



# Annual Report 2019



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### **Notice of Annual General Meeting**

2019 Annual General Meeting  
Wednesday, 27 November 2019 at 11.00am

HOTA, Home of The Arts,  
(Formerly The Arts Centre Gold Coast),  
Lakeside Terrace,  
135 Bundall Road,  
Surfers Paradise, Queensland 4217

### **Competent Persons Statement**

The information on unconventional contingent and prospective resources in this Annual Report was reviewed by Mr Martin Berry who was a full time employee of Icon Energy Limited as at 30 June 2019 and has consented to the inclusion of this information in the form and context in which it appears. Mr Berry is a Fellow of the Geological Society of London and a Member of the American Association of Petroleum Geologists.



# Chairman's Letter



**Mr Stephen Barry**  
Chairman and Non-executive Director  
of Icon Energy Limited.

## Dear Shareholder

It is with deep regret that I report that in the 2018-2019 financial year Icon Energy did not succeed in achieving a farmout for either of its two most promising tenements. The tenements are ATP 855 and ATP 594 in Queensland. A giant gas resource has been discovered in ATP 855. ATP 594 is located on the eastern flank of the Cooper Basin and lies within the prospective oil and gas fairways. Icon holds a 100% working interest and is the operator in each tenement. Icon remains optimistic that it will achieve success in finding a deal.

Icon Energy can report that at the end of the financial year:

- A cash balance of \$8,834,705.00 at 30 June 2019.
- ATP 855 in the Cooper Basin contains 8 Potential Commercial Areas (PCA's). A PCA lasts for up to 15 years from 28 August 2017 i.e. up to 27 August 2032, which provides a lengthy timeframe for the commercial development of each area. Icon Energy holds a 100% working interest and is the Operator.
- ATP 594 is also situated in the Cooper Basin and prospective for oil and gas. The current permit has been extended for two years up to 16 April 2021. Interpretation of the Harrier 3D Seismic Survey in ATP 594 was completed which has identified drilling targets – Icon Energy holds a 100% working interest and is the Operator.

Icon also held and still holds working interests in these tenements:

- PEP 170 in Gippsland Basin (permit granted) and in PEP 172 & 173 (where the issue of the permit is subject to Ministerial Grant when the moratorium is lifted) – 100% working interest and operator. While the tenements are prospective, the moratorium on exploration in Victoria prevents any work being conducted until at least June 2020.
- A 33.33% working interest in the post-Permian section of PRL's 35, 37, 38, 41, 43, 44, 45, 48 and 49 (formerly part of PEL 218 in Cooper Basin, South Australia), following a partial relinquishment of the other PRL's.

Icon's main focus remains on obtaining funding for its two separate projects being ATP 855 and ATP 594. At the date of this report, no agreement has been reached. Icon's team is keen to commence operations as soon as possible once funding is obtained.

All field operations currently are on a care and maintenance basis only but Icon plans to conduct some field rehabilitation this financial year. Until new funding can be obtained, Stage-2 operations in ATP 855 and drilling in the ATP 594 tenement must stay on hold. In Victoria, holding costs of approximately \$18,000.00 per year are paid to preserve Icon's interest in the tenements.

I now turn to the issue of "Asset Impairments" and draw your attention to the detailed material which appears on page 41 of Icon's financial accounts and also in Note 1. You will be aware that Icon had previously included the value of its "Exploration and Evaluation Expenditure" as an asset in its accounts. The lack of funding means that Icon cannot budget for further significant work at this time and under the Accounting Standards, Icon was required to and has determined that the value should be impaired.



Image: Geoffrey #1 well location. ATP855 Cooper Basin.

The amounts of the impairment of the tenements and of the associated inventory (totalling \$28.2 million) are substantial contributors to this year's \$31.3 million financial loss. In respect of that impairment please note:

- The impairment does not affect the potential prospectivity of the tenements themselves.
- The impairment does not affect the existing resource certification for ATP 855.
- Icon continues to seek funding and a joint venturer, to continue work on the tenements.
- The impairment can be reversed in the financial statements at an appropriate time in the future if the fair value of the tenements increases.

In June 2020 the Victorian governments moratorium of onshore drilling expires unless the government takes further action to extend the Moratorium. This is considered unlikely as the state grows short of local gas production.

Throughout the past year Icon has conserved its cash. The Non-Executive Directors moved to reduce their director's fees by 20% effective 1 January 2018. No staff bonuses were paid and the Performance Rights Plan (bonus scheme) lapsed in November 2017 and was not renewed.

In August and September 2019, the company underwent a significant staff restructure. In that restructure:

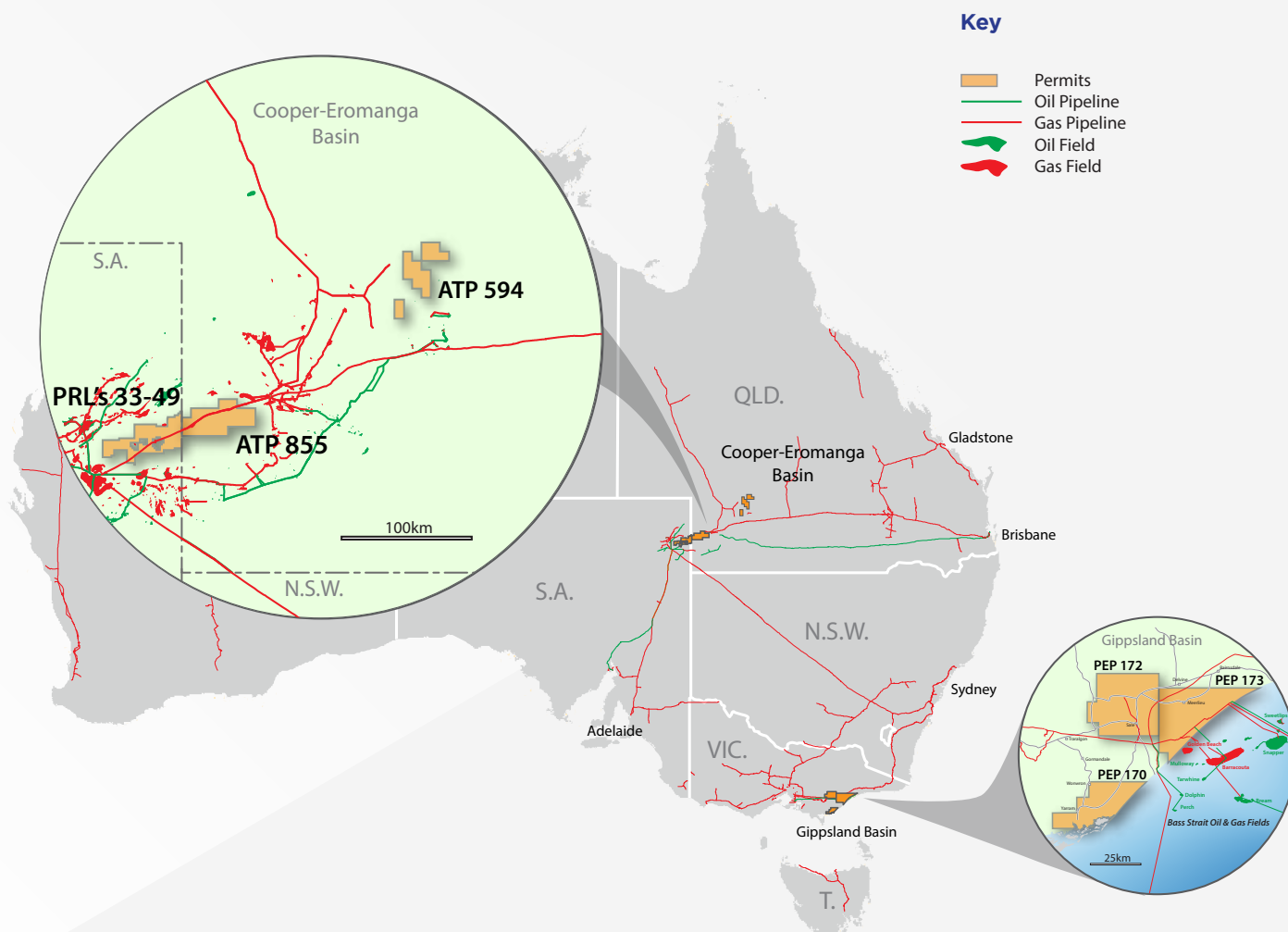
- Several employees were made redundant having regard to the company's level of operations.
- Directors Dr Kevin Jih and Mr Derek Murphy elected to retire after many years of service to the company.
- Mr James offered to vary his contract as managing director such that his base salary and superannuation were reduced by 60% with effect from 1 September 2019.

Our people who have left due to redundancy or retirement will be missed and we thank them for their years of service to Icon.

I would like to thank Icon's team for their dedicated efforts over the past year. I am hopeful of success in raising funds and that Icon's planned new activity will be reflected in a better price for Icon's quoted securities soon.

**S M Barry**  
Chairman

# Tenement Locations



## Icon Energy Tenements

Permit/Area	Tenement Area	Permit Interest	Operator	Prospect Type
<b>Cooper - Eromanga Basin, Eastern Flank</b>				
ATP 594	1,230 km <sup>2</sup>	100%	Icon Energy	Oil
<b>Cooper - Eromanga Basin, Nappamerri Trough</b>				
ATP 855	1,679 km <sup>2</sup>	100%	Icon Energy	Shale Gas, Basin Centred Gas
PRLs*	857 km <sup>2</sup>	33.33%	Beach Energy	Oil
<b>Gippsland Basin</b>				
PEP 170	804 km <sup>2</sup>	100%	Icon Energy	Oil, Gas
PEP 172**	1,312 km <sup>2</sup>	100%	Icon Energy	Gas
PEP 173**	1,220 km <sup>2</sup>	100%	Icon Energy	Gas

\* PRLs 35, 37, 38, 41, 43, 44, 45, 48 and 49 South Australia. Formerly PEL 218 (Post Permian Section)

\*\* Permit to be granted

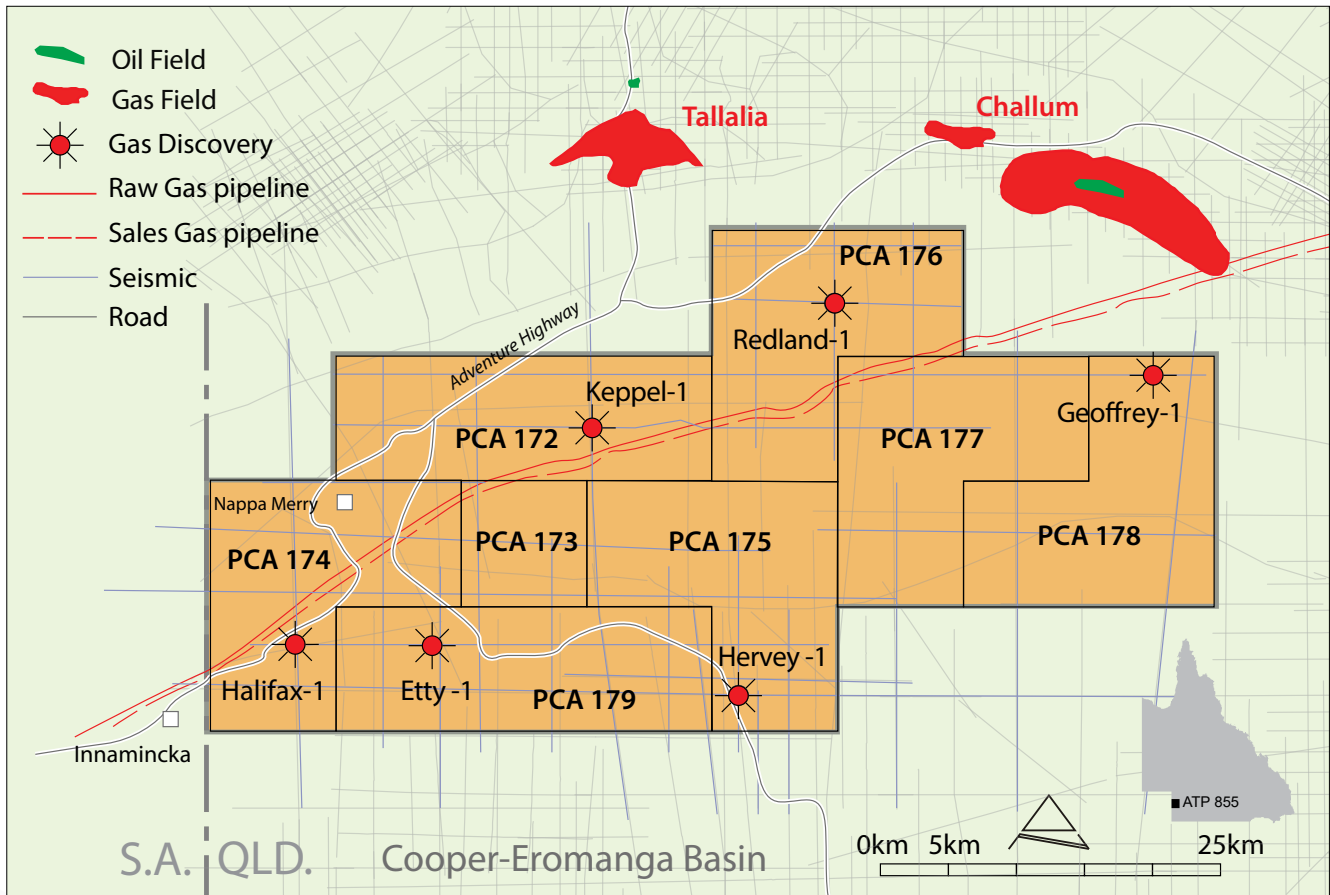
# Review of Operations



*Icon has discovered a very large gas resources in ATP855 in the Cooper Basin. ATP594 lies in the oil fairway on the south-eastern flank of the Cooper Basin. Icon operates its 100% working interest in these tenements.*

# Review of Operations

continued



Map of ATP 855 in the Cooper Basin showing the eight declared PCA areas, PCA 172 – 179.

