights on Issue

During the financial year ended 30 June 2014, the STI and LTI performance rights were granted at nil consideration in accordance with the approval of shareholders at the 2010 AGM. The fair value of these rights has been calculated using the Black-Scholes Option Pricing Model for STI and EOS5 Model for LTI. The assessed fair value at grant date of performance rights granted during the year ended 30 June 2014 was 14.9 cents per right for STI and 8.2 cents per right for LTI.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

NOTE 17 - SHARE BASED PAYMENTS (Continued)

The model inputs for the year included:

30 June 2014	STI Granted 1 July 2013	LTI Granted 25 November 2013
Exercise price	Nil	Nil
Expiry date	30 June 2016	30 June 2018
Total fair value at grant date	$ 543,646	$ 368,552
Number of rights granted	3,883,186	4,494,537
Share price at grant date	$0.140	$0.082
The expected price volatility	50%	50%
Risk free interest rate	2.69%	2.69%
Dividend yield	0.00%	0.00%

During the financial year ended 30 June 2013, the STI and LTI performance rights were granted at nil consideration in accordance with the approval of shareholders at the 2010 AGM. The fair value of these rights has been calculated using the Black-Scholes Option Pricing Model for STI and EOS5 Model for LTI. The assessed fair value at grant date of performance rights granted during the year ended 30 June 2013 was 23 cents per right for STI and 19 cents per right for LTI.

30 June 2013	STI Granted 1 July 2012	LTI Granted 29 November 2012
Exercise price	Nil	Nil
Expiry date	30 June 2015	30 June 2017
Total fair value at grant date	$ 536,989	$ 514,044
Number of rights granted	2,334,735	2,705,496
Share price at grant date	$0.230	$0.190
The expected price volatility	50%	50%
Risk free interest rate	2.69%	2.69%
Dividend yield	0.00%	0.00%

The expected price volatility is based on the historic volatility (based on the remaining life of the rights), adjusted for any expected changes to future volatility due to publicly available information.

A summary of services and performance criteria to be met before beneficial interests vest to individuals is provided in the Remuneration Report.

NOTE 18 - RESERVES

	Note	30 June 2014 $	30 June 2013 $
Share based payments reserve *	17	877,588	646,222
Foreign currency translation reserve **		(2,241,722)	(2,241,465)
Total reserves		**(1,364,134)**	**(1,595,243)**

* Share based payments reserve is used to recognise the fair value of shares and rights issued to employees of the company.
** The foreign currency translation reserve records exchange differences arising on translation of a foreign controlled subsidiary.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

NOTE 19 - EARNINGS PER SHARE

		CONSOLIDATED ENTITY	
		30 June 2014 $	30 June 2013 $
(a)	Reconciliation of Earnings to Net Profit/(Loss)		
	Net Profit/(Loss) for the year	1,577,590	3,720,392
	Earnings used in the calculation of basic EPS	1,577,590	3,720,392
	Earnings used in the calculation of diluted EPS	1,577,590	3,720,392
(b)	Weighted average number of ordinary shares outstanding during the year used in the calculation of basic EPS.	581,541,523	508,461,425
	Adjustment for calculation of diluted earnings per share	5,672,484	2,600,721
	Weighted average number of ordinary shares outstanding during the year used in the calculation of diluted EPS.	587,214,008	511,062,145
	Basic earnings/(loss) per share (cents per share)	0.27	0.73
	Diluted earnings/(loss) per share (cents per share)	0.27	0.73

NOTE 20 - CASH FLOW INFORMATION

	CONSOLIDATED ENTITY	
	30 June 2014 $	30 June 2013 $
Reconciliation of net cash used in operating activities to Profit/(loss) after income tax:		
Profit/(loss) after income tax	1,577,590	3,720,392
Add/(less) non-cash items:		
Depreciation and amortisation	305,232	259,419
Loss/(Gain) on sale of property,plant and equipment assets	33,753	(17,982,143)
Impairment of property, plant and equipment assets	92,097	11,297,963
Movement in share based payments reserve	706,002	646,222
Adjustment for changes in assets and liabilities		
Performance guarantee bonds*	19,135	-
Trade and other receivables	(7,781,098)	(152,416)
Trade and other payables**	293,702	(640,280)
Employee provisions	175,469	38,983
Lease provisions	-	-
Restoration provision	(203,863)	1,589,973
Net cash used in operating activities	**(4,781,981)**	**(1,221,887)**

