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25 January 2013

Company Announcements Office
Australian Securities Exchange Limited
20 Bridge Street
Sydney NSW 2000

Lodgement of Quarterly Report

Please find attached copy of Icon Energy Ltd's Quarterly Report and Appendix 5B for the quarter ended 31 December 2012.

Ross Mallett
Company Secretary

Icon Energy Limited
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QUARTERLY REPORT
ICON ENERGY LIMITED
Period Ending 31 December 2012



Halifax-1 well stimulation commenced late December 2012 in ATP 855P in the Cooper Basin, Queensland



ICON ENERGY LIMITED

ABN 61 058 454 569

DIRECTORS

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

REGISTERED OFFICE

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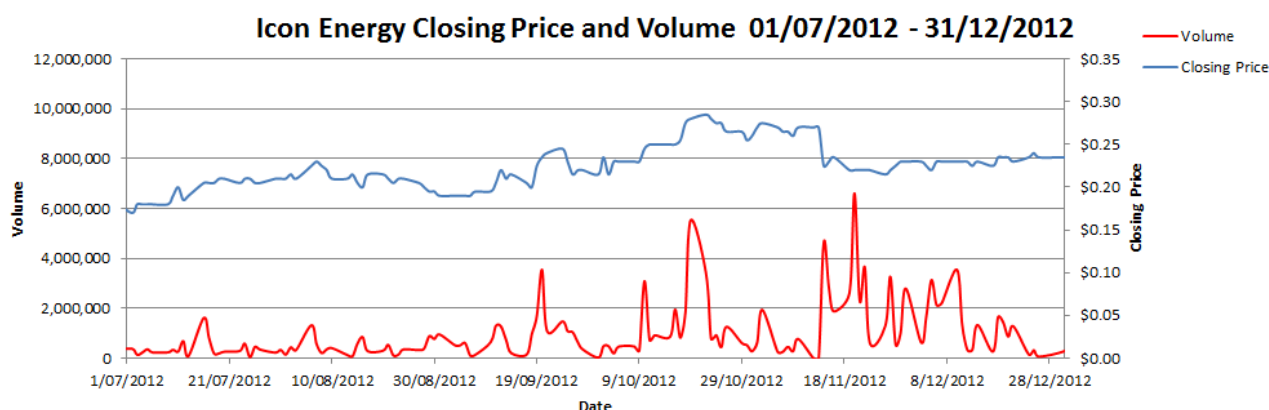


Corporate

- Icon Energy Limited (**Icon Energy** or **Company**) completed a successful capital raising of \$10 million by way of a placement of 45.45 million shares to professional and sophisticated investors on 13 November 2012.
- A Share Purchase Plan (**SPP**) completed on 5 December 2012 successfully raised a further \$4.10 million during the quarter and provided Icon Energy shareholders with the opportunity to acquire SPP shares on the same terms as the placement.
- Icon Energy had cash reserves of \$21.15 million as at 31 December 2012.
- Icon Energy announced on 7 December 2012, that Shantou SinoEnergy and Icon Energy had agreed to extend the completion date for “Conditions Precedent” in the Gas Sales Agreement signed in March 2011.
- The Company held its 2012 Annual General Meeting (**AGM**) on 29 November 2012, with all resolutions being approved except the conditional ‘Spill Resolution’ which was not required to be considered.

Operations

- On 22 December 2012, Icon Energy and Beach Energy Limited (**Beach**) commenced an extensive hydraulic stimulation in Halifax-1. The 14 stage hydraulic stimulation of the Halifax-1 well across multiple zones included seven stages in the Toolachee, Daralingie, Roseneath, Epsilon, Murtree Formations and seven stages in the Patchawarra Formation. These zones were selected following detailed studies of the logs run in the well.
- The Company and joint venture partner Goondi Energy (**Goondi**), are currently reviewing the findings from the AWT International (**AWT**) Feasibility Study conducted in ATP 626P in the Surat Basin Queensland which was completed during the quarter. The object of the AWT Study was to undertake a review of the gas potential of ATP 626P and included a review of both unconventional (coal seam and shale) and conventional gas.



The share price and volume chart (above) shows the movement in the Company’s share price over the six months from 1 July to 31 December 2012. Icon Energy’s share price fluctuated between a low of \$0.17 and high of \$0.29, with an average price of \$0.22 during the period.



Financial Position

Icon Energy has consolidated its financial resources through two capital raising transactions including a Share Placement of \$10 million and a Share Purchase Plan issue contributing a further \$4.10 million. The cash balance at the end of the December 2012 quarter was \$21.15 million, an increase of \$13.58 million over the previous quarter.

- At 31 December 2012 Icon Energy had 533,391,210 shares on issue and 7,565 current shareholders.
- Appendix 5B attached at end of Report.

Capital Raising

On 13 November 2012, Icon Energy completed a \$10 million Placement of approximately 45.5 million new ordinary shares to professional and sophisticated investors at a price of \$0.22 per share.