## ATP 855 COOPER BASIN, QUEENSLAND

ATP 855 is geographically located in far western Queensland, approximately 1,200 kilometres directly west of Brisbane, and covers an area of 1,679 square kilometres, or 414,000 acres (refer to the map above).

ATP 855 is positioned within the deepest part of the Nappamerri Trough, which is the largest of the six troughs within the Cooper Basin. Contained within the thick sequence of Permian sediments is a very large, unconventional, basin-centred gas resource that extends across the entire tenement. Icon has a 100% interest in and is the Operator of the ATP 855 tenement and the basin-centred gas resource that it contains. The permit is currently three quarters of the way through a four year Later Work Program and is compliant in all areas of operation and reporting.

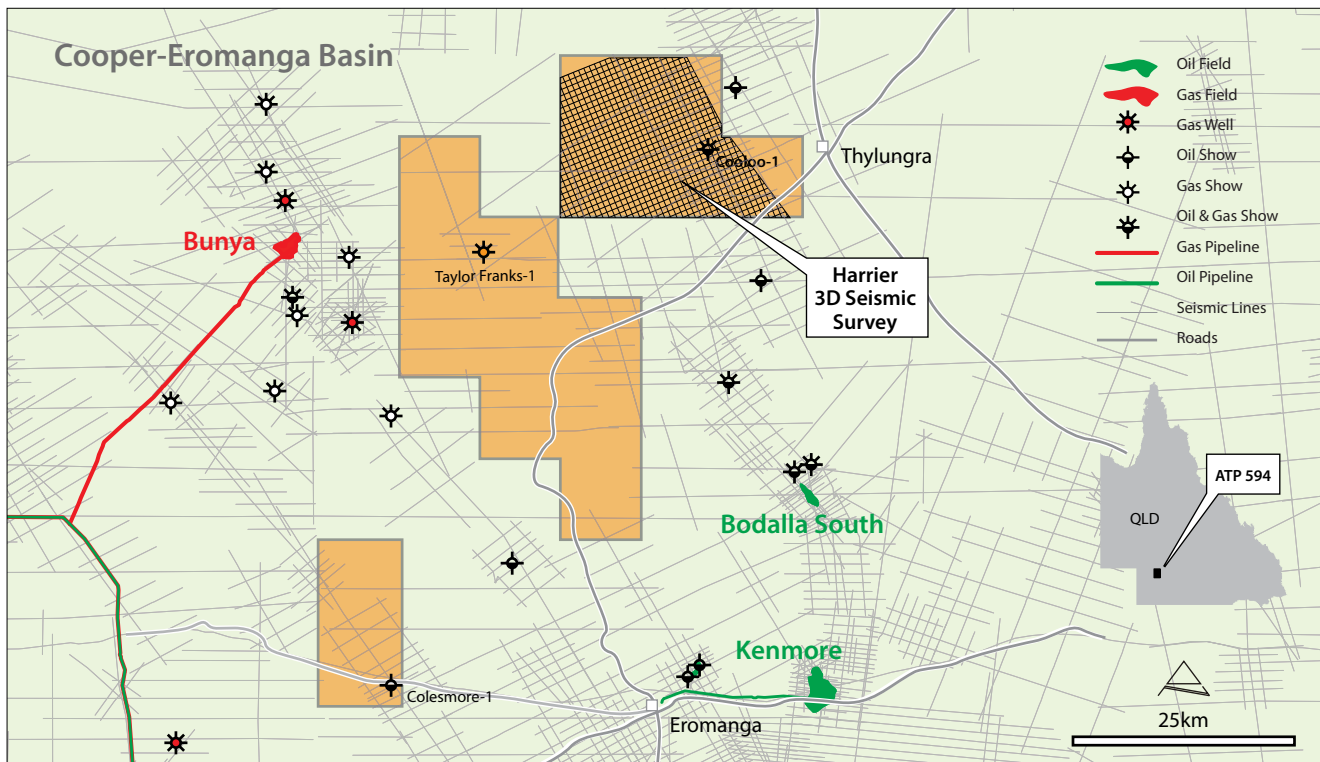
The Department of Natural Resources, Mines and Energy (DNRME) declared Potential Commercial Areas (PCAs) over the entire ATP 855 tenement on 28 August 2017 under the *Petroleum and Gas (Production and Safety) Act 2004*. These PCAs, numbered PCA 172 to 179 (refer to the map above), are for a period of 15 years and are designed to enable Icon sufficient time to fully appraise and ultimately develop the large volume of gas that has been discovered within the Permian sediments.

Each of the eight PCAs, which are a maximum of 229 square kilometres in area, has an associated Commercial Viability Report that reflects Icon's belief that the area is likely to be commercial within 15 years, and an Evaluation Program, that outlines the strategy that Icon proposes to appraise and develop the resource.

The first stage of the exploration program in ATP 855 was successfully completed and included 2D seismic acquisition, technical studies and the drilling, stimulation and extended testing of five new wells. This was the first time that the deep section of the Nappamerri Trough in Queensland had been explored and it resulted in the discovery of a very large gas resource.

This first stage of the exploration program achieved all technical objectives. These included:

- Discovering a significant natural gas resource and delineating its extent;
- Testing fracture stimulation techniques; five wells were successfully fracture stimulated.
- Identifying and prioritizing play types for future appraisal activities.
- Flowing gas and testing deliverability; all stimulated wells flowed gas to surface, with Halifax 1 achieving the highest recorded flow rate of 4.5 MMscf/d.
- Achieving a Contingent Resource booking.



Map showing the location of ATP 594 in the Cooper-Eromanga Basin, Queensland, and the position of the Harrier 3D Seismic Survey in the northern block.

The gas resource estimates within ATP 855, as determined by DeGolyer and MacNaughton, are 28.5 Trillion Cubic Feet (Tcf) of P50 Gross Unconventional Prospective Raw Natural Gas Resource<sup>1</sup> over the whole permit, and 1.57 Tcf of 2C Contingent Resource<sup>2</sup> determined within defined areas surrounding the five wells already tested. These resource estimates were evaluated in accordance with the Petroleum Resources Management System (March 2007).

The next stage of activity in ATP 855 will be designed to appraise the gas resource with the express purpose of demonstrating commerciality. Demonstrating commerciality in the permit would require a considerable technical and operational effort, but would lead to proven gas reserves, progressive conversion of blocks to production licences and a substantial development program, which could support the domestic gas market in Eastern Australia and, ultimately, lead to export contracts.

A critical part of that process is attracting finance and/or a joint venture partner to progress this next stage of activity. Icon's operational plan for ATP 855 requires Joint Venture participation for funding and to reduce the risk of carrying such a high percentage interest. This is normal practice in the petroleum exploration industry.

Icon continues its endeavours to seek a joint venturer to join in the appraisal and development of the gas resource within ATP 855. This is proving to be an extensive and time consuming exercise.

Operationally, Icon continues to monitor the six discovery wells within the permit. Five wells remain suspended. One well has been plugged and abandoned due to its unstable nature while drilling. This well, Keppel No 1, was plugged and abandoned when the well flowed gas to surface at a bottom hole pressure which reached the limit of the specifications of the drilling equipment at the time. Future drilling equipment will be upgraded to cope with the pressures encountered.

Icon is the Operator of ATP 855 and currently has a 100% working interest in the tenement.

### ATP 594 COOPER-EROMANGA BASIN, QUEENSLAND

ATP 594 is geographically located in western Queensland approximately 1,000 kilometres west of Brisbane and 140 kilometres west of the regional town of Quilpie. The tenement consists of three separate blocks covering a total area of 1,230 square kilometres (refer to the map above).

On 21 March 2019 the Department of Natural Resources, Mines and Energy (DNRME) approved Icon's application for a Special Amendment for ATP 594 notifying the following extensions pursuant to section 63C of the *Petroleum and Gas (Production and Safety) Act 2004* (the Act):

- Extending the term by 2 years to 16 April 2021.
- Extending the program period for the current approved work program by 2 years to 16 April 2021.
- Extending the relinquishment condition by 2 years to 16 April 2021.

# Review of Operations

continued

The remaining work outstanding in the Later Work Program, which includes Geological and Geophysical technical work and the drilling of two wells, is programmed to be completed within the two-year extension period to 16 April 2021.

ATP 594 is well positioned on the eastern flank of the Cooper Basin and is prospective for both oil and gas. Numerous wells within and adjacent to ATP 594 have encountered hydrocarbon shows and there are many producing oil fields to the south and southeast of the tenement, including the Kenmore and Bodalla South oil fields. In addition, the nearby town of Eromanga has an oil refinery with spare capacity, providing a ready market for newly discovered oil reserves.

The Harrier 3D seismic survey carried out in the northern block of ATP 594 identified a structural prospect at Hutton Sandstone level and a stratigraphic target identified in the mid-Birkhead Sandstone. There are additional follow-up leads within northern block and there is still almost 900 square kilometres of the tenement in the central and southern blocks that remains underexplored.

Icon continues to seek a potential joint venturer interested in farming into ATP 594 to continue the exploration of the permit.

Icon is the Operator of ATP 594 and currently has a 100% working interest in the tenement.

## PEP 170 (PEP 172 AND 173 PENDING), GIPPSLAND BASIN, VICTORIA

PEP 170 (granted), and PEP 172 and 173 (grants pending), remain subject to a moratorium on onshore exploration and a ban on unconventional drilling activity.

The Victorian Government advised Icon that the *Resources Legislation Amendment (Fracking Ban) Act 2017* came into effect on 16 March 2017. The Act bans hydraulic fracturing under the *Petroleum Act 1990* and imposes a moratorium on conventional petroleum exploration and petroleum production in the onshore areas of Victoria until 30 June 2020.

An application for suspension and extension of the term of PEP 170 was submitted to the Department of Economic Development, Jobs, Transport and Resources on 27 September 2019 and Icon is expecting to receive approval for this in due course.

The Victorian Earth Resources Regulation Branch intends to vary the permit conditions of PEP 170 to reflect the approved suspension and extension and will consider Icon's proposed revised work program which has been submitted.

With the advent of a tightening gas market in NSW and Victoria, there is considerable pressure being placed on the Victorian Government to open up onshore Victoria and remove the moratorium. In addition, offshore gas fields are in decline and the need for additional gas resources are approaching a critical point to maintain industrial manufacturing in Victoria.

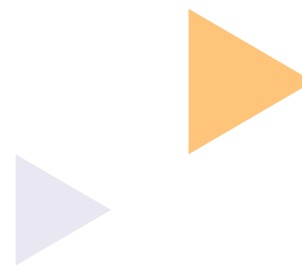
In July the Victorian Government approved the drilling of an onshore well which is programmed to directionally drill offshore intersecting targets under the sea. This may indicate a potential change of thinking within Government foreshadowing the lifting of the moratorium on onshore exploration in June 2020.

Meanwhile, Icon has continued to keep the tenement in good standing by paying all necessary statutory and Native Title fees.

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

## PRLS 35, 37, 38, 41, 43, 44, 45, 48 AND 49 SOUTH AUSTRALIA

- On 15 March 2019 Beach Energy informed Icon that it has made an application to renew 50% of the PRL 33 to 49 area. This means that the eight PRL's that do not contain wells will be relinquished as of the anniversary date on 28 April 2019.
- Icon has a 33.33% interest in the post-Permian section of the remaining PRLs 35, 37, 38, 41, 43, 44, 45, 48 and 49 in South Australia, which cover a total area of 857 km<sup>2</sup>.