* Other non-current assets amount is exclusive of deferred exploration expenditure movement.
** Trade and other payables amount is exclusive of the movement in payables attributable to deferred exploration expenditure, which has been incorporated into Cash Flows from Investment Activities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

NOTE 21 - CAPITAL AND LEASING COMMITMENTS

	NOTES	CONSOLIDATED ENTITY 30 June 2014 $	30 June 2013 $
Hire-Purchase Commitments			
Hire- Purchase commitments payable:			
• not later than one year		-	29,555
• later than one year but not later than five years		-	-
Minimum hire-purchase payments		-	29,555
Less: future finance charges			
• not later than one year		-	(55)
• later than one year but not later than five years		-	-
Total Hire-Purchase Liabilities		**-**	**29,500**
Present value of minimum lease and loan payments			
• not more than one year		-	3,429,500
• later than one year but not later than five years		-	-
		-	**3,429,500**
Current borrowings	14	-	3,429,500
Non-current borrowings	14	-	-
		-	**3,429,500**

No charge existed over any items of plant and equipment during the year ended 30 June 2014. The bank loan facility was paid out and closed on 6 December 2013.

Work Programme Commitments

The total commitments for work programmes for ATP849P, ATP549, ATP855P and PEP170 are as follows:	CONSOLIDATED ENTITY 30 June 2014 $	30 June 2013 $
Exploration expenditure commitments		
• not later than 1 year	3,494,774	6,454,225
• later than one year but not later than five years	35,830,485	8,997,800
	39,325,259	**15,452,025**

If any of the above expenditures are not met then the Department of Mines and Energy (QLD) / the Department of Primary Industries (VIC) will require the permit to be forfeited without liability.

The entity's share of the above commitments that relate to its interests in joint operations are $9,358,079 (30 June 2013: $2,318,691).

NOTE 22 - JOINT ARRANGEMENTS AND MINING TENEMENTS HELD

The following is a list of active mining tenements held by Icon Energy and its subsidiaries.

Oil and Gas	Basin	Interest % 30 June 2014	Interest % 30 June 2013
ATP 549P West	Cooper Eromanga	33.33%	33.33%
ATP 594P	Cooper Eromanga	50.00%	50.00%
ATP 794P Regleigh & Springfield	Cooper Eromanga	60.00%	60.00%
ATP 794P Brightspot *	Cooper Eromanga	0.00%	75.00%
ATP 626P **	Surat	100.00%	99.00%
ATP 849P ***	Surat	0.00%	80.00%
ATP 855P	Cooper Eromanga	35.10%	35.10%
PEL 218 Post Permian	Cooper Eromanga	33.33%	33.33%
ATP 560 Ueleven	Cooper Eromanga	0.00%	50.50%
EPG 49 ****	Cooper Eromanga	0.00%	100.00%
EPG 51 ****	Cooper Eromanga	0.00%	100.00%
PEP 170 *****	Gippsland	100.00%	100.00%
PEP 172 ******	Gippsland	100.00%	100.00%
PEP 173 ******	Gippsland	100.00%	100.00%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

NOTE 22 - JOINT ARRANGEMENTS AND MINING TENEMENTS HELD (Continued)

* Relinquished on 31 October 2013, under the relinquishment requirement of the work program.
** Goondi Energy's 1% legal interest was transferred to Icon in July 2013.
*** Voluntarily surrendered to DNRM on 31 August 2013.
**** Voluntarily surrendered to DNRM in February 2014.
**** Icon requested to extend the year one permit date to 2015 on 2 June 2014.
****** Icon requested to defer grant approved by DSDBI on 23 October 2013.

Interests in joint operations are accounted for by including the group’s portion of assets, liabilities, revenue and expenses. Information relating to joint ventures that are material to the consolidated entity are set out below:

		Restated	
		CONSOLIDATED ENTITY	
		30 June 2014	30 June 2013
CURRENT ASSETS	NOTE	$	$
Prepayments for deferred exploration and evaluation	7	1,197,920	1,212,868
Total current assets		**1,197,920**	**1,212,868**

In 2014, an amount of $1.2m was reclassified for the 2013 financial year from the exploration and evaluation expenditure to prepayments for deferred exploration and evaluation expenditure (Note 7).