Macquarie Capital (Australia) Limited was the Sole Lead Manager and Bookrunner to the Placement. The Placement received strong support from both existing and new investors. The placement price was at an 18.5% discount to the last closing price of Icon Energy shares on 9 November 2012.

On 5 December 2012, the Company completed its Share Purchase Plan (**SPP**) as announced on 13 November 2012. Under the SPP, each eligible shareholder could apply for up to a maximum of \$15,000 worth of shares at the placement price, being \$0.22 per share. Applications were received for 18.6 million shares, raising \$4.10 million. All shares issued under the SPP rank equally with existing Icon Energy shares.

Proceeds from the Placement will be used primarily to fund the Company's forward looking Cooper Basin exploration and development program, including:

- Icon Energy's contribution to Halifax-1 well costs (drilling and fracture stimulation); and
- An additional exploration well and fracture stimulation at ATP 855P.

Proceeds from the SPP will be used for additional technical work at ATP 855P

AGM

On 29 November 2012, Icon Energy held its Annual General Meeting (**AGM**). Resolutions 3 to 9 were carried unanimously on a show of hands. Resolution 1, the adoption of the Remuneration Report, was carried on a poll making the conditional Resolution 2, the spill resolution, immaterial.

Shantou SinoEnergy and Icon Energy Gas Sales Agreement

On 19 December 2012, Icon Energy and Shantou SinoEnergy Co Ltd, of the Peoples' Republic of China,

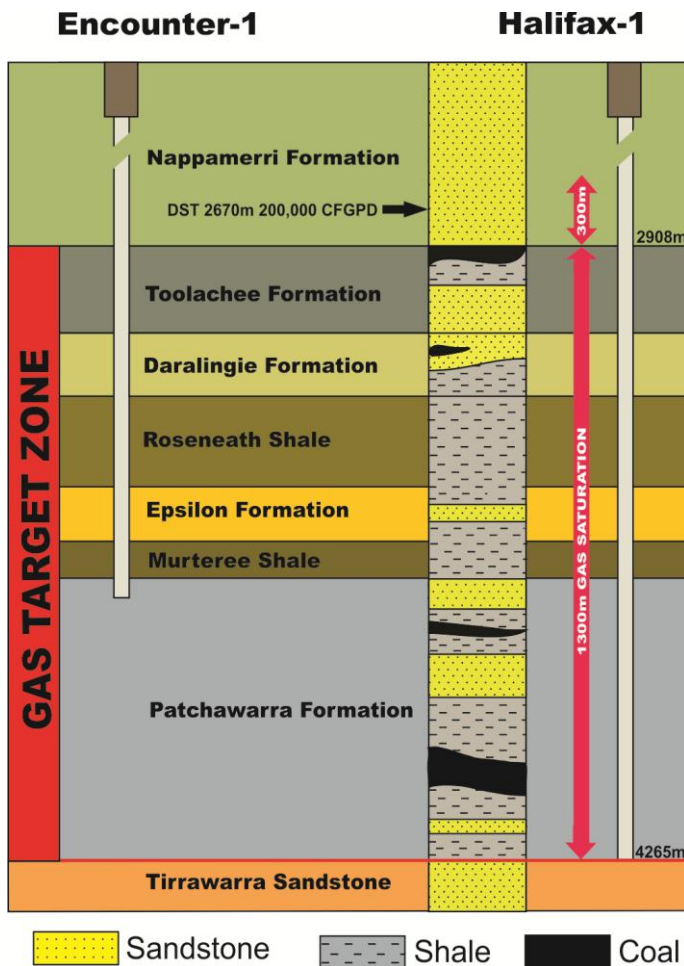


agreed to extend the completion date for conditions precedent in the Gas Sales Agreement signed by both parties in March 2011. The new date for completion of “Conditions Precedent” is now on or before 30 June 2014.

The successful extension of the Shantou SinoEnergy Gas Sales Agreement allows Icon Energy additional time to establish the initial 2 TCF of 2P Reserves of Natural Gas and to fully investigate a number of gas supply options in Australia.

Queensland – Petroleum Exploration – Cooper Basin – ATP 855P

The vertical exploration well Halifax-1 spudded on 4 August 2012 and reached total depth at 4,267 meters on 16 October 2012.