- Icon Energy announced on 19 June 2014, that DeGolyer and MacNaughton, a well-respected and qualified international petroleum reserve and resource evaluation company, estimated that the Unconventional Prospective Raw Natural Gas Resource was 28.5 (P50) Tcf. Unconventional Prospective Resources are defined as those quantities of petroleum that are estimated, as of a given date, to be potentially recoverable from undiscovered unconventional accumulations by application of future development projects. Unconventional Prospective Resources may exist in petroleum accumulations that are pervasive throughout a large potential production area and would not be significantly affected by hydrodynamic influences (also called continuous-type deposits). The estimated quantities of petroleum that may potentially be recovered by the application of a future development project relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons. These Unconventional Prospective Resources are based on probabilistic estimates for each target formation and these have been statistically aggregated.
- Icon Energy announced on 27 March 2015, that DeGolyer and MacNaughton, a well-respected and qualified international petroleum reserve and resource evaluation company, estimated that, the 2C Recoverable Gross Contingent Resource was 1,572 Bcf or 1.57 Tcf. Contingent Resources are those quantities of wet gas (produced gas minus carbon dioxide) that are potentially recoverable from known accumulations, but which are not considered to be commercially recoverable due to the need for additional delineation drilling, further validation of deliverability and original hydrocarbon in place (OHIP), and confirmation of prices and development costs. This is based on a statistical aggregation method using Monte Carlo simulation estimates for each formation.



*Icon is seeking a joint venturer to share in the next stage of drilling activity in ATP 855.*



# Sustainability Report

*At Icon Energy, we believe that sustainability is about working safely, effectively and harmoniously with the community and the environment. At all times Icon endeavours to work efficiently to minimise the company's impact on the environment, while also looking to benefit the communities in which we operate.*



Image: ATP855 SA/QLD Border.

Icon's activities have not varied significantly in the past year. Our major operational activity in the field has been a safety monitoring operation of the suspended discovery wells which remain suspended. Icon Energy takes the time to plan, assess, monitor and rehabilitate all projects responsibly. Icon respects the environment and acknowledges that the care and planning that the company puts into all projects will protect and maintain ecosystems and honour the livelihood of the people that Icon works with and within the wider community.

Wherever the opportunity arises, Icon Energy seeks to employ fellow stakeholders and the local community.

Icon Energy's operational health and safety personnel and operations staff are required to complete all the necessary accreditation to ensure that all personnel remain fully compliant with the oil and gas industry's stringent health, safety and environmental policies and procedures.

### WORKING TO BENEFIT ALL COMMUNITIES AND CULTURES

Icon Energy's community engagement is focused on maintaining long-term, collaborative and trusting relationships amongst the communities in which the company operates. Icon Energy respects all cultures and people, seeking to foster their prosperity, quality of life and their relationship with the land, climate and water resources.

Icon Energy is committed to upholding its strong relationships, built up over the past 25 years, with our fellow landholders. Where we operate, we ensure that all landholders and traditional owners are consulted and their needs considered prior to conducting any activities.

### OPERATING SAFELY

Icon Energy has a comprehensive Safety Management System in place and is committed to the safety of its staff, contractors and joint venture partners.

Icon's safety strategies and culture is focused on maintaining a safe and incident free work place as our highest priority. Icon always has, and always will continue to work with its staff, contractors and partners to raise safety awareness and promote positive safety behaviour in the field.

Icon Energy has a strong focus on the pre-qualification, training and management of its contractors, which has contributed to no safety incidents being recorded during the year.

Icon Energy appreciates the efforts made by its contractors, associates and employees, for their contribution in maintaining our excellent safety record.

### ENVIRONMENTAL MANAGEMENT

Icon Energy understands its responsibility and is committed to ensuring that all of Icon's operations have minimal impact on the environment. As part of Icon's planning, operations and rehabilitation activities, the company will continually monitor environmental performance to strict criteria.

Icon Energy is proud to report that, once again, the company has maintained a zero environmental incidents record. Environmental planning and research are conducted at the beginning of every Icon Energy Project and environmental management measures are employed, checked, maintained and recorded.

Icon Energy operates with care and respect under its strict Environmental Authorities to ensure the natural environments in which the company operates are preserved for the future.



# Corporate Governance Statement

## Solid Foundations for Management and Oversight

This statement outlines Icon Energy's Corporate Governance practices that were in place during the financial year.

### Role of the Board

The Board of Directors of Icon Energy is responsible for the overall corporate governance of the group and oversees the Company's business and management for the benefit of shareholders and sets out to achieve this objective by:

- Establishing corporate governance and ethical standards;
- Setting objectives and goals;
- Appointing and where appropriate, removing the Managing Director and monitoring the Managing Director's performance;
- Appointing and where appropriate, removing the Company Secretary and monitoring the Company Secretary's performance;
- Reviewing and ratifying systems of risk management and internal control, codes of conduct and legal compliance;
- Reviewing and ensuring the appropriate composition of the Board;
- Approving and monitoring the progress of major capital expenditure, capital management and acquisitions and divestitures;
- Approving and monitoring financial and other reporting.

The Board has specifically reserved for its decision, the following matters:

- The appointment of the Managing Director;
- Approval of the structure of the direct reports to the Managing Director;
- Approval of the overall strategy;
- Approval of annual budgets of the business;
- Delegation of authority;
- Formal determinations that are required by Icon Energy's constitutional documents, by statute or by other external regulation.

The Board maintains the right to make changes to the matters reserved for its decision, subject to the limitations imposed by the constitutional documents and the law.

In particular, the Board has given authority to the Managing Director to achieve the corporate objectives. The Managing Director has the right to make decisions and take actions which, in the Managing Director's judgment, are reasonable and are within the authority given by the Board. The Managing Director continues to be responsible to the Board for the delegated authority and for the performance of the business. The Board monitors the decisions and actions of the Managing Director to ensure that progress is being made towards the corporate objectives, within the authority it has delegated. The Board also oversees the performance of the Company through its Board Committees.

The Managing Director is required to report on progress being made by the Company to the Board and key stakeholders. The Board and its Committees determine the nature and form of information required from the Managing Director, employees or external parties, including the external auditor. Openness and trust are encouraged between individual members of the Board and the Managing Director and other employees. This allows Directors to achieve a better understanding of the business.

### Role of Management

Through the Managing Director, the Board has delegated the following key functions to senior executives:

- The recommendation of Icon Energy's business, operational and corporate strategy to the Board for approval and following their approval, implementation;
- The day to day responsibility for complying with all laws and regulations relevant to Icon Energy's operations and business activities;
- The achievement of the corporate objectives set by the Board;
- The development and implementation of the Company's policies and procedures (including risk management and internal control processes); and
- The engagement of suitable staff and contractors so as to effectively discharge the Company's obligations and various strategic, operational and business objectives.

### Board Composition

The principles applied to the composition of the Board are:

- Due diligence conducted prior to the appointment of each Directors has ensured that the Company's Board is comprised of Directors who have a broad cross-section of experience in the petroleum exploration/production industry both in Australia and overseas, have general management and business development experience or legal or financial experience;
- The expertise of the Board encompasses the establishment of management strategy and monitoring achievement of these strategies;
- The Chairman of the Board is a Non-executive Director. The Chairman has the casting vote in all Board decisions;
- The Board comprises of a majority of Non-executive Directors. Currently the Board comprises of three Non-executive Directors and one executive Director;
- If a Board vacancy exists or where the Board considers that an additional Director is required, that appointment would be made from persons who possess the appropriate expertise, skills and sufficient time as determined by the Board. The Remuneration, Nominations and Succession Committee reviews the composition of the Board on a regular basis and conducts a skills gap analysis as part of the exercise to ensure the Board has the right balance of requisite skills and experience;

- In accordance with ASX listing rules and individual Director Service Agreements with the Company, no Director, except the Managing Director, shall hold office for a period in excess of three years, or past the third Annual General Meeting following the Director's appointment, whichever is the longer, without submitting themselves for re-election. At every Annual General Meeting one third of the Directors, or if their number is not a multiple of three, then the number nearest to but not exceeding one third shall retire from office and be eligible for re-election. All relevant information in relation to the re-election of a Director to be determined at an Annual General Meeting is set out in the Notice of Meeting and Explanatory Statements for all shareholders;
- In accordance with the Constitution of the Company, the Board comprises of at least three Directors;
- As at 30 June 2019 five of the six Company Directors were Fellows of and participated in information sessions through the Australian Institute of Company Directors.

A copy of the Company's Board Charter and the Role of Management can be found in the Corporate Governance Section of the Company's website.

### Independence of Non-executive Directors

The Board considers an Independent Director to be a Non-executive Director who meets the criteria for independence included in the Australian Securities Exchange's (ASX) Corporate Governance Council's Corporate Governance Principles and Recommendations (ASX Principles). The Board has determined that Messrs Stephen Barry, Derek Murphy, Howard Lu and Dr Keith Hillless meet the definition of an "independent director" as set out in the ASX Principles.

### Independent Professional Advice

The Directors are entitled to seek independent professional advice at the Company's expense if required in the performance of their duties.

The Directors are entitled to direct access to employees and Company advisers as may be required.

### Board Committees

Two Committees of the Board have been formed to consider and make recommendations to the Board on important areas of decision making. These Committees are the Audit and Risk Management Committee and the Remuneration, Nominations and Succession Committee. Additional committees may be formed if the Board sees a need for them.

In September 2019, all Non-executive Directors were invited to stand for appointment or reappointment for each Committee. Members of the two standing Committees were appointed on 26 September 2019 as follows:

### Audit and Risk Management Committee

Keith Hillless AM (Chairman, Non-executive Director),  
Stephen Barry (Non-executive Director)

### Remuneration, Nominations and Succession Committee

Stephen Barry (Chairman, Non-executive Director),  
Keith Hillless AM (Non-executive Director)

### Board and Committee Members and Meetings

Currently the Board of Directors consists of three independent Directors and the Managing Director, following the retirement of the fourth independent director and the second Executive Director since 31 August 2019. The Audit and Risk Management Committee now comprises two independent Non-executive Directors having experience and expertise in financial matters. The Chairman of the Audit and Risk Committee is Dr Keith Hillless, an independent Non-executive Director. The Remuneration, Nominations and Succession Committee consists of two independent Non-executive Directors, due to the small size of the Company although there was only one member of a committee namely Mr Barry in the period following Mr Murphy's retirement on 31 August 2019 until the appointment of new committee members on 26 September 2019. The Company Chairman is also the Chairman of the Remuneration, Nominations and Succession Committee.

Details of the number of Board and Committee meetings held during the reporting period and their attendees are set out in the Directors' Report. In addition, details of the qualifications and experience of each Board and Committee member are set out in the Directors' Report. The period of office held by each Director is also set out in the Directors' Report.

### Audit and Risk Management Committee

The purpose of the Committee is to assist the Board in its oversight of:

- The effectiveness of the systems of financial risk management, governance and internal control;
- The integrity of the Group's financial reporting;
- The integrity of the external audit process, including appointment, performance and independence of the external auditor; and
- Identification of potential risks and the review of the Company's risk management system.

The Committee's role is to report to the Board and provide appropriate advice and recommendations on matters relevant to its Charter in order to facilitate decision making by the Board.

The Audit and Risk Management Committee has in place a formal charter which defines the Committee's function, composition, mode of operation, authority and responsibilities. The Managing Director, Chief Financial Officer and External Auditor are invited to attend Committee meetings, at the discretion of the Committee.

# Corporate Governance Statement

continued

The Committee last conducted review of the key identified risks for the Company on 26 September 2019. The Charter of the Audit and Risk Management Committee can be found in the Corporate Governance section on the Company's website.

## Remuneration, Nominations and Succession Committee

While larger companies may allocate the responsibilities for remuneration, nominations and succession to separate committees, the Board has determined that a company of Icon Energy's size is better served by having one Committee with responsibility for all of these functions. The Committee meets at least once in each reporting year.

The Remuneration, Nominations and Succession Committee reviews and makes recommendations to the Board on the following matters:

- The appointment and performance of the Managing Director;
- The remuneration structure for the Managing Director and other senior employees of the Company;
- The Company's recruitment, retention and termination policies and procedures for senior management;
- Staff and executive incentive schemes;
- Board performance assessment and skills analysis;
- Board and management succession planning; and
- Staff superannuation arrangements.

The charter of the Remuneration, Nomination and Succession Committee can be found in the Corporate Governance Section on the Company's website.

## Board and Senior Executive remuneration

Remuneration levels and terms of employment for Executive Directors and Senior Executives are formalised in individual Service Agreements.

Details of the structure of and amounts paid to Non-executive Directors, executive Directors and other Senior Executives are contained in the Remuneration Report which forms part of the Directors' Report. The Remuneration Report also describes the nature of the relationship between the performance of Icon Energy and remuneration paid to Senior Executives.

The Remuneration, Nomination and Succession Committee reviews the Company's remuneration strategy and framework on an annual basis.

## Performance Evaluation

A formal performance evaluation of the Board, each Committee of the Board, the Chairman and individual Directors was last completed on 7 May 2019. As part of that review, the Board reviewed its composition, skills and application of those skills, as well as Board procedures and practices to ensure it has the necessary skills and mechanisms to pursue the Company's strategic objectives.

The Managing Director and Senior Executives participate in annual performance reviews. Performance is measured against key performance indicators relevant to the Company's strategic, operational and business objectives and to each of the Managing Director's and Senior Executive's specific roles.