NON CURRENT ASSETS		
Exploration and evaluation expenditure at cost	33,396,617	10,822,386
Total non current assets	**33,396,617**	**10,822,386**
Share of total assets in joint arrangements***	**34,594,537**	**12,035,254**

*** Icon Energy Limited acquired Goondi Energy Pty Ltd's equity interest in ATP 626. Goondi exercised its right to exit the joint venture on 2 July 2013. After the transfer Icon Energy holds 100% in ATP 626. The transfer of interest is subject to government approval.

		CONSOLIDATED ENTITY	
		30 June 2014	30 June 2013
CURRENT LIABILITIES	NOTE	$	$
Joint arrangements liabilities	12	46,151	-
Total joint arrangements liabilities		**46,151**	**-**
NON CURRENT LIABILITIES			
Restoration provision		1,196,835	644,325
Total joint arrangements liabilities		**1,196,835**	**644,325**
Share of total liabilities in joint arrangements		**1,242,986**	**644,325**

	CONSOLIDATED ENTITY	
	30 June 2014	30 June 2013
EXPENSES	$	$
Exploration and evaluation related expenses	225,302	10,723,548
Share of total expenses related to joint arrangements*	**225,302**	**10,723,548**

Expenses include impairment of exploration and evaluation joint arrangement assets of $92,097 (30 June 2013: $10,723,548).

NOTE 23 - CONTROLLED ENTITIES

	Country of Incorporation	Date of Incorporation	% Owned 30 June 2014	% Owned 30 June 2013
Parent entity:				
Icon Energy Limited	Australia			
Subsidiaries of Icon Energy Limited:				
Jakabar Pty Ltd	Australia	18 Dec 1992	100	100
Icon Drilling Pty Ltd	Australia	18 Nov 1994	100	100
Icon Gas Productions Pty Ltd	Australia	16 Dec 2008	100	100
Icon Oil US (LLC)	USA	5 Jan 1993	100	100

During the year ended 30 June 2014, the consolidated entity deregistered four subsidiaries: Icon Domestic LNG Pty Ltd, Icon Geothermal Pty Ltd, Icon LNG (China) Pty Ltd and Icon Cooper Pty Ltd.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

NOTE 24 - SEGMENT INFORMATION

The consolidated entity operates in the oil exploration and petroleum sector, predominantly within Queensland. The majority of its exploration activities are conducted in the Cooper/Eromanga and Surat Basins in Australia. Icon's Board of Directors reviews internal management reports on at least a monthly basis.

INFORMATION ABOUT GEOGRAPHICAL AREAS

In presenting the information on the basis of geographical areas, the Australian geographical areas include a majority of corporate head office expenses on the basis that all resources within the corporate head office are applied to these exploration activities. Information by geographical areas are as follows:

	Australia		USA		Consolidated Entity	
	30 June 2014 $	30 June 2013 $	30 June 2014 $	30 June 2013 $	30 June 2014 $	30 June 2013 $
REVENUE						
External Sales	-	-	-	-	-	-
Royalty income	25,643	57,488	-	-	25,643	57,488
Total segment revenues	25,643	57,488	-	-	25,643	57,488
Interest Revenue	1,045,484	380,746	-	-	1,045,484	380,746
Other Income	2,968	152,491	-	-	2,968	152,491
Total revenue	1,074,094	590,724	-	-	1,074,094	590,724
RESULT						
Segment net operating profit after tax	1,578,367	3,721,116	(777)	(724)	1,577,590	3,720,392
Interest expense	55,889	53,533	-	-	55,889	53,533
Impairment of Assets	92,097	11,297,963	-	-	92,097	11,297,963
Gain/(loss) on sale of non-current assets	(33,753)	17,982,143	-	-	(33,753)	17,982,143
Segment Assets	71,357,633	53,117,457	14,432	15,847	71,372,065	53,133,304
Segment Liabilities	3,691,007	6,143,083	-	381	3,691,007	6,143,464
OTHER						
Acquisition of non-current segment assets	17,673	19,586	-	-	17,673	19,586
Depreciation and amortisation of segment assets	305,232	259,419	-	-	305,232	259,419

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker. The Chief Operating Decision Maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Managing Director.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

NOTE 25 - FINANCIAL INSTRUMENTS

		CONSOLIDATED ENTITY	
Financial instruments comprise of the following:	NOTE	30 June 2014 $	30 June 2013 $
Financial Assets			
Cash and cash equivalents	6	7,605,461	21,840,575
Loans and receivables:			
- Trade and other receivables	7	9,080,045	1,645,387
Held to maturity financial assets:			
- Term deposit	8	12,000,000	11,362,339
Available for sale financial assets:			
- Mineral interest in West Baton	8	1	1
Financial Liabilities			
Held at amortised cost			
- Trade and other payables	12	(1,471,170)	(465,733)
- Borrowings	14	-	3,429,500

The carrying values of loans and receivables, held to maturity financial assets and held at amortised cost financial liabilities approximate their fair value.