The Halifax-1 vertical well has:

- The deepest unconventional gas well down to 4,267 meters,
- The thickest REM section of 460 meters,
- One of the thickest Patchawarra sections of 490 meters,
- The largest interval of gas saturation of over 1,300 meters,
- A constrained flow test of 200,000scf/d in the upper Nappamerri Formation,
- Over pressured sands across the REM and Patchawarra Formations, and

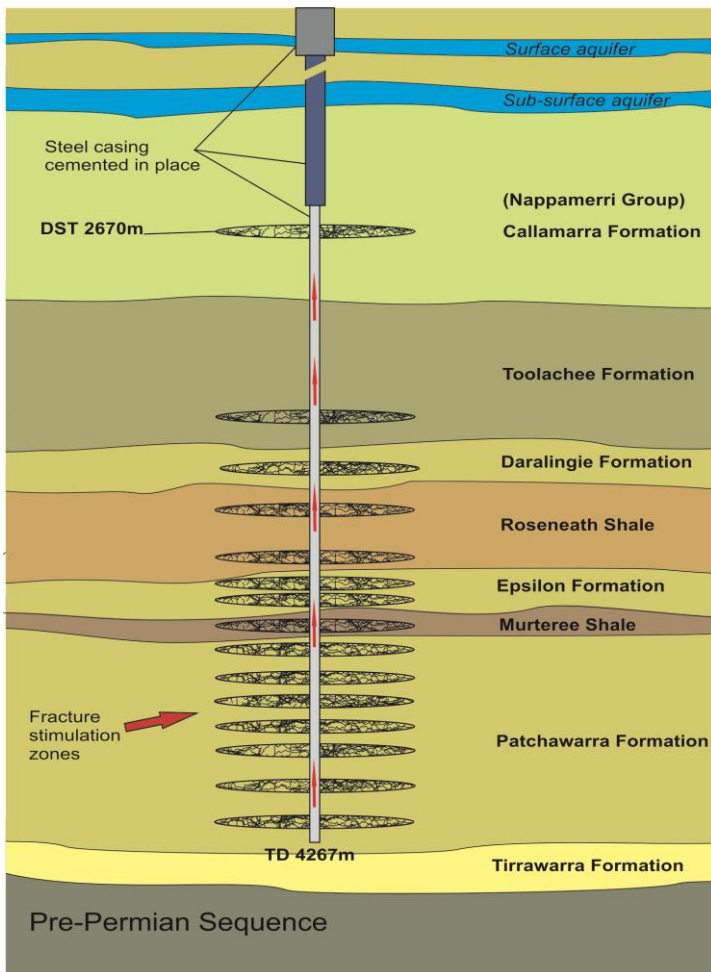
Halifax-1 well schematic showing the depth of drilling and the Formations entered compared to the Encounter-1 well

On 22 December 2012, Icon Energy and Beach Energy (Operator) commenced the hydraulic stimulation of the Halifax-1 well which is one of the most extensive hydraulic stimulation programs of shale wells in the Cooper Basin to date.

The 14 stage hydraulic stimulation of Halifax-1 across multiple zones covered the following formations:

- 1 stage in each of the Toolachee and Daralingie Formations
- 2 stages in the Roseneath Formation
- 2 stages in the Epsilon Formation
- 1 stage in the Murteree Formation, and
- 7 stages in the Patchawarra Formation

Halifax-1



- The fracture stimulation of Halifax 1 was completed subsequent to the end of the quarter. In January the plugs will be drilled out and production tubing put in place to allow the well to be extensively flow tested,
- Flow testing is expected to commence in February 2013,
- Flow rate information is expected to be available later in the first calendar quarter of 2013 after a stabilised flow rate is established, and
- Data from the flow testing will be analysed to determine commerciality of the well.

Halifax-1 well schematic showing the 14 stimulations from the Toolachee to the Patchawarra Formations. Proposed stimulation in the Callamarra Formation did not proceed.