A performance evaluation for the Managing Director and senior executives was undertaken for the current reporting period in accordance with the process set by the Remuneration, Nomination and Succession Committee and as approved by the Board.

A summary of the performance evaluation process can be viewed in the Corporate Governance section of the Company's website.

## Diversity

A key goal of the Board and Management is to contribute positively to the success of the Company by promoting a high performance culture that draws on the diverse and relevant experience, skills, expertise, perspectives and the unique personal attributes of its Board members and employees.

As an employer, we are committed to managing diversity by reflecting our Company values of respect, integrity, honesty and personal commitment in maintaining and valuing the differences a diverse workforce brings.

The Company applies its Diversity Policy to all Icon Energy Limited's Directors and employees, including contractors and consultants acting on the Company's behalf. The Policy covers and includes the recruitment and selection process, terms and conditions of employment including pay, promotion, work assignment, and training as well as any other aspect of employment.

Key principles of the Diversity Policy include:

- We treat all employees, prospective employees, partners, contractors, consultants and suppliers fairly and equally;
- We promote a corporate culture that values diversity and tolerates differences;
- We recruit employees and Directors impartially from a diverse field of suitably qualified candidates;
- Our recruitment process is designed to ensure that the best people are chosen for the right positions; and
- We provide learning and development strategies and opportunities to develop skills and experience of employees for career advancement.

Details of the Policy are set out under the Corporate Governance section on the Company's website.

**Company – wide assessment at 30/6/2019**

	Board	Management	Employees
Born in Australia	67%	33%	40%
Born Overseas	33%	67%	60%
Male	100%	100%	60%
Female	–	–	40%
Aged 21 to 30 years	–	–	11%
Aged 31 to 40 years	–	–	33%
Aged 41 to 50 years	17%	–	22%
Aged over 50 years	83%	100%	33%

The Diversity Policy includes a commitment to promoting gender diversity each year. The 2018/19 objectives were measured as follows:

2018-2019 Diversity Objectives	Results
To support and promote the Company's Diversity Policy	In Place
To ensure that candidate lists for permanent employee positions are recognisably diverse by age, sex or ethnicity	In Place
To consider diversity when reviewing Board succession plans with the aim to improve gender representation and diversity	In Place
To increase the representation of women in senior management roles by ensuring that any interview process includes male and female candidates to be interviewed for a senior executive position	To be achieved. No new senior management or any company positions were available in the 2018-19 year
To ensure the voluntary turnover in female employees is no greater than organisation turnover levels	Achieved

**2019 – 2020 Diversity Objectives**

To support and promote the Company's Diversity Policy, including, the identification of additional suitably qualified external female candidates

To ensure that candidate lists for permanent employee positions are recognisably diverse by age, sex or ethnicity

To consider diversity when reviewing Board succession plans with the aim to improve gender representation and diversity

To increase the representation of women in senior management roles by ensuring that any interview process includes male and female candidates to be interviewed for a senior executive position

To ensure the voluntary turnover in female employees is no greater than organisation turnover levels.

**Ethical Standards**

The aim of the Company is to ensure that all Directors, managers and employees act with integrity and promote ethical and responsible behaviour which will enhance the reputation and performance of the Group.

The Company has an approved Code of Conduct and Ethics and a Share Trading Policy.

A copy of these Policies and all corporate governance information, can be found in the Corporate Governance Section on the Company's website.

**Code of Conduct and Ethics**

The standard of behaviour required of Icon Energy's Directors and employees, as well as of contractors engaged to perform work on behalf of the Company requires:

- Them to act in the best interest of the Company and create value for the Company's shareholders and stakeholders;
- Them to act honestly and with integrity and fairness in all dealings with each other and third parties;
- Compliance with all laws and regulations which govern the Group and its operations;
- Avoidance or management of conflicts of interest.

The Company has a process in place for Directors, employees and third parties to report potential breaches of the Code of Conduct and Ethics.

# Corporate Governance Statement

continued

## Principles of Conduct

Further general principles of conduct under the Company's Code of Conduct and Ethics, include:

- Ethical and responsible business practices;
- Sustainable development considerations and principles integrated into Company decision making;
- Fostering economic growth and business development, generate Government revenue, provide commercial returns to the industry and contribute to the wealth generated by Australia's natural resource base;
- Health, safety, environmental and community risk management strategies that are based on sound science, transparency and effective communication;
- Continuously seeking opportunities to improve health, safety and environmental performance in addressing risks posed by our operations to employees, contractors, the public and the environment;
- Contributing to the conservation of biodiversity and protection of the environment through responsible management of our operations and their impacts;
- Fostering economic and social development of the communities in which we operate;
- Respecting and protecting human rights and dignity at our operations and deal fairly with employees and others;
- Openly and effectively engaging and reporting with our communities;
- Directors and Executives of the Company shall notify the Chairman or Managing Director before trading in the Company's shares and shall not trade in the shares other than in accordance with the Company's Share Trading Policy.

## Trading in the Company's Securities by Directors and Employees

The Board has a formal policy regarding trading in the securities of the Company by Directors and employees. The Company's Share Trading Policy provides for specified periods in which share trading is permitted (known as "Trading Windows") and blackout periods when trading is not permitted.

Normally all Icon Energy personnel not in possession of unpublished price-sensitive information may only buy, sell or otherwise deal in Icon Energy's securities during Trading Windows. Normally a Trading Window is opened for a three week period commencing after:

- The announcement of the half yearly financial results;
- The announcement of the annual financial results;
- The announcement of the Quarterly Reports for the March and September quarters;
- The holding of Icon Energy's Annual General Meeting;
- The Company issues a prospectus or a cleansing statement; or
- As the Board otherwise determines.

Under the Policy, Directors and Employees who wish to trade in the Company's securities must seek prior clearance in writing from the Chairman (in the case of Directors) and the Managing Director (for the Chairman, Secretary or employees). The provisions of the *Corporations Act 2001* and the Listing Rules of the ASX require advice to the ASX of any transactions by the Directors in the securities of the Company.

## Identification of Significant Business Risk

The Board receives comprehensive monthly management reports which enables Directors to identify emerging risk factors and monitor management's response to these risks.

## Management of Enterprise and Operational Risk

The Board has the responsibility for setting the Company's Risk Management Policy.

The Managing Director, in conjunction with senior executives, is responsible for the development, implementation and management of Icon Energy's risk management and internal control framework. The Managing Director reports to the Board on the management of these functions, including as to the manner in which the Group's material operational and business risks are being effectively managed.

All Company policies and procedures were reviewed and updated where appropriate during the financial year.

Under its charter, the Audit and Risk Management Committee is responsible for:

- Monitoring the establishment and implementation by management of the Company's risk management system;
- Monitoring the effectiveness of the systems of financial risk management, governance and internal control;
- Endorsing a Risk Management Policy which describes the manner in which both risk and the opportunity are identified, assessed, monitored and managed, including how:
  - Significant decisions affecting and changes to the business are subject to risk assessment;
  - Any operational incidents are to be analysed in order to learn from them and successes reviewed in order to repeat them;
  - All acquisitions and divestments of assets are subject to assessment and management;
  - Risks and associated control systems are regularly reviewed; and
  - Performance against risk management plans is monitored and reported upon to the Board.

The Managing Director regularly reports to the Board on the effectiveness of the Company's management of material operational and business risks.

The Board has also received assurance from the Managing Director, Chief Financial Officer and Company Secretary 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
- The system is operating effectively in all material aspects in relation to financial reporting risks.

The Company's Enterprise-wide Risk Management Policy and Crisis Management Policy which encapsulates the Company's management of material business risks, including economic, environmental, social sustainability and operational risks, can be found in the Corporate Governance section of the Company's website.

### Continuous Disclosure

The Board has in place a Disclosure and Communications Policy that is available under the Corporate Governance section on the Company's website. The Disclosure and Communications Policy defines the legal and regulatory obligations, materiality guidelines and reporting process, and is designed to ensure compliance with the continuous and periodic disclosure obligations under the *Corporations Act 2001* and ASX Listing Rules. Responsibility for meeting ASX disclosure requirements and accountability for compliance rests primarily with the Company Secretary.

The Company conducts regular briefings with all staff to ensure they understand the Company's continuous disclosure obligations, and their role in fulfilling them. The Board reviews continuous disclosure matters, if any, at each Board meeting. Copies of Icon Energy Limited's releases to the ASX, investor presentations and Annual Reports are available on the Company's website.

### Shareholder Communication

The Disclosure and Communications Policy sets out the manner in which Icon Energy promotes communication with shareholders and other key stakeholders. The Board of Directors ensures that shareholders are fully informed as to any significant Group developments which are generally communicated through:

- Continuous disclosure to the ASX;
- Email broadcast of all ASX announcements to all email alert subscribers from the Company's website;
- Company's website information updates on all activities;
- Annual reports to shareholders;
- Half-yearly financial reports lodged with the ASX;
- Quarterly reports;
- Notices of shareholder meetings and explanatory notes.

Copies of the above documents are published on the Company's website: [www.iconenergy.com](http://www.iconenergy.com).

Shareholders are encouraged to contact the Company's office if they have any questions on the Company's affairs and participate in the Annual General Meeting by attending and asking questions of the Company's Directors. The Company's external auditors attend the Annual General Meeting each year and any security holder questions are invited by the Chair to be asked at the meeting.

A copy of the Disclosure and Communications Policy can be found in the Corporate Governance Section of the Company's website.

### ASX Corporate Governance Council Principles and Recommendations

The ASX Corporate Governance Council has recognised that its corporate governance principles and recommendations do not represent a "one size fits all" solution. Icon Energy has considered and, where appropriate, applied the ASX Corporate Governance Recommendations. The following table shows that Icon Energy has adopted all of the ASX Corporate Governance Recommendations, with the exception of Recommendation 8.1(a)(1) which recommends that Remuneration Committees comprise at least three members. The Board of Directors has formed the view that it is more practical for a Company the size of Icon Energy to have a Committee of at least two independent Directors, rather than three Directors.

# Corporate Governance Statement

continued

## 2019 Corporate Governance Checklist

Icon Energy's corporate governance policies conform to the applicable Principles (being those under ASX's 3rd edition of Corporate Governance Principles and Recommendations released on 27 March 2014 and took effect from 1 July 2014). A summary of our disclosure against the Principles are set out below:

Corporate Governance Council Recommendation	Does Icon Energy follow the recommendation?
<b>Principle 1 - Lay solid foundations for management and oversight</b>	
1.1 Disclose roles and responsibilities of board and management	<input checked="" type="checkbox"/>
1.2 Undertake appropriate checks before appointing or electing a person as director	<input checked="" type="checkbox"/>
1.3 Written agreement with each director and senior executive	<input checked="" type="checkbox"/>
1.4 Company Secretary accountable directly to Board	<input checked="" type="checkbox"/>
1.5 Diversity Policy disclosures reported	<input checked="" type="checkbox"/>
1.6 Board performance evaluation undertaken	<input checked="" type="checkbox"/>
1.7 Senior executive performance evaluation undertaken	<input checked="" type="checkbox"/>
<b>Principle 2 - Structure the board to add value</b>	
2.1 Nomination committee requirements met	<input type="checkbox"/>
2.2 Board skills matrix disclosed	<input checked="" type="checkbox"/>
2.3 Director Independence and tenure disclosed	<input checked="" type="checkbox"/>
2.4 Majority of the board are independent directors	<input checked="" type="checkbox"/>
2.5 Chair of the board is an independent director and not the same person as the CEO	<input checked="" type="checkbox"/>
2.6 Director induction and ongoing training program	<input checked="" type="checkbox"/>
<b>Principle 3 - Act ethically and responsibly</b>	
3.1 Code of conduct available on website	<input checked="" type="checkbox"/>
<b>Principle 4 - Safeguard integrity in corporate reporting</b>	
4.1 Audit committee requirements met	<input checked="" type="checkbox"/>
4.2 CEO and CFO Declaration received and the financial statements comply	<input checked="" type="checkbox"/>
4.3 External auditors attend AGM and available to answer questions from securityholders	<input checked="" type="checkbox"/>

<b>Corporate Governance Council Recommendation</b>	<b>Does Icon Energy follow the recommendation?</b>
<b>Principle 5 – Make timely and balanced disclosure</b>	
5.1 Continuous Disclosure Policy available on website	<input checked="" type="checkbox"/>
<b>Principle 6 – Respect the rights of securityholders</b>	
6.1 Corporate and governance information available on website	<input checked="" type="checkbox"/>
6.2 Investor relations program	<input checked="" type="checkbox"/>
6.3 Processes to facilitate and encourage participation at securityholders meetings	<input checked="" type="checkbox"/>
6.4 Electronic securityholder communication functionality	<input checked="" type="checkbox"/>
<b>Principle 7 – Recognise and manage risk</b>	
7.1 Risk committee requirements met	<input checked="" type="checkbox"/>
7.2 Annual review of risk management framework	<input checked="" type="checkbox"/>
7.3 No internal audit function but internal control processes in place	<input checked="" type="checkbox"/>
7.4 Disclosure of material exposure to, and management of, economic, environmental and social sustainability risk	<input checked="" type="checkbox"/>
<b>Principle 8</b>	
8.1 Remuneration committee requirements	<input type="checkbox"/>
8.2 Remuneration practices disclosed	<input checked="" type="checkbox"/>
8.3 Remuneration Policy disclosures regarding equity based remuneration	<input checked="" type="checkbox"/>

# Board of Directors



**Stephen Barry**  
Chairman, Non-executive Director

**Qualifications:**

LLB University of Sydney, FAICD

**Experience:**

Mr Stephen Barry has been a Director of Icon Energy Limited since 1993 and was appointed as the Chairman of the Board on 18 December 2008. He is a member and Chairman of the Board's Remuneration Nominations and Succession Committee and a member of the Audit and Risk Management Committee.