The consolidated entity's financial instruments consist mainly of deposits with banks, short-term investments, accounts receivable and payable, loans to and from subsidiaries, bank loans and hire-purchase liabilities. No financial assets are pledged as collateral for liabilities.

The main purpose of non-derivative financial instruments is to raise finance for the consolidated entity operations.

The consolidated entity does not have any derivative instruments at 30 June 2014 (30 June 2013: Nil).

Significant Accounting Policies

Details of significant accounting policies and methods adopted, including the criteria for recognition, the basis for measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 1 to the financial statements.

Capital Risk Management

The consolidated entity manages its capital to ensure that it will be able to continue as a going concern and provide optimal return to shareholders through the optimisation of the debt and equity balance.

The capital structure of the consolidated entity consists of cash and cash equivalents, hire-purchase liabilities, bank loans and equity comprising issued capital, net of reserves and accumulated losses as disclosed in notes 6, 14 and 16 respectively.

The board of directors review the capital structure on a regular basis. As a part of the review the board considers the cost of capital and the risks associated with each class of capital.

The consolidated entity's overall strategy remains unchanged from 2013.

Financial Risk Management

The main risks the consolidated entity is exposed through its financial assets and liabilities are market risk, credit risk and liquidity risk.

The board of directors analyse currency and interest rate exposure and evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

Risk management is carried out by the board of directors, the audit and risk management committee, and key management personnel.

a **Market Risk**

The consolidated entity's risk management program focuses on the unpredictability of the financial markets and seeks to minimise the potential adverse effects of the financial performance of the consolidated entity, by way of various measures detailed below.

Interest rate risk

The consolidated entity's interest rate risk arises mainly from the term deposits and cash and cash equivalents.The entity is no longer exposed to the interest rate risk arising from the bank loan as the borrowing was settled in December 2013.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

NOTE 25 - FINANCIAL RISK MANAGEMENT (CONTINUED)

The consolidated entity does not use long-term debt to finance its exploration activities.The company has a policy that when production operations commence in Australia, the interest rate risk will be managed with a mixture of fixed and floating rate debt.

The consolidated entity's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on those financial assets and financial liabilities, is as follows:

Consolidated Entity		Weighted Average Interest Rate %	Floating Interest $	Fixed Interest Rate Maturing Within 1 year $	Fixed Interest Rate Maturing 1 to 5 years $	Non interest bearing $	Total $
30 June 2014	NOTES						
Financial assets							
Cash and cash equivalents	6	2.26%	7,605,332	-	-	129	7,605,461
Term deposits	8	3.77%	12,000,000	-	-	-	12,000,000
Other receivables	7		-	-	-	9,080,045	9,080,045
Total Financial Assets			**19,605,332**	**-**	**-**	**9,080,173**	**28,685,505**
Financial liabilities							
Trade and sundry payables	12		-	-	-	1,471,170	1,471,170
Total Financial Liabilities			**-**	**-**	**-**	**1,471,170**	**1,471,170**
30 June 2013	NOTES						
Financial assets							
Cash and cash equivalents	6	1.46%	21,840,269	-	-	306	21,840,575
Term deposits	8	4.24%	11,362,339	-	-	-	11,362,339
Other receivables	7		-	-	-	432,519	432,519
Total Financial Assets			**33,202,607**	**-**	**-**	**432,825**	**33,635,432**
Financial liabilities							
Trade and sundry payables	12		-	-	-	465,733	465,733
Hire purchase liabilities	14	8.14%	-	29,500	-	-	29,500
Bank Loan	14	4.80%	3,400,000	-	-	-	3,400,000
Total Financial Liabilities			**3,400,000**	**29,500**	**-**	**465,733**	**3,895,233**

Cash flow sensitivity analysis for variable rate instruments

The sensitivity analyses have been determined based on the exposure of the consolidated entity to variable interest rates for non-derivative financial instruments at the reporting date at the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period. A 0.5% increase or decrease is used when reporting interest rates internally to the board of directors and represents management's assessment of the possible change in interest rates.