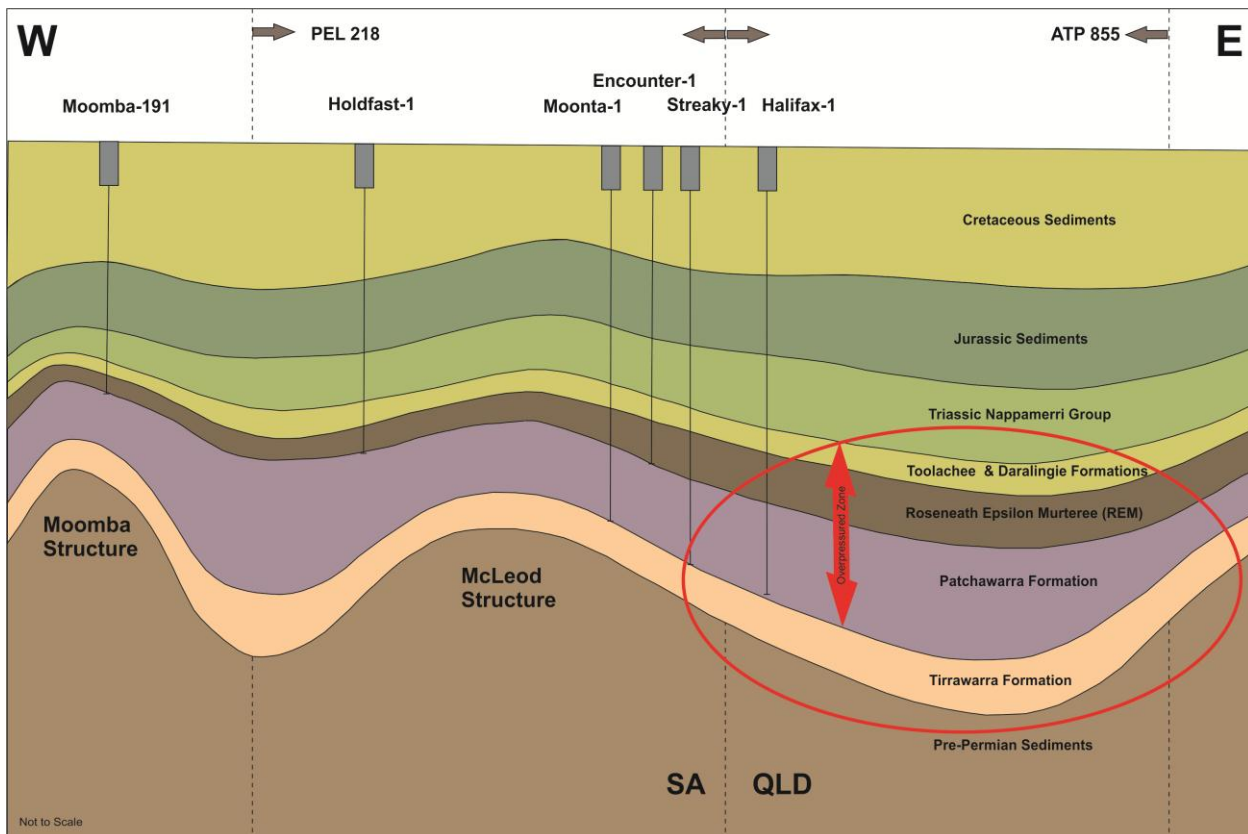
Halifax-1 hydraulic stimulation, ATP 855P, Cooper Basin, Queensland

Ray James, Managing Director of Icon Energy, said: “The Halifax-1 well has exceeded expectations to date and could to deliver a significant new extension of gas in the Nappamerri Trough. We look forward to working with Beach to further develop this outstanding resource.”

Over the past twelve months, Beach Energy has delivered excellent results from its Cooper Basin Nappamerri Trough unconventional exploration program in the adjoining PEL 218 in north eastern South Australia. These results have included:

Flowing gas from three vertical delineation wells, Holdfast-1, Encounter-1 and Moonta-1;

- Holdfast-1 gas rate of up to 2 MMscfd and Encounter-1 at a combined rate of over 2 MMscfd, with both wells only accessing the REM Formation and the top 50 meters of the 500-600 meter Patchawarra Formation;
- Beach booking 2 trillion cubic feet of contingent gas resource for Holdfast-1 and Encounter-1;
- Moonta-1 was drilled to the base of the Patchawarra Formation and identified over 1,000 meters of gas saturation through the whole of the Permian section;
- Moonta-1 flowed gas at a maximum initial rate of 2.6 MMscfd and
- On 18 January 2103, Beach announced that with gas flowing from Moonta-1, it is clear that a basin centred gas play does exist.



Reg Nelson Managing Director of Beach Energy said in July 2012 “ there is little reason why the 300TCF plus gas-in-place (GIP) in PEL 218, cannot be replicated in ATP 855P”. Every well drilled continues to de-risk this basin centered unconventional gas play.

Mr James said: “The Gas Sales contract with Shantou Sino Energy for 2Mtpa of LNG requires Icon to prove up 2TCF of 2P reserves and we are well positioned in the Cooper Basin adjacent to gas infrastructure”.

The final processing of the data from Gallus Seismic Survey conducted by Icon Energy and Beach (Operator) is nearing completion, with 89% of the data processed by Fugro Seismic Imaging Pty Ltd (Fugro).