Stephen has been a key player in the development of the strategic direction of the Company. As a practicing solicitor he has extensive experience in joint venture and farmin agreements together with a wealth of knowledge on commercial law and corporate litigation.

Stephen has held no other Australian listed company directorships during the past three financial years. He is a Fellow of the Australian Institute of Company Directors.

Director since 05/01/1993



**Raymond James**  
Managing Director

**Qualifications:**

BSc Physics (Geology, Maths) University of NSW, T.C. University of Sydney, FAIM, FAICD

**Experience:**

Mr Ray James has been the Managing Director of Icon Energy Limited and its subsidiaries since 1993. Ray has over 40 years experience in the petroleum industry in Australia, USA, Indonesia, South East Asia, Middle East and Russia. He worked with Chevron in Perth and Houston from 1969-74 and with Gulf Oil from 1974-80. He was the Managing Director of Australian Hydrocarbons from 1980-81 and the Managing Director of Omega Oil from 1987-91.

Ray was a Director of Australian Petroleum Production & Exploration Association Ltd (**APPEA**) from 1999-2007 and Vice Chairman of APPEA from 2003-2005.

Ray is a Fellow of the Australian Institute of Management. He is a Fellow of the Australian Institute of Company Directors and past Vice Chairman of the Gold Coast Committee. Ray is a member of the Advisory Council of the Griffith University, School of Business.

Director since 01/02/1993



**Dr Keith Hilless AM**  
Non-executive Director

**Qualifications:**

AM, BE (Elec) Qld, DUniv QUT, FIE Aust, FAIM, FAICD

**Experience:**

Dr Keith Hilless was appointed to the Board on 3 April 2009 as a Non-executive Director of Icon Energy Limited.

Keith is the Chairman of the Board's Audit and Risk Management Committee. Keith was Electricity Commissioner of the Queensland Electricity Commission (**QEC**) for a time, CEO of the Queensland Transmission and Supply Corporation (**QTSC**), responsible for high voltage supply throughout Queensland and for forecasting changes in electricity demand and expanding Queensland's electricity network.

In addition to his corporate experience, Keith is a Doctor of the University QUT. He was also Deputy Chancellor of Queensland University of Technology for a time, is a Member in the General Division - Order of Australia, and is a Fellow of the Institution of Engineers Australia, the Australian Institute of Management and the Australian Institute of Company Directors.

Director since 03/04/2009



**Howard Lu**  
Non-executive Director

**Experience:**

Mr Howard Lu was appointed to the Board on 7 January 2011 as a Non-executive Director of Icon Energy Limited.

Howard is currently the Executive Chairman of a number of Chinese based companies, including Shin Zu Shing Precision Electronic (Suzhou) Co., Ltd, Ningbo Chang Shing Precision Electronic Co. Ltd and Zhi Qun Precision Electronic (Suzhou) Co. Ltd and the Vice Chairman of Qingyuan China Datang Real Estate Development Co., Ltd. He has previously also been the Senior Executive of Shin Zu Shing Co., Ltd.

As Senior Executive of Shin Zu Shing Co.,Ltd (**SZS**) manufacturer of precision wire and planar springs for medical apparatus, mechanical equipment and electronic products, Howard expanded SZS's business in China and has established four factories in Suzhou, Shenzhen and Ningbo. He has managed all SZS business operations in China since 2002 and now SZS has a market capital of AUD 719,772,727 as of 21 August 2018.

Howard has extensive business interests in China and elsewhere overseas. He is extremely well connected with Chinese energy and resources companies, including LNG importers. Howard is an Australian citizen and is Icon Energy's fourth largest shareholder as of 21 August 2018, holding 16,068,181 fully paid ordinary shares in the Company.

Director since 07/01/2011



**Derek Murphy**  
Non-executive Director

Retired 31/08/2019

**Qualifications:**

BA, LLB (UQ), LLM (Lond), FAIM, FAICD, FHKIoD, SF Fin

**Experience:**

Mr Derek Murphy was appointed to the Board on 20 March 2009 as a Non-executive Director of Icon Energy Limited and is a member of the Board's Remuneration, Nominations and Succession Committee and a member of its Audit and Risk Management Committee.

He is a Fellow of the Australian Institute of Management, a Fellow of the Australian Institute of Company Directors, a Fellow of the Hong Kong Institute of Directors and a Senior Fellow of the Financial Services Institute of Australasia.

He was admitted as a Barrister of the Supreme Court of Queensland and the Federal and High Courts of Australia. Before practicing as a Barrister in Brisbane for some years, he was the Queensland partner of ABS White and Company, a Sydney based stock broking firm. During a career spanning 20 years in Hong Kong, he was a Crown Counsel, Deputy Commissioner for Securities and Commodities Trading, Managing Director of what is now HSBC Asset Management, and Group Vice President, Corporate Communications, of First Pacific Company Limited, a publicly listed conglomerate.

Derek is a Non-executive Director of Hayco Manufacturing Limited, a large manufacturing Company in Hong Kong and China. He is Chairman of the Clem Jones Research Centre for Regenerative Medicine at Bond University, and a Member of the Gold Coast Advisory Council at Griffith University. He is Deputy Chairman of Queensland International Institute, a vocational education provider headquartered in Brisbane and with a branch in Myanmar. He retired as Chairman of the School Council of The Southport School (**TSS**) at the end of 2009 after 12 years on Council.

Director since 20/03/2009



**Dr Kevin Jih**  
Chief Financial Officer, Company Secretary and Executive Director

Retired 31/08/2019

**Qualifications:**

BA, MBA, MAcc, PhD(Bond), CPA, FAIM, FAICD

**Experience:**

Dr Kevin Jih joined Icon Energy Limited as Deputy Chief Financial Officer in November 2008 and was promoted as Chief Financial Officer in July 2010. Kevin was elected as Executive Director in December 2011 and appointed Company Secretary in May 2015 following an internal restructure of the Company.

Kevin graduated with a Master of Business Administration in 1994 and a Master of Accounting both from Bond University. In 2008 he was awarded a Doctor of Philosophy in Accounting from Bond University. He is a Certified Practising Accountant and has wide experience in the private and public sectors specialising in management accounting, financial accounting, human resource management and corporate governance.

Kevin has held numerous key positions as the Finance and HR Manager, Faculty of Humanities and Social Sciences, Bond University, Australia; Vice President of Tai-Chern Enterprise Co Ltd, Vice President of Hong Yang Lease Finance Co Ltd, Taipei, Managing Consultant of MYC Group Co Ltd, Hong Kong and Business Consultant of Hualien Commercial Bank, Taipei.

Kevin has held no other Australian listed company directorships during the past three financial years. He is a Fellow of the Australian Institute of Management and the Australian Institute of Company Directors, as well as a member of CPA Australia.

Director since 30/11/2011



# Current Management Team



**Raymond James**  
Managing Director

**Qualifications:**

BSc Physics (Geology, Maths) University of NSW, T.C. University of Sydney, FAIM, FAICD

**Experience:**

Mr Ray James has been the Managing Director of Icon Energy Limited and its subsidiaries since 1993. Ray has over 40 years experience in the petroleum industry in Australia, USA, Indonesia, South East Asia, Middle East and Russia. He worked with Chevron in Perth and Houston from 1969-74 and with Gulf Oil from 1974-80. He was the Managing Director of Australian Hydrocarbons from 1980-81 and the Managing Director of Omega Oil from 1987-91.

Ray was a Director of Australian Petroleum Production & Exploration Association Ltd (APPEA) from 1999-2007 and Vice Chairman of APPEA from 2003-2005.

Ray is a Fellow of the Australian Institute of Management. He is a Fellow of the Australian Institute of Company Directors and past Vice Chairman of the Gold Coast Committee. Ray is a member of the Advisory Council of the Griffith University, School of Business.



**Natalia Fraser**  
Chief Financial Officer and Company Secretary

**Qualifications:**

BEC, MAcc, CPA

**Experience:**

Ms Natalia Fraser joined Icon Energy Limited in December 2007 as an Accountant reporting to the Chief Financial Officer and was promoted as Chief Financial Officer and Company Secretary on 1<sup>st</sup> September 2019. She graduated with a Master of Accounting from Bond University in 2006. She is a Certified Practising Accountant and is experienced in management and financial accounting.

As a Chief Financial Officer, Ms Natalia Fraser oversees the company's accounting and audit functions. She is also the person responsible for communication with the ASX on behalf of the Company.

# Financial Report

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# Directors' Report

for the year ended 30 June 2019

The Directors of Icon Energy Limited ("**Icon Energy**" or "**the Company**") present their report together with the consolidated financial statements of the Company and its controlled entities ("the Group" or "the Consolidated Entity") for the financial year ended 30 June 2019 and the auditor's report thereon. 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	Executive Director, Chief Financial Officer & Company Secretary	Director since 30/11/2011 Company Secretary since 13/05/2015 Retired 31st August 2019
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 Retired 31st August 2019

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 5 of the Remuneration Report for Directors' interests in shares and performance rights.

Subsequent to the conclusion of the financial year on 30th June 2019, Directors Dr. Kevin Jih and Derek Murphy retired from the Board after many years of service to the company. Icon would like to note and thank them for their valued contribution made to the company.

## REVIEW OF OPERATIONS AND RESULTS

A review of operations of the Consolidated Entity during the financial year is included in the Review of Operations section of this Annual Report.

## SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

### Asset Impairments

Icon Energy presents its financial statements which have been prepared in accordance with the *Corporations Act 2001* which requires the company to comply with Australian Accounting Standards. Those standards require the Group to perform an impairment assessment on the carrying value of the "Exploration and evaluation expenditure" assets when indicators of impairment arise.

In summary:

- AASB 6 *Exploration for and Evaluation of Mineral Resources* lists a number of factors which might lead to an impairment. Specifically, the value of "exploration and evaluation expenditure" should be assessed for impairment where
  - "substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned" (emphasis added).
- Icon Energy requires funding for further work to take place on the tenements.
- That funding is not currently available despite the efforts of our staff.
- The carrying value of the "Exploration and evaluation expenditure" must therefore be assessed for impairment in order to comply with Australian Accounting Standards.
- The impairment can be reversed in the Group's financial statements at an appropriate time in the future if the fair value of the tenement increases.

The impairment has been conducted to comply with Australian Accounting Standards. The impairment does not affect the potential prospectivity of the tenements themselves and does not affect the existing resource certification. Icon Energy continues to seek funding and/or joint venturers to continue work on the tenements.

#### **ATP 594 Cooper-Eromanga Basin Queensland**

- On 21 March 2019 the Department of Natural Resources, Mines and Energy approved the Special Amendment for ATP 594, which extends the Authority to Prospect, the Later Work Program and the relinquishment condition by 2 years from 16 April 2019 to 16 April 2021. After this date, the tenement will have a further exploration period of 6 years to April 2027, the approval of which will be subject to fulfilling the requirements of the current work program.
- Following the Harrier 3D seismic survey in the northern block, a structural prospect was identified at Hutton Sandstone level and a stratigraphic target identified in the mid-Birkhead Sandstone. There are additional leads, but these require further technical work.
- Despite the extension of the term of ATP 594 for a further two years during the year ended 30 June 2019, the Group decided not to budget for exploration of this tenement in 2020. As a result, this exploration asset has been fully impaired in order to comply with AASB 6 *Exploration for and Evaluation of Mineral Resources*.
- Icon continues to seek a potential joint venturer interested in farming into ATP 594 to continue the exploration of the permit.

#### **ATP 855 Cooper-Eromanga Basin Queensland**

- The permit, which is covered by eight (8) Potential Commercial Areas (PCAs), is currently two thirds of the way through Year 3 (Year 9 for the tenement) of a 4-year Later Work Program (LWP) and remains compliant. The remaining work under the current LWP includes a suite of G&G studies and 300 km<sup>2</sup> of new 3D seismic acquisition.
- To comply with AASB 6, exploration expenditure for ATP 855 was impaired to the value of \$5.9m. The value was prepared by an independent valuer on the basis of farm-in promotion factor, taking into consideration that the Group is currently in the process of attempting to farm down ATP 855.
- Icon continues to seek a potential joint venturer interested in farming into ATP 855 to continue the exploration of the permit.
- Icon will immediately issue an announcement should any agreements be reached.
- Icon continues to monitor the 5 suspended discovery wells drilled within the permit, which currently remain in a stable condition.