At 30 June 2014, if the interest rates had increased / decreased by 0.5% from the period-end rates with all other variables held constant, post-tax profit for the year for the consolidated entity would have been $111,312 higher/$112,113 lower (30 June 2013: $30,155 higher/$30,696 lower), mainly as a result of the consolidated entity's exposure to interest rates on its variable rate cash and cash equivalents.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

NOTE 25 - FINANCIAL RISK MANAGEMENT (CONTINUED)

		Carrying amount	Carrying amount	30 June 2014 +0.5% / -0.5%		30 June 2013 +0.5% / -0.5%	
		30/06/2014 $	30/06/2013 $	Profit $	Equity $	Profit $	Equity $
Financial assets	NOTES						
Cash and cash equivalents	6	7,605,461	21,840,575	69,312/ (70,113)	69,312/ (70,113)	12,935/ (13,476)	12,935/ (13,476)
Investment - Term Deposit		12,000,000	11,362,339	42,000/ (42,000)	42,000/ (42,000)	17,965/ (17,965)	17,965/ (17,965)
Other receivables	7	9,080,045	432,519	-	-	-	-
Financial liabilities							
Trade and sundry payables	12	1,425,019	465,733	-	-	-	-
Hire purchase liabilities	14	-	29,500	-	-	(140)/ 140	(140)/ 140
Bank loan	14	-	3,400,000	-	-	(605)/ 605	(605)/ 605
Total increase / (decrease)				**111,312/ (112,113)**	**111,312/ (112,113)**	**30,155/ (30,696)**	**30,155/ (30,696)**

Price risk

The consolidated entity is not exposed to any material price risk.

Foreign currency risk

The consolidated entity had exposure to foreign currency risk on sale that was denominated in a currency other then the respective functional currency of the consolidated entity which is the Australian dollar.

In respect of monetary assets denominated in foreign currency, the consolidated entity's policy is to ensure that its exposure is kept to an acceptable level by selling foreign currency at spot rates when necessary to address short-term imbalances.

At 30 June 2014, if the US dollar had increased/decreased by 10% against the Australian dollar with all other variables held constant, post-tax profit for the year for the consolidated entity would have been $4,714 higher/$3,973 lower (30 June 2013: $915,086 higher/$915,086 lower), mainly as a result of foreign exchange gains/losses on translation of US dollar denominated financial instruments as detailed in the table below. The US dollar account balance is included within cash and cash equivalents in Note 6.

	Carrying amount	Carrying amount	30 June 2014 +10%/-10%		30 June 2013 +10%/-10%	
	30/06/2014 US$	30/06/2013 US$	Profit AU$	Equity AU$	Profit AU$	Equity AU$
Financial assets						
US dollar account	56,134	9,150,860	4,714/ (3,973)	4,714/ (3,973)	915,086/ (915,086)	915,086/ (915,086)
Total increase / (decrease)			**4,714/ (3,973)**	**4,714/ (3,973)**	**915,086/ (915,086)**	**915,086/ (915,086)**

b. Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the consolidated entity. The consolidated entity enters into legally binding contracts and management monitors the progress of these contracts in accordance with contract values, as a means of mitigating the risk from

The consolidated entity does not have any significant credit risk exposure to any single counterparty of any group of counterparties having similar characteristics. The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represents the consolidated entity’s maximum exposure to credit risk without taking account of the value of any collateral obtained.

Credit quality of financial assets neither past due or impaired.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

NOTE 25 - FINANCIAL RISK MANAGEMENT (CONTINUED)

c. Liquidity risk

Liquidity risk arises from the financial liabilities of the consolidated entity and its subsequent ability to meet its obligations to repay their financial liabilities as and when they fall due.

Ultimate responsibility for liquidity risk rests with the board of directors, who have an appropriate liquidity risk management framework for the management of the consolidated entity's short, medium and long-term funding and liquidity requirements.

The consolidated entity manages liquidity risk by monitoring forecast and actual cash flows, matching the maturity profiles of the financial assets and liabilities and entering into contracts in accordance with an approved Authority for Expenditure.