Above: Halifax-1 hydraulic stimulation, ATP 855P Cooper Basin Queensland



Halifax-1 well head



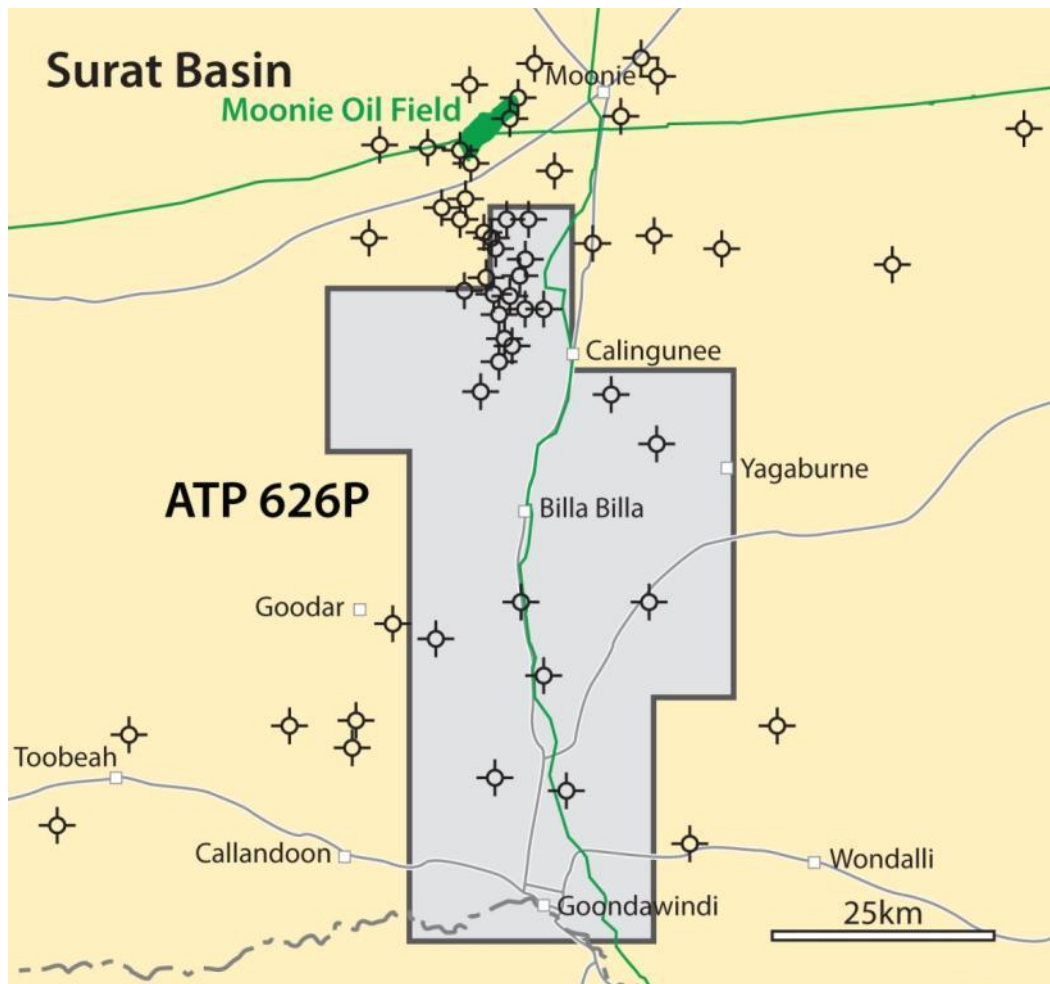
Icon Operations Manager and Logistics Officer at a Halifax-1 inspection visit.

Queensland – Surat Basin - Petroleum Exploration – ATP 626P

In 2012, the Company and Goondi Energy engaged AWT International (*AWT*) to undertake a Reservoir Feasibility Study to examine the best path forward to prove up gas reserves in ATP 626P in the Surat Basin in Queensland.

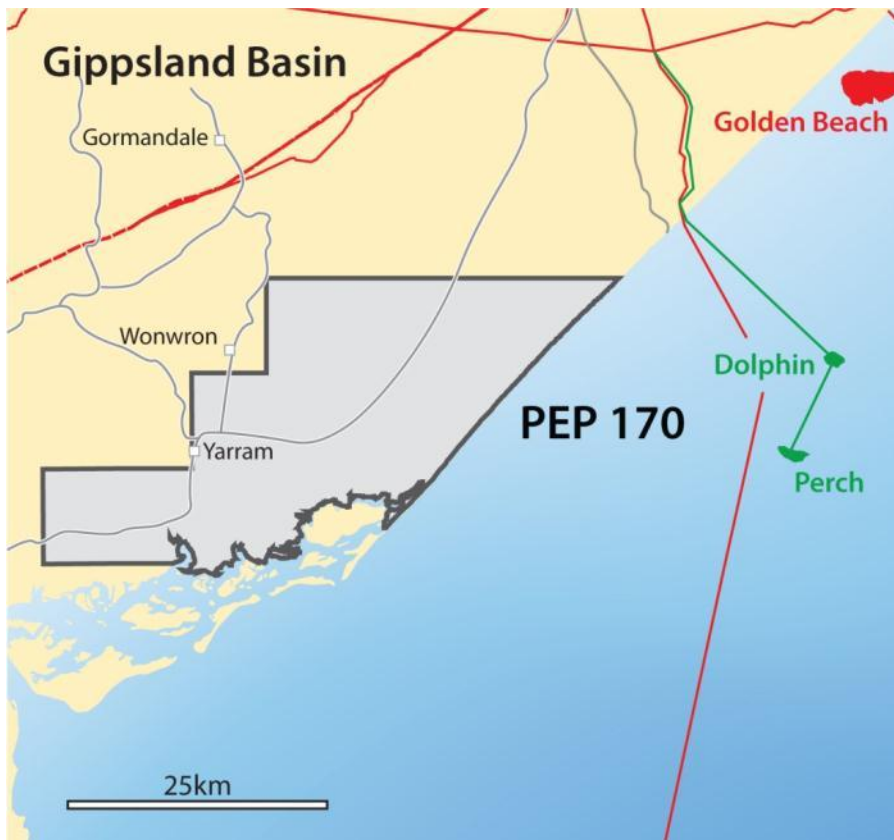
The results from the Eolus 1 and Windom 1 wells were compiled with all previous well results and 2D seismic data and interpretation from 2009 to 2012. The object of the Study was to undertake a review of the gas potential of ATP 626P in the Surat Basin, Queensland that encompasses a review of both the unconventional (coal seam and shale) and conventional gas potential.