#### **PEP 170, 172 and 173 Gippsland Basin Victoria**

- PEP 170 (granted), and PEP 172 and 173 (grants pending), remain subject to a moratorium on onshore exploration and a ban on unconventional drilling activity.
- The Victorian Government advised Icon that the *Resources Legislation Amendment (Fracking Ban) Act 2017* came into effect on 16 March 2017. The Act bans hydraulic fracturing under the *Petroleum Act (Vic) 1998* and imposes a moratorium on petroleum exploration and petroleum production in the onshore areas of Victoria until 30 June 2020.
- Icon has continued to extend the PEP 170 permit for the time being, paying all necessary fees, to keep the permit in good standing.
- The Earth Resources Regulation intends to vary the permit conditions of PEP 170 to reflect the approved suspension and extension and will consider Icon's proposed revised work program submitted in December 2017.
- In July the Victorian Government approved the drilling of an onshore well which is programmed to directionally drill offshore intersecting targets under the sea. This may indicate a potential change of thinking within Government foreshadowing the lifting of the moratorium on onshore exploration next year.

#### **PRLs 35, 37, 38, 41, 43, 44, 45, 48 and 49 South Australia**

- On 15 March 2019 Beach Energy informed Icon that it had made an application to renew 50% of the PRL 33 to 49 area. This means that the eight PRL's that do not contain wells were relinquished as of the anniversary date on 28 April 2019.
- Icon has a 33.33% interest in the post-Permian section of the remaining PRLs 35, 37, 38, 41, 43, 44, 45, 48 and 49 in South Australia, which cover a total area of 857 km<sup>2</sup>.

#### **Corporate**

- Icon Energy held the Company's 2018 Annual General Meeting on 21 November 2018 with all resolutions adopted.
- On 12 October 2018, Justice Bond of the Supreme Court of Queensland delivered judgement in the matter of Baldwin versus Icon. The Plaintiffs' claims against Icon Energy were dismissed and the Plaintiffs were ordered to pay Icon's costs, which have been paid.

# Directors' Report

for the year ended 30 June 2019

## EVENTS AFTER THE BALANCE DATE

In the interval between 30 June 2019 and the date of this report, Icon has conducted a significant staff restructuring/redundancy program reflecting its current operational requirements. A number of staff and two directors namely Mr Derek Murphy and Doctor Kevin Jih have retired after long periods of service with the Company. Their efforts are fully appreciated by the board and we thank them for their service.

Following Doctor Jih's retirement, Natalia Fraser was appointed as Chief Financial Officer and Company Secretary. Otherwise there has not arisen 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.

## CORPORATE STRATEGIES AND FUTURE DEVELOPMENTS

Reference to corporate strategies and future development is to be included in the Chairman's Report in the Annual Report. The group will continue to pursue farm-out partners for the further development of its tenements.

## FINANCIAL POSITION

The consolidated loss after tax for the Company and its controlled entities for the financial year ended 30 June 2019 was \$31,372,498 (2018: \$4,037,191 loss).

## 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 2018: Nil).

## REMUNERATION REPORT

The Remuneration Report for the financial period which forms part of the Director's Report can be found on page 28 of this Annual Report.

## SHARES UNDER OPTION

No options have been granted since the end of the previous financial year (2018: Nil). At the date of this report there are no options over unissued ordinary shares.

## COMPANY SECRETARY

During the year ended 30 June 2019, Dr Kevin Jih was the company secretary. His details of qualifications and experience are set out in the Board of Directors section of this Annual Report.

## MEETINGS OF DIRECTORS

During the financial period, fourteen 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	6	6	-	-	-	-
S M Barry	6	6	2	2	2	2
D Murphy	6	6	2	2	2	2
K Hillless	6	6	2	2	-	-
H Lu	6	5	-	-	-	-
K Jih	6	5	-	-	-	-

## ENVIRONMENTAL REGULATION

The Consolidated Entity's operations are subject to various environmental regulations. The Company has a policy of full compliance, but in most cases exceeding environmental performance obligations. Further information on the Group's environmental performance can be found in the Sustainability section of the 2019 Annual Report.

The Directors are not aware of any environmental breaches nor has the Group 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, the Company's auditor, has the benefit of indemnity to the extent Crowe reasonably relies on information provided by the Company which is true, accurate and complete. No amount has been paid under this indemnity during the period ended 30 June 2019 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 \$32,102 (30 June 2018: \$31,029).

## NON-AUDIT SERVICES

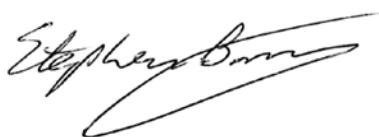
The auditors did not perform any non-audit services during the year.

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

## LEAD AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

The lead auditor's independence declaration is set out on page 34 and forms part of the Directors' Report for the period ended 30 June 2019. Crowe 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**

Chairman

30 September 2019



**R S James**

Managing Director

30 September 2019

# Remuneration Report – Audited

for the year ended 30 June 2019

## Key Points

- No short-term incentives or long-term incentives were issued by Icon for the 2018-2019 financial year.
- There are no performance rights issued to executives or staff which might vest in the future.
- Executive salary increases for 2018-2019 were restricted to CPI increases.
- Mr James' base salary under his contract to reduce by 60% with effect from 1 September 2019, without affecting accrued entitlements to annual leave and long service leave.

The Directors of Icon Energy Limited present this Remuneration Report for the Consolidated Entity for the year ended 30 June 2019. 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
<b>Non-Executive Directors</b>	
Stephen Barry	Chairman
Dr Keith Hilless	Director
Howard Lu	Director
Derek Murphy	Director – Retired 31 August 2019
<b>Executive Directors &amp; Senior Managers</b>	
Ray James	Managing Director
Dr Kevin Jih	Executive Director, Chief Financial Officer & Company Secretary – Retired 31 August 2019
Martin Berry	Exploration Manager – Retired 6 September 2019

## 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;
- Bonuses and other incentives for Employees and Executives and Senior Managers who perform well in their duties are only payable if they are approved by the Board and in the case of proposed issues of shares or other securities to Directors, by shareholders as well.

## 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 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 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. Since 2014, the Board has determined that Non-Executive Directors are paid a base fee of \$70,000 per annum together with the payment of additional fees to Directors serving on Board Committees to recognise their contribution to the Company together with superannuation. 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.

The Board decided to reduce these fees by 20% effective from 1 January 2018 having regard to the current low share price. This arrangement has been in place for the year ended 30 June 2019.

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 \$297,402.

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);
- Bonus or other incentives for outstanding performance to be determined at the discretion of the Board.

In November 2017, the company's Performance Rights Plan ("Plan") expired. The Plan provided for the granting of appropriately structured short and long-term incentives to employees (including Executive Directors) in addition to their fixed remuneration.

Since 2017, the Board decided not to seek shareholder approval for any new plan.

There were no remuneration consultants used by the Company during the year ended 30 June 2019 or in the prior year.

### **4. FIXED REMUNERATION**

Fixed remuneration consists of the base remuneration calculated on a total cost basis and includes FBT charges on employee benefits, if relevant, 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**

The Company did not issue Short-term Incentives (STI) for the 2018-19 year.

### **6. LONG-TERM INCENTIVES**

The Company did not issue Long-term Incentives (LTI) for the 2018-19 year.

# Remuneration Report – Audited

for the year ended 30 June 2019

## 7. 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 were in place at 30 June 2019 for the Managing Director (Mr Raymond James), the Chief Financial Officer & Company Secretary (Dr Kevin Jih – retired 31 August 2019) (both “Executive Directors”) and the Exploration Manager (Mr Martin Berry – retired 6 September 2019).

The service agreements with the Executive Directors run for a period of five years from the date of engagement or renewal and set out the duties and obligations of the respective parties with the exception of the Managing Director which will run for three years from 1 January 2017 until 31 December 2019. 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.

For the Executive Directors, if the Board terminates an Executive Director’s employment, the Executive Director will receive, in addition to any payment in lieu of notice:

- i. a termination payment of the greater of the amount calculated under subsection 3 and subsection 4 of Section 200G of the *Corporations Act 2001* or that determined by the Board and subject to shareholder approval at the time.

**Table 2: Service Agreements with Executive and Senior Managers**

<b>Name of Executive</b>	<b>Date of Contract</b>	<b>Termination by Icon (without cause)</b>	<b>Termination by employee</b>	<b>Termination Payments (where terminated by Company)</b>	<b>STI &amp; LTI Entitlements not applicable</b>
R James	1-Jan 17	12 months	6 months	Payment in lieu of notice based on FR	
K Jih	11-Aug-15	12 months	6 months	Payment in lieu of notice based on FR	Retired 31 August 2019
M Berry	1-Aug-13	2 months	2 months	Payment in lieu of notice based on FR	Retired 6 September 2019

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

**Table 3: Directors and Key Management Personnel Remuneration for the year ended 30 June 2019**

	Short Term		Post-employment		Total \$
	Salaries & Fees <sup>(i)</sup> \$	Other Benefits <sup>(ii)</sup> \$	Super-annuation \$	Long-term Employee Benefits <sup>(iii)</sup> \$	
<b>Non-executive Directors</b>					
Stephen Barry	84,800	-	8,056	-	92,856
Keith Hillless	62,800	-	5,966	-	68,766
Derek Murphy	68,000	-	6,460	-	74,460
Howard Lu	56,000	-	5,320	-	61,320
<b>Executive Directors and Senior Managers</b>					
Ray James <sup>(iv)</sup>	556,295	45,000	52,585	10,318	664,198
Kevin Jih	426,451	40,000	40,165	7,929	514,545
Martin Berry	327,942	-	30,989	3,071	362,000
<b>Total</b>	<b>1,582,288</b>	<b>85,000</b>	<b>149,541</b>	<b>21,318</b>	<b>1,838,147</b>

(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 and for Dr Jih of \$40,000.

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

(iv) Mr James and Icon have agreed to vary his base salary by a 60% reduction down to \$222,249 per annum plus superannuation from 1 September 2019 to the contract termination date 31 December 2019.

**Table 4: Directors and Key Management Personnel Remuneration for the year ended 30 June 2018**

	Short Term		Post-employment		Total \$
	Salaries & Fees <sup>(i)</sup> \$	Other Benefits <sup>(ii)</sup> \$	Super-annuation \$	Long-term Employee Benefits <sup>(iii)</sup> \$	
<b>Non-executive Directors</b>					
Stephen Barry	95,400	-	9,063	-	104,463
Keith Hillless	70,650	-	6,712	-	77,362
Derek Murphy	76,500	-	7,268	-	83,768
Howard Lu	63,000	-	5,985	-	68,985
<b>Executive Directors and Senior Managers</b>					
Ray James	542,755	45,000	51,016	10,251	649,022
Kevin Jih	413,744	40,000	39,201	7,138	500,083
Martin Berry	323,963	-	30,695	2,489	357,147
<b>Total</b>	<b>1,586,012</b>	<b>85,000</b>	<b>149,940</b>	<b>19,878</b>	<b>1,840,830</b>

(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 and for Dr Jih of \$40,000.

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

# Remuneration Report – Audited

for the year ended 30 June 2019

## 9. DIRECTORS' AND SENIOR MANagements' INTERESTS

As at 30 June 2019, the interests of the Directors and senior management or entities associated with them in shares and options of Icon Energy Limited are:

**Table 5: Directors' and Executive and Senior Manager' 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:

	Balance 1.07.2018 Number	Employee Performance Rights Plan Number	Purchases Number	Options Ex-ercised Number	Sold Number	Balance 30.06.2019 Number
<b>2019</b>						
<b>Directors</b>						
Stephen Barry*	1,653,593	-	-	-	-	1,653,593
Derek Murphy*	650,181	-	-	-	-	650,181
Keith Hilless	93,227	-	-	-	-	93,227
Howard Lu	16,068,181	-	-	-	-	16,068,181
Raymond James*	25,231,329	-	-	-	-	25,231,329
Kevin Jih*	1,353,175	-	-	-	-	1,353,175
<b>Senior Management</b>						
Martin Berry	296,416	-	-	-	-	296,416
	<b>45,346,102</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>45,346,102</b>

	Balance 1.07.2017 Number	Employee Performance Rights Plan Number	Purchases Number	Options Ex-ercised Number	Sold Number	Balance 30.06.2018 Number
<b>2018</b>						
<b>Directors</b>						
Stephen Barry*	1,653,593	-	-	-	-	1,653,593
Derek Murphy*	550,181	-	100,000	-	-	650,181
Keith Hilless	93,227	-	-	-	-	93,227
Howard Lu	16,068,181	-	-	-	-	16,068,181
Raymond James*	24,196,515	-	1,034,814	-	-	25,231,329
Kevin Jih*	1,353,175	-	-	-	-	1,353,175
<b>Senior Management</b>						
Martin Berry	296,416	-	-	-	-	296,416
	<b>44,211,288</b>	<b>-</b>	<b>1,134,814</b>	<b>-</b>	<b>-</b>	<b>45,346,102</b>

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

## 10. SHARE OPTIONS

### Options Granted to Directors and Key Management Personnel of the Company

No options were issued or granted to, or exercised by, Directors and Key Management Personnel of the Company during the year.