The following are contractual maturities of financial liabilities:

30 June 2014	NOTES	Carrying Amount $	Contractual Cashflows $	<1Year $	1-5 Years $
Trade payables	12	1,471,170	1,471,170	1,471,170	-
		1,471,170	**1,471,170**	**1,471,170**	**-**
30 June 2013					
Trade payables	12	465,733	465,733	465,733	-
Hire purchase liabilities	14	29,500	29,555	29,555	-
Bank Loan	14	3,400,000	3,966,765	234,524	3,732,242
		3,895,233	**4,462,054**	**729,812**	**3,732,242**

The consolidated entity's liquidity risk relating to financial liabilities at 30 June 2014 is limited to the repayment of the trade payables. Trade payables are short-term in nature. The bank loan facility was paid out and closed on 6 December 2013. The consolidated entity does not finance exploration activities through debt.

Fair value estimation

The carrying values less provision for impairment of financial assets and financial liabilities of the consolidated entity, as stated in the Statement of Financial Position and accompanying explanatory notes at 30 June 2014, are a reasonable approximation of their fair values due to the short-term nature of the instruments.

No financial assets and financial liabilities are traded in active markets.

NOTE 26 - RELATED PARTY TRANSACTIONS

- Interests in subsidiaries are disclosed in note 23.
- Transactions with Directors and Director Related Entities are disclosed in note 5.
- There were no other related party transactions during the year ended 30 June 2014 or 30 June 2013.

NOTE 27 - CONTINGENT LIABILITIES

Icon Energy Ltd and Jakabar Pty Ltd are currently in dispute with Southern Fairway Investments Pty Ltd (formerly Babcock & Brown Australia Infrastructure Pty Ltd)("B&B") and Ronald Baldwin where B&B and Mr Baldwin are claiming damages arising from an alleged breach of a memorandum of understanding entered into by the parties in June 2008 in the vicinity of $221.75 million and an agency agreement entered into by Icon with Mr Baldwin in May 2008 in the vicinity of $52.4 million. Icon gives no credence to the alleged estimate of loss given by B&B and Mr Baldwin. Proceedings were commenced in the Queensland Supreme Court by claim filed by B&B and Mr Baldwin on 16 April 2014. It is estimated that the extent of the Company's exposure to this dispute will be limited to approximately $260,000 representing legal fees yet to be paid.

NOTE 28 - EVENTS AFTER BALANCE DATE

Icon Energy 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

NOTE 29 - CORRECTION OF PRIOR PERIOD ERROR

During the year, $1.2M was reclassified for the 2013 financial year from the Exploration and Evaluation Expenditure (Note 10) to prepayments for deferred exploration and evaluation expenditure included in Trade and other receivables (Note 7). The prepayment was incorrectly included in exploration expenditure instead of trade and other receivables.

The abovementioned misstatements in the previous year's consolidated financial statements represents a prior period accounting error which must be accounted for retrospectively. Consequently, the Group shall adjust all comparative amounts presented in the current period's financial statements affected by the accounting errors as follows:

Statement of financial position	Previously Reported 30 June 2013 $	Adjustment $	Restated 30 June 2013 $
Current assets			
Trade and other receivables	432,519	1,212,868	1,645,387
Total current assets	**33,635,433**	**1,212,868**	**34,848,301**
Non-current assets			
Exploration and evaluation expenditure	13,789,095	(1,212,868)	12,576,227
Total non-current assets	**19,497,871**	**(1,212,868)**	**18,285,003**
Total assets	**53,133,304**	**-**	**53,133,304**
Net assets	**46,989,840**	**-**	**46,989,840**

There above adjustment had no impact on the Statement of profit or loss and other comprehensive income or retained earnings. As such it is just a reclassification.

NOTE 30 - PARENT ENTITY INFORMATION

The accounting policies of the parent entity, which have been applied in determining the financial information shown below, are the same as those applied in the consolidated financial statements. Refer to Note 1 for a summary of the significant accounting policies relating to the consolidated entity.