The Feasibility Study was completed in December 2012. The Icon Energy/Goondi Energy joint venture partners are now planning the most appropriate future development path for the tenement.



Map of ATP 626P in the Surat Basin, Queensland

Victoria – Petroleum Exploration – PEP 170



Map of PEP 170 in the Gippsland Basin, Victoria

On 24 August 2012, The Victorian Government announced a suspension on the use of hydraulic fracturing in coal seam and conventional gas exploration projects in Victoria until a national harmonized framework guidelines has been agreed upon. The Company has deferred its exploration program in Victoria until the suspension has been lifted.

Drilling Exploration

Icon Energy's proposed drilling of the Tiger West 1 and Dragon 1 well prospects in Gippsland Victoria have the potential to address more than 1 TCF of gas-in-place.

Conduct and Compensation Agreements with landowners have been executed for the Dragon 1 and Tiger West 1 wells and Icon Energy has submitted Drilling Operations and Environmental Management Plans for approval by the Department of Primary Industries (*DPI*).

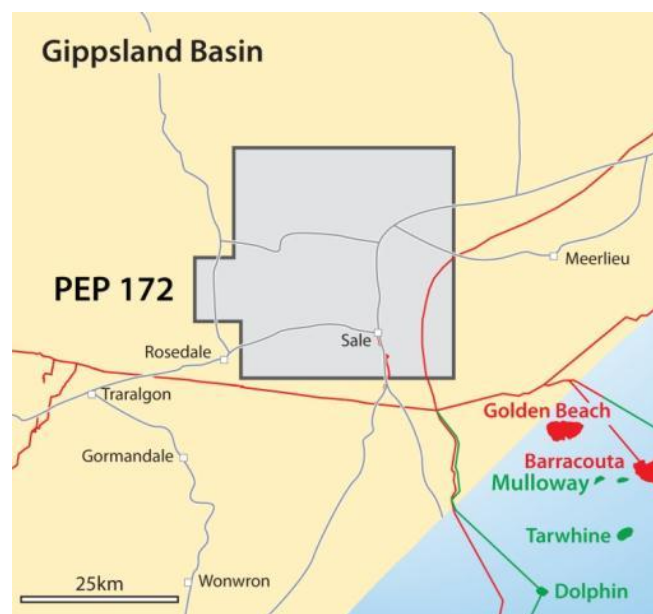
Seismic Acquisition

The planned Murray Seismic Program consists of 46 lines totalling approximately 400 km across PEP 170. The seismic lines are predominantly on major roads, however, a minority of the lines, totalling approximately 27kms will cross freehold land.

Conduct and Compensation Agreements have been prepared and executed with a number of landholders covering the seismic program. When the exact timing for the conduct of the seismic program is available we will complete access arrangements with the landholders prior to commencing the survey. Icon Energy has submitted Seismic Operations and Environmental Management Plans for approval by the DPI.

PEP 170 will not require the conclusion of an Indigenous Land Use Agreement (*ILUA*) prior to the commencement of the drilling program or the Murray Seismic Survey as work will be conducted on road reserves and freehold land.