### Options Held by Key Management Personnel

There were no options outstanding at 30 June 2019 or as at 30 June 2018.

The following table shows the Company's Profit/Loss (after tax) for the current year as well as previous last four years.

	30-Jun-15	30-Jun-16	30-Jun-17	30-Jun-18	30-Jun-19
Closing Share Price	0.05	0.03	0.025	0.018	0.014
Dividends paid	-	-	-	-	-
Profit (Loss) after tax	(\$5,863,547)	(\$5,602,229)	(\$5,670,094)	(\$4,037,191)	(\$31,372,498)

- End of Remuneration Report (audited) -

# Auditor's Independence Declaration



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

### To the Directors of Icon Energy Limited

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2019, 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.

  
**Crowe Brisbane**

  
**Logan Meehan**  
Partner

Date: 30 September  
Brisbane

The title 'Partner' conveys that the person is a senior member within their respective division and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is the Crowe Australasia external audit division. All other professional services offered by Findex Group Limited are conducted by a privately-owned organisation and/or its subsidiaries.

Findex (Aust) Pty Ltd, trading as Crowe Australasia is a member of Crowe Global, a Swiss Verein. Each member firm of Crowe Global is a separate and independent legal entity. Findex (Aust) Pty Ltd and its affiliates are not responsible or liable for any acts or omissions of Crowe Global or any other member of Crowe Global. Crowe Global does not render any professional services and does not have an ownership or partnership interest in Findex (Aust) Pty Ltd. Services are provided by Crowe Audit Australia, an affiliate of Findex (Aust) Pty Ltd. Liability limited by a scheme approved under Professional Standards Legislation. Liability limited other than for acts or omissions of financial services licensees.

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# Independent Auditor's Report



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## Independent Auditor's Report

To the Members of Icon Energy Limited

Report on the audit of the financial report

### Opinion

We have audited the financial report of Icon Energy Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2019, the consolidated statement of profit of loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- (a) Giving a true and fair view of the Group's financial position as at 30 June 2019 and of its financial performance for the year then ended.
- (b) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

### Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial report, which indicates that the Group incurred a net loss after tax of \$31,372,498 and had net cash used in operating activities of \$2,996,160 for the year ended 30 June 2019, and as of that date. As stated in Note 1 these conditions, along with other matters set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt about the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The title 'Partner' conveys that the person is a senior member within their respective division and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is the Crowe Australasia external audit division. All other professional services offered by Findex Group Limited are conducted by a privately-owned organisation and/or its subsidiaries.

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# Independent Auditor's Report

continued



## Key Audit Matter

## How we addressed the Key Audit Matter

### ***Impairment of Exploration and Evaluation Expenditure - Note 8***

Exploration and evaluation (E&E) activity has a high level of inherent risk and there is the risk that projects may fail, requiring the impairment or write-off of the related capitalised costs when the relevant recognition criteria in AASB 6 *Exploration for and Evaluation of Mineral Resources* and Icon's accounting policy are not met.

There is a risk that certain capitalised E&E costs are either not impaired or written off promptly at the appropriate time, in line with information from, and decisions about E&E activities, and the impairment requirements of AASB 6.

Through our detailed risk assessment, which is based on our analysis of the portfolio of E&E assets held by the Group, making reference to the Group's own analysis of the same assets, we identified a significant risk in relation to tenements ATP 594 and ATP 855.

In accordance with AASB 6, the carrying value of tenements ATP 594 and ATP 855 were required to be assessed for impairment in accordance with AASB 136 *Impairment of Assets*, to determine whether the carrying value of the asset exceeds the recoverable amount.

As a result, the carrying value of tenement ATP 594 was impaired to \$nil, and ATP 855 was impaired to \$5,900,000, resulting in an impairment expense of \$25,909,794.

This matter is considered a key audit matter due to:

- The significance of the impairment expense to the financial statements of the Group;
- The specialised nature of the E&E assets which requires judgement by us to assess the appropriateness of the valuation methodologies and inputs when applying the requirements of AASB 136. The Group has appointed an external valuer to assist in this process; and
- The low volume of comparable market transactions for similar E&E assets to corroborate valuation inputs and assumptions.

- Our procedures included, but were not limited to:
- conducting discussions with management regarding the criteria used in their impairment assessment and ensuring that this was in line with *AASB 6 Exploration for and Evaluation of Mineral Resources*;
- utilising our valuation expert to assist us in assessing the competence, capabilities and objectivity of the expert engaged by management to perform this assessment
- utilising our valuation expert to assist us in evaluating the appropriateness of the valuation methodology selected by the valuer to determine the value of the tenement ATP 855 E&E assets to accepted market practices, our industry experience and the requirements of AASB 136 *Impairment of Assets*
- reviewing the appropriateness of the related disclosures within the financial statements; and
- obtaining evidence that the Group continue to have valid rights to explore in the area by performing an independent search and corroborating to government registry. We also considered the Group's compliance with the contractual obligations under the agreements.

### ***Valuation of Restoration Provision – Note 9***



Key Audit Matter	How we addressed the Key Audit Matter
<p>As at 30 June 2019, the Group had a provision of \$5,557,429 relating to the estimated cost of decommissioning, restoration and rehabilitation of areas disturbed during exploration activities.</p> <p>This was a key audit matter because the calculations of the provision were complex and based on the estimates of future costs of the required work, including volume and unit rates, the area of disturbance, the timing of future cash flows and the discount rate.</p>	<p>Our procedures included, but were not limited to:</p> <ul style="list-style-type: none"> <li>• Evaluating and challenging the reasonableness of key assumptions used in the calculations of the provision;</li> <li>• Checking the mathematical accuracy of the calculations;</li> <li>• Assessing the competency and objectivity of the expert used by management and evaluating the appropriateness and adequacy of the restoration cost estimates;</li> <li>• Considering provision movements during the year to ensure they were consistent with our understanding of the Group's activities during the year;</li> <li>• Assessing the adequacy of the Group's disclosure in the financial statements in respect of the restoration provision.</li> </ul>

**Valuation of Inventory – Note 6**

<p>Inventory is measured at the lower of cost or net realisable value. Inventory held by the Group relates to drilling consumables in respect to ATP 594 and ATP 855.</p> <p>This was a key audit matter because, the high level of inherent risk relating to exploration and evaluation (E&amp;E) activity may cause significant changes in the carrying value of those E&amp; E assets. Consequently, the book value of related inventory consumables may be lower than its net realisable value.</p> <p>The conditions and assessment undertaken in relation to inventory write down are disclosed in the Group's accounting policy Note 24(q) and Note 6 in the financial report</p> <p>As a result of the carrying value of ATP 594 being impaired to \$nil and ATP 855 being impaired to \$5,900,000, related inventory consumables were written down by \$2,305,425 to their recoverable amount of \$516,820.</p>	<p>Our procedures included, but were not limited to:</p> <ul style="list-style-type: none"> <li>• reviewing the consistency of the Groups accounting policy;</li> <li>• verifying the Group's calculation of net realisable value;</li> <li>• assessing the adequacy of support for net realisable value amounts used; and</li> <li>• Assessing the adequacy of the Group's disclosure in the financial statements in respect of the inventory write down.</li> </ul>
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# Independent Auditor's Report

continued



## Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2019, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

## Responsibilities of the Directors for the Financial Report

The directors of the Group 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 preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

## Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to our audit 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our



auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the Group or business activities within the entity to express an opinion on the group financial report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during the audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our auditor's report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on the Remuneration Report**

#### ***Opinion on the Remuneration Report***

In our opinion, the Remuneration Report of Icon Energy Limited, for the year ended 30 June 2019, complies with *Section 300A* of the *Corporations Act 2001*.

#### ***Directors' Responsibilities***

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 Responsibilities***

We have audited the Remuneration Report included in pages 28 to 33 of the directors' report for the year ended 30 June 2019.

Our responsibility is to express an opinion on the Remuneration Report, based on our Audit conducted in accordance with Australian Auditing Standards.

**Crowe Brisbane**

**Logan Meehan**  
Partner

Date: 30 September 2019  
Brisbane

# Directors' Declaration

for the year ended 30 June 2019



## DIRECTORS' DECLARATION

The Directors of the Company declare that:

- 1) The financial statements and notes, as set out on pages 41 to 63, are in accordance with the *Corporations Act 2001* and other mandatory professional reporting requirements and:
  - a) comply with Accounting Standards, with International Financial Reporting Standards, as stated in note 1 to the financial statements and *Corporations Regulations 2001*; and
  - b) give a true and fair view of the financial position as at 30 June 2019 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 in accordance with the Section 295A of the *Corporations Act 2001*, 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 the accompanying notes referred to in Section 295(3)(b) of the *Corporations Act 2001*, for the financial year comply with the accounting standards;
  - c) the financial statements and notes for the financial period comply with the Accounting Standards; and
  - d) 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;

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

A handwritten signature in black ink that reads "Stephen Barry".

Stephen Barry  
Chairman  
30 September 2019

# Consolidated Statement of Profit or Loss and Other Comprehensive Income

for the year ended 30 June 2019

	NOTES	30 June 2019 \$	30 June 2018 \$
<i>Continuing operations</i>			
Interest received and other income	2a	732,295	212,789
Administration expenses		(1,962,698)	(2,513,228)
Depreciation and amortisation expense		(26,003)	(97,981)
Employee benefits and expenses		(1,067,716)	(1,116,137)
Occupancy expenses		(642,246)	(277,286)
Loss on sale of current assets	2b	(114,296)	(954,065)
Profit on sale of property, plant & equipment	2c	-	2,225,791
Impairment expense	2d	(25,909,794)	(685,870)
Write down of inventories	6	(2,305,425)	(760,747)
Finance costs		(76,615)	(70,457)
<b>Loss before income tax</b>		<b>(31,372,498)</b>	<b>(4,037,191)</b>
Income tax expense	3	-	-
<b>Loss for the year from continuing operations</b>		<b>(31,372,498)</b>	<b>(4,037,191)</b>
<b>Other comprehensive income</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences arising on translation of foreign operations		(307)	(120)
Total other comprehensive loss for the year, net of tax		(307)	(120)
<b>Total comprehensive loss for the year</b>		<b>(31,372,805)</b>	<b>(4,037,311)</b>
<b>Earnings per share</b>			
<i>From continuing operations</i>			
Basic and diluted loss per share (cents per share)	13	(5.25)	(0.68)

*The accompanying notes form part of these financial statements.*

# Consolidated Statement of Financial Position

as at 30 June 2019

	NOTES	30 June 2019 \$	30 June 2018 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	5	8,834,705	12,266,962
Trade and other receivables		16,855	42,068
Inventories	6	516,820	2,969,365
<b>TOTAL CURRENT ASSETS</b>		<b>9,368,380</b>	<b>15,278,395</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	7	72,334	89,874
Exploration and evaluation expenditure	8	7,561,157	32,861,255
Performance guarantee bonds		904,129	904,129
<b>TOTAL NON-CURRENT ASSETS</b>		<b>8,537,620</b>	<b>33,855,258</b>
<b>TOTAL ASSETS</b>		<b>17,906,000</b>	<b>49,133,653</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		140,791	151,510
Employee benefits		527,952	591,969
Provisions	9	5,557,429	-
<b>TOTAL CURRENT LIABILITIES</b>		<b>6,226,172</b>	<b>743,479</b>
<b>NON-CURRENT LIABILITIES</b>			
Employee benefits		35,420	77,572
Provisions	9	-	5,308,867
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>35,420</b>	<b>5,386,439</b>
<b>TOTAL LIABILITIES</b>		<b>6,261,592</b>	<b>6,129,918</b>
<b>NET ASSETS</b>		<b>11,644,408</b>	<b>43,003,735</b>
<b>EQUITY</b>			
Issued capital	10	101,984,750	101,984,750
Reserves	12	-	307
Accumulated losses		(90,340,342)	(58,981,322)
<b>TOTAL EQUITY</b>		<b>11,644,408</b>	<b>43,003,735</b>

The accompanying notes form part of these financial statements.

# Consolidated Statement of Changes in Equity

for the year ended 30 June 2019

	Ordinary Share Capital (Note 10) \$	Foreign Currency Translation (Note 12) \$	Accumulated Losses \$	Total \$
<b>Balance 1 July 2017</b>	101,984,750	427	(54,944,131)	47,041,046
Total comprehensive income:				
Loss for the year	-	-	(4,037,191)	(4,037,191)
Other comprehensive loss	-	(120)	-	(120)
<b>Total comprehensive loss for the year</b>	-	-	(4,037,191)	(4,037,311)
<b>Transactions with owners in their capacity as owners:</b>				
Reserve transfer for performance rights vested	-	-	-	-
<b>Total transactions with owners</b>	-	-	-	-
<b>Balance at 30 June 2018 - attributable to owners of parent entity</b>	<b>101,984,750</b>	<b>307</b>	<b>(58,981,322)</b>	<b>43,003,735</b>
<b>Balance 1 July 2018</b>	<b>101,984,750</b>	<b>307</b>	<b>(58,967,844)</b>	<b>43,017,213</b>
Total comprehensive income:				
Loss for the year	-	-	(31,372,498)	(31,372,498)
Other comprehensive loss	-	(307)	-	(307)
<b>Total comprehensive loss for the year</b>	-	(307)	(31,372,498)	(31,372,805)
<b>Transactions with owners in their capacity as owners:</b>				
Reserve transfer for performance rights vested				
<b>Total transactions with owners</b>	-	-	-	-
<b>Balance at 30 June 2019 - attributable to owners of parent entity</b>	<b>101,984,750</b>	-	<b>(90,340,342)</b>	<b>11,644,408</b>

The accompanying notes form part of these financial statements.

# Consolidated Statement of Cash Flows

for the year ended 30 June 2019

		NOTES	
		30 June 2019	30 June 2018
		\$	\$
		Inflows (Outflows)	Inflows (Outflows)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
		569,998	949,795
		(3,794,603)	(5,213,466)
		228,445	203,027
	14	<u>(2,996,160)</u>	<u>(4,060,644)</u>
<b>CASH FLOWS FROM INVESTMENT ACTIVITIES</b>			
		(8,462)	(26,075)
		(427,328)	(434,917)
	2(b)	-	7,129,321
		<u>(435,790)</u>	<u>6,668,329</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
		-	-
		-	-
		<u>(3,431,950)</u>	<u>2,607,685</u>
		12,266,962	9,659,397
		(307)	(120)
	5	<u>8,834,705</u>	<u>12,266,962</u>

*The accompanying notes form part of these financial statements.*

# Notes to the Consolidated Financial Statements

for the year ended 30 June 2019

## NOTE 1 - BASIS OF ACCOUNTING

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

The financial statements cover Icon Energy Limited (the "Company") and its controlled entities as a Consolidated Entity (together referred to as the "Consolidated Entity" or the "Group"). Icon Energy Limited is a listed public company, incorporated and domiciled in Australia.

The Group is a for-profit entity, primarily engaged in the acquisition, exploration and development of oil and gas assets in Australia. The financial statements have been prepared on the historical cost basis. 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) and interpretations adopted by the International Accounting Standards Board.

The consolidated financial statements have been prepared on a going concern basis which contemplates the realisation of assets and settlement of liabilities in the ordinary course of business.

The Group was required by the Accounting Standards to impair the value of its Exploration and Evaluation Expenditure and associated inventory by \$28,215,219.00 in this financial year. That impairment is the major contributor to the Group's loss of \$31,372,498 for the year ended 30 June 2019 and a significant contributor to the accumulated losses of \$90,340,342 as at 30 June 2019. The Group has cash of \$8,834,705 at 30 June 2019 and used \$3,431,950 of cash in operations, including payments for exploration and evaluation, for the year ended 30 June 2019. The Group also has a restoration commitment, currently provided for at \$5,557,429. The Group intends to complete the restoration work within the next 12 months. As at 30 June 2019 the Group has not secured a joint venturer for any of its tenements.

The directors have prepared cash flow projections that support the ability of the Group to continue as a going concern.

The on-going operation of the Group beyond the 2019-2020 financial year is dependent upon the Group securing a joint venture arrangement to continue the exploration of its current tenements, or further reducing expenditure in-line with available funding; and/or raising additional funding from shareholders or other parties.

In the event that the Group does not obtain additional funding or reduce expenditure in-line with available funding, it may not be able to continue its operations as a going concern and therefore may not be able to realise its assets and extinguish its liabilities in the ordinary course of operations and at the amounts stated in the consolidated financial statements.

The financial report was authorised for issue by the Board of Directors on 30 September 2019.

Details of Icon Energy Limited accounting policies are included in Note 24.

## NOTE 2 - LOSS FROM OPERATING ACTIVITIES

Loss from operating activities before income tax includes the following items

### a. Other income

Interest received  
Legal costs recovered  
Other income

### b. Loss on sale of current assets

Proceeds on disposal of inventory  
Written down value of inventory  
Cost of sale

### c. Gain on sale of property, plant and equipment (sale and leaseback)

Proceeds on disposal of property, plant and equipment  
Written down value of property, plant and equipment  
Costs of sale

<b>CONSOLIDATED ENTITY</b>	
<b>30 June 2019</b>	<b>30 June 2018</b>
<b>\$</b>	<b>\$</b>
<b>228,445</b>	203,027
<b>500,000</b>	-
<b>3,850</b>	9,762
<b>732,295</b>	<b>212,789</b>
<hr/>	
<b>33,400</b>	205,971
<b>(147,120)</b>	(1,160,036)
<b>(576)</b>	-
<b>(114,296)</b>	<b>(954,065)</b>
<hr/>	
-	7,129,321
-	(4,742,934)
-	(160,596)
-	<b>2,225,791</b>

During the prior year the Group sold its office building, fixtures and fittings and land under a sale and leaseback arrangement. The sale was deemed to be at fair value and the profit has been recognised immediately as a gain on sale in profit or loss. The lease was subsequently classified as an operating lease.

# Notes to the Consolidated Financial Statements

for the year ended 30 June 2019

## NOTE 2 - LOSS FROM OPERATING ACTIVITIES (Continue)

### d. Impairment expense

Impairment of exploration expenditure (ATP855 and ATP 594)  
Impairment of property, plant & equipment

### e. Other expenses

Superannuation  
Audit and review of financial statements - Crowe

CONSOLIDATED ENTITY	
30 June 2019	30 June 2018
\$	\$
25,909,794	655,133
-	30,737
<b>25,909,794</b>	<b>685,870</b>

99,229	102,904
57,500	55,000

## NOTE 3 - INCOME TAX EXPENSE

Loss before tax expense

Prima facie tax payable on loss before income tax at 30% (2018: 30%)

Increase/(decrease) in income tax expense due to:

Non deductible expenses

Deferred tax benefits not brought to account

Income Tax attributable to loss before tax

**(31,372,498)** (4,037,191)

**(9,411,749)** (1,211,157)

343 801

**9,411,406** 1,210,356

- -

The deductible temporary differences and tax losses do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilise the tax benefits.

### Tax losses

Potential tax benefit

### Temporary differences

Other

Provisions

Potential tax benefit

Total deferred tax benefits not brought to account

### Deferred Tax Liabilities

Mining and exploration costs

Total deferred tax liabilities not brought to account

Total deferred tax assets not brought to account - net

**56,783,201** 52,962,543

**17,034,960** 15,888,763

2,615,551 295,762

**6,120,801** 5,978,408

**2,620,906** 1,882,251

**19,655,866** 17,771,014

**5,022,194** 30,110,710

**1,506,658** 9,033,213

**18,149,207** **8,737,801**

## NOTE 4 - KEY MANAGEMENT PERSONNEL REMUNERATION

(a) Key management personnel compensation included in employee benefits:

• Short term employee benefits

• Long term benefits

• Post employment benefits

**1,667,288** 1,671,012

**21,318** 19,878

**149,541** 149,940

**1,838,147** **1,840,830**

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 2018 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 2019.

# Notes to the Consolidated Financial Statements

for the year ended 30 June 2019

## NOTE 4 - KEY MANAGEMENT PERSONNEL REMUNERATION (Continue)

### (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.

### Performance rights holdings

The number 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 the company 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 2019 (30 June 2018: Nil).

### (c) Transactions with Directors and Director Related Entities

Legal fees paid in the ordinary course of business to CKB Associates Lawyers, a firm with which Mr. S Barry has a controlling interest.

CONSOLIDATED ENTITY	
30 June 2019	30 June 2018
\$	\$
30,795	1,800

There were no amounts outstanding for the year ending 30 June 2019 (30 June 2018: Nil)

## NOTE 5 - CASH AND CASH EQUIVALENTS

Cash on hand	619	106
Cash at bank	8,834,086	12,266,856
	<b>8,834,705</b>	<b>12,266,962</b>

## NOTE 6 - INVENTORIES

Tenement consumables	516,820	2,969,365
----------------------	---------	-----------

In the year ended 30 June 2019, inventories were reduced by \$2,305,425 (30 June 2018: \$760,746) as a result of reassessment and an impairment review of inventory which was triggered by the impairment of the ATP 855. This resulted in certain stock being written off. The write-down is recorded in profit or loss.

## NOTE 7 - PROPERTY, PLANT AND EQUIPMENT

Plant, Equipment and Motor Vehicles - at cost	514,121	505,659
less: accumulated depreciation	(441,787)	(415,785)
Total Property, Plant and Equipment at written down value	<b>72,334</b>	<b>89,874</b>

### 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 and Motor Vehicles	Building	Fixtures and Fittings	Land	Total
	\$	\$	\$	\$	\$
<b>Balance at 1 July 2017</b>	129,510	1,794,491	571,450	2,440,000	4,935,451
Additions	26,075	-	-	-	26,075
Disposals	(30,737)	(1,763,640)	(539,294)	(2,440,000)	(4,773,671)
Depreciation	(34,974)	(30,851)	(32,156)	-	(97,981)
<b>Balance at 30 June 2018</b>	<b>89,874</b>	-	-	-	<b>89,874</b>

# Notes to the Consolidated Financial Statements

for the year ended 30 June 2019

## NOTE 7 - PROPERTY, PLANT AND EQUIPMENT (Continue)

	Plant, Equipment and Motor Vehicles	Building	Fixtures and Fittings	Land	Total
	\$	\$	\$	\$	\$
<b>Balance at 1 July 2018</b>	<b>89,874</b>	-	-	-	<b>89,875</b>
Additions	8,462	-	-	-	8,462
Disposals	-	-	-	-	-
Depreciation	(26,002)	-	-	-	(26,002)
<b>Balance at 30 June 2019</b>	<b>72,334</b>	-	-	-	<b>72,334</b>

On 12 March 2018, the Consolidated Entity sold its corporate office and leased it back for 3 years. The rent is adjusted every year to reflect increases in CPI.

## NOTE 8 - EXPLORATION AND EVALUATION EXPENDITURE

CONSOLIDATED ENTITY	
30 June 2019	30 June 2018
\$	\$
<b>7,561,157</b>	<b>32,861,255</b>

Exploration and Evaluation expenditure at cost

### Reconciliations

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

### Consolidated Entity

	NOTE	Total \$
<b>Balance at 1 July 2017</b>		33,056,664
Additions		459,724
Less: Impairment (PEP 170, PEP 172 and PEP 173)	2d	(655,133)
<b>Balance at 30 June 2018</b>		<b>32,861,255</b>
<b>Balance at 1 July 2018</b>		<b>32,861,255</b>
Additions		609,696
Less: Impairment (ATP 8554 and ATP 594)	2d	(25,909,794)
<b>Balance at 30 June 2019</b>		<b>7,561,157</b>

The ultimate recoupment of these costs is dependent on the successful development and exploitation, or alternatively farmout of the respective areas of interest.

Despite the extension of the term of ATP 594 for a further two years during the year ended 30 June 2019, the Group decided not to budget for exploration of this tenement in 2020. As a result, this exploration asset has been fully impaired in order to comply with AASB 6 *Exploration for and Evaluation of Mineral Resources*.

In addition, to comply with AASB 6, exploration expenditure for ATP 855 was impaired to the value of \$5.9m. The value was prepared by an independent valuer on the basis of farm-in promotion factor taking into consideration that the Group is currently in the process of attempting to farm down ATP 855.

The impairment does not affect the potential prospectivity of the tenements themselves and does not affect the existing resource certification. The Group continues to seek funding and/or joint venturers to continue work on the tenements.

During the year ended 30 June 2018 the Group fully impaired the carrying value of its exploration projects in the Gippsland Basin (\$655,133) due to the Victorian Government's ban on onshore petroleum activities and the Groups' decision not to budget for any exploration activities in this area in 2020. The Group has continued to maintain its license to explore in this area going forward and will assess its future exploration activity in this area upon any future change in legislation.

# Notes to the Consolidated Financial Statements

for the year ended 30 June 2019

## NOTE 9 - PROVISIONS

### 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 Consolidated Statement of Financial Position by adjusting both the restoration and rehabilitation asset and provision. Such changes trigger a change in future financial charges.

Management bases its judgements, estimates and assumptions on historical and on other various factors including expectations of future events, management believes to be reasonable under the circumstances.

### 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 2019	30 June 2018
	\$	\$
<b>Current</b>		
<b>Balance at beginning of the year</b>	5,308,867	-
Charged to profit or loss:		
- unwinding of discount	76,615	-
Increase in