Financial position

	30 June 2014 $	30 June 2013 $
Assets		
Current assets	28,435,146	32,995,219
Non-current assets	43,642,698	26,849,205
Total assets	**72,077,845**	**59,844,424**
Liabilities		
Current liabilities	1,949,875	4,261,951
Non-current liabilities	94,010	46,990
Total liabilities	**2,043,886**	**4,308,941**
Net Assets	**70,033,959**	**55,535,483**
Equity		
Issued capital	102,724,970	83,842,451
Reserves	877,588	646,222
Accumulated losses	(33,568,599)	(28,953,190)
Total equity	**70,033,959**	**55,535,483**

Financial performance

	30 June 2014 $	30 June 2013 $
Profit/(Loss) for the year	(4,615,409)	13,268,134
Other comprehensive income	-	-
Total comprehensive income/(loss)	**(4,615,409)**	**13,268,134**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

NOTE 30 - PARENT ENTITY INFORMATION (Continued)

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

	30 June 2014 $	30 June 2013 $
Carrying amount included in current liabilities	-	-

Contingent liabilities of the parent entity

There are no contingent assets or liabilities at the date of this report that require disclosure.

Contractual commitments for the acquisition of property, plant and equipment by the parent entity

The parent entity did not have any contractual commitments for the acquisition of property, plant or equipment as at 30 June 2014 or 30 June 2013.

ADDITIONAL SHAREHOLDER INFORMATION

On-market buy-back

There is no current on-market buy-back.

Distribution of Shareholdings

The distribution of ordinary shareholders ranked according to size at 14 August 2014 was as follows:

Range	Total Holders	Units	% of Issued
1 - 1,000	398	63,793	0.01
1,001 - 5,000	1,465	4,910,873	0.80
5,001 - 10,000	1,233	10,554,448	1.71
10,001 - 100,000	3,243	120,049,218	19.50
Over 100,001	761	480,196,019	77.98
TOTAL	**7,100**	**615,774,351**	**100.00**

Unmarketable Parcels as at 14 August 2014

Minimum $ 500.00 parcel at $ 0.13 per unit	3,847	1,299	2,331,129

Voting Rights

All ordinary shares carry one vote per share without restriction.

Twenty Largest Ordinary Shareholders

For the names of the twenty largest holders as at 14 August 2014:

Rank	Name	Units	% of Units
1	HK PROSPEROUS TECHNOLOGY LIMITED	80,318,393	13.04
2	CITICORP NOMINEES PTY LIMITED	57,911,066	9.40
3	RAY JAMES	22,216,987	3.61
4	HOWARD LU	16,068,181	2.61
5	TAIWAN FRUCTOSE CO LTD	9,000,000	1.46
6	MRS DIANNE BETH BALDWIN	8,509,600	1.38
7	J P MORGAN NOMINEES AUSTRALIA LIMITED	7,551,692	1.23
8	MR TIMOTHY ALLEN KENNEDY + MRS GLENDA KAY KENNEDY <TA & GK KENNEDY S/F NO2 A/C>	5,025,825	0.82
9	CABLEX INDUSTRIES PTY LTD	4,991,332	0.81
10	SAMBOR NOMINEES PTY LTD <SUSANNE & MONIAK SAMBOR A/C>	4,522,256	0.73
11	MR CHIEN HUA LEE	4,500,000	0.73
12	ALPHA GEM PTY LTD	4,304,581	0.70
13	MOROHI PTY LTD	3,620,058	0.59
14	JOHN E GILL TRADING PTY LTD	3,592,538	0.58
15	LINK ORANGE PTY LTD	3,393,181	0.55
16	ZONEX CAPITAL PTY LTD	3,077,829	0.50
17	MR CHRISTOPHER JOHN MARTIN	2,945,126	0.48
18	WILLIAM DOUGLAS GOODFELLOW	2,750,000	0.45
19	IAN PETHERBRIDGE RETIREMENT FUND PTY LTD <IAN PETHERBRIDGE R/F A/C>	2,750,000	0.45
20	MR DANIEL JOSEPH RAYMOND O'SULLIVAN	2,733,530	0.44
	Totals: Top 20 holders of FULLY PAID ORDINARY SHARES (TOTAL)	**249,782,175**	**40.56**
	Total Remaining Holders Balance	**365,992,176**	**59.44**

Substantial Holders

Rank	Name	Shares Held	% of Issued Capital
1	HK PROSPEROUS TECHNOLOGY LIMITED	80,318,393	13.04
2	MR CHING-TANG LI (HOLDING THROUGH CITICORP NOMINEES PTY LIMITED)	38,347,341	6.23
	Totals: Substantial holders of FULLY PAID ORDINARY SHARES	**118,665,734**	**19.27**