Victoria – Petroleum Exploration – PEP 172

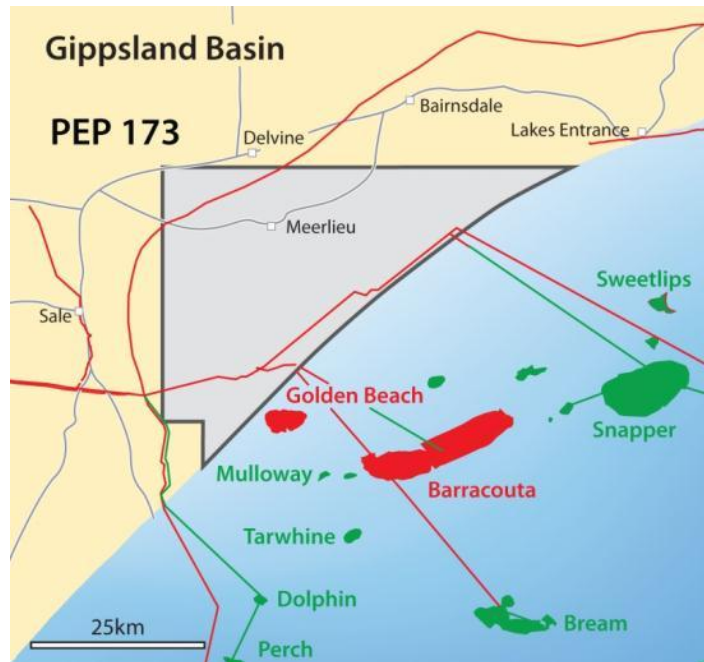


Map of PEP 172 in the Gippsland Basin, Victoria

In August 2011, the Victorian DPI offered to grant Icon Energy PEP 172 subject to the negotiation of an Indigenous Land Use Agreement with the traditional owners, the Gunaikurnai People.

PEP 172 covers 1312 square kms in the Gippsland Basin in Victoria.

Victoria – Petroleum Exploration – PEP 173

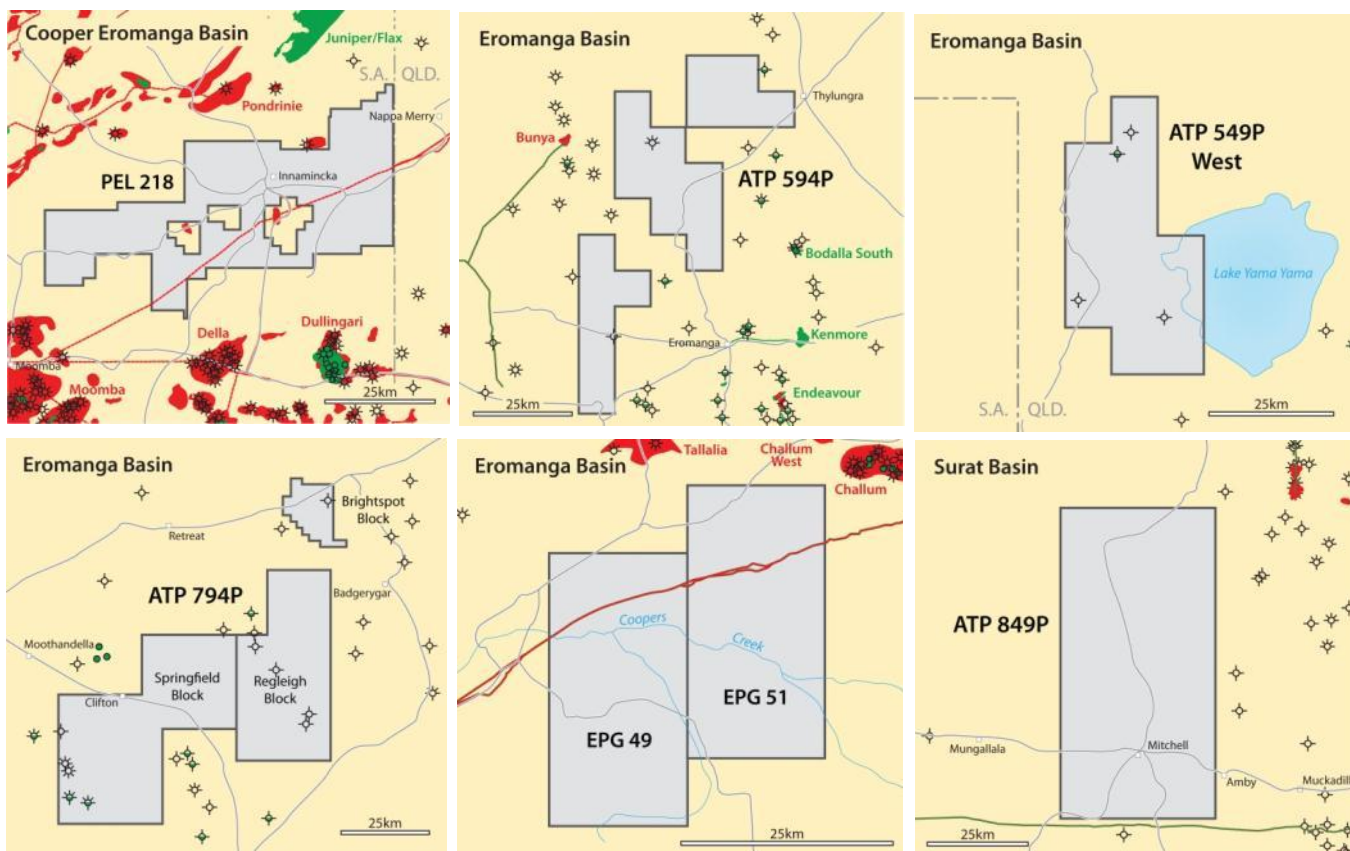


Map of PEP 173 in the Gippsland Basin, Victoria

In December 2011, the DPI offered to grant Icon Energy PEP 173 in the Gippsland Basin in Victoria subject to the Company completing an ILUA with the traditional owners, the Gunaikurnai People.

PEP 173 covers 1220 square kms in the Gippsland Basin in Victoria.

In mid-2012, Icon Energy re-commenced engagement with the Gunaikurnai People, through Native Title Services Victoria, to negotiate the completion of an ILUA covering the Company's three tenements in the Gippsland including PEP 170, PEP 172 and PEP 173. Discussions continued during the quarter.



Basin / Area	Permit / Area	Tenement Area (sqkm)	Permit Interest	Operator	Prospect Type
Cooper Eromanga Basin, Nappamerri Trough	PEL 218	1,602	33.33% Post-permian section only	Beach Energy	Coal Seam Gas
Eromanga Basin, Nappamerri Trough	EPG 49	200	100%	Icon Energy	Geothermal
Eromanga Basin, Nappamerri Trough	EPG 51	200	100%	Icon Energy	Geothermal
Cooper Basin	ATP 560 UEleven	307	50.5%	Icon Energy	Oil Gas
Eromanga Basin	ATP 549 West	3,681	33.33%	Drillsearch	Natural Gas Oil
Eromanga Basin	ATP 794 Brightspot Block Regleigh Block Springfield Block	5,315	75% 60% 60%	Icon Energy	Coal Seam Gas Shale Gas Oil
Eromanga Basin	ATP 594P	1,538	50%	Icon Energy	Natural Gas Coal Seam Gas Oil
Surat Basin	ATP 849P	3,854	80%	Icon Energy	Coal Seam Gas

No activity occurred in these tenements during the quarter.



ATP 855P

- Beach and Icon Energy are scheduled to initiate flow testing of the Halifax-1 well in February 2013 and the flow testing will proceed for a period of several weeks.
- Gallus Seismic Survey data processing is 89% complete and expected to be completed in the first calendar quarter of 2013.

ATP 626P

- The ATP 626P Feasibility Study findings are currently being reviewed by the Goondi Energy and Icon Energy joint venture partners.

PEP 170

- The Company will review its exploration program in Victoria once the Victorian Government lifts its suspension on the use of hydraulic fracturing.

Further Information

For further information please contact:

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Or visit the website www.iconenergy.com

If you would like to register for email alerts please subscribe on the Icon Energy website.

About Icon Energy Limited (ASX:ICN), which listed on the ASX in 1993, is a gas and petroleum exploration Company with a portfolio of prime acreage in the Surat, Cooper, Eromanga and Gippsland Basins in Australia. The Company's exploration strategy focuses on building significant and responsible operations with strategic partners to satisfy energy needs of Australian and overseas based consumers.

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

Name of entity

Icon Energy Limited

ABN

61 058 454 569

Quarter ended ("current quarter")

31 December 2012

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (6 months) \$A'000
1.1 Receipts from product sales and related debtors		
1.2 Payments for (a) exploration & evaluation (b) development (c) production (d) administration	(1,703)	(2,437)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	3,134	3,199
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other (provide details if material)		
Net Operating Cash Flows	(884)	(2,841)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets	31	(10)
1.9 Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets	371	540
1.10 Loans to other entities		
1.11 Loans repaid by other entities		
1.12 Other (provide details if material)		
Net investing cash flows	402	530
1.13 Total operating and investing cash flows (carried forward)	(482)	(2,311)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(482)	(2,311)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	14,100	14,100
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings	(31)	(47)
1.18	Dividends paid		
1.19	Other (provide details if material)		
	Net financing cash flows	14,069	14,053
	Net increase (decrease) in cash held	13,587	11,742
1.20	Cash at beginning of quarter/year to date	7,566	9,411
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	21,153	21,153

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	319
1.24	Aggregate amount of loans to the parties included in item 1.10	Nil

1.25 Explanation necessary for an understanding of the transactions

N/A

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

N/A

Financing facilities available

Add notes as necessary for an understanding of the position.

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	0	3,400
3.2 Credit standby arrangements	233	67

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	2,730
4.2 Development	Nil
4.3 Production	Nil
4.4 Administration	1,200
Total	3,930

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	14,153	6,263
5.2 Deposits at call	Nil	Nil
5.3 Bank overdraft	Nil	Nil
5.4 Other – bank term deposits	7,000	1,303
Total: cash at end of quarter (item 1.22)	21,153	7,566

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed			
6.2	Interests in mining tenements acquired or increased			

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter


Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	533,391,210	533,391,210		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	45,454,546 18,635,270	45,454,546 18,635,270	22 cents 22 cents	10,000,000 4,099,759
7.5 +Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>			<i>Exercise price</i>	<i>Expiry date</i>
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 Debentures <i>(totals only)</i>				
7.12 Unsecured notes <i>(totals only)</i>				

+ See chapter 19 for defined terms.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:  Date: 18 January 2013
.....
(Executive Director / CFO)

Print name: Dr Kevin Jih

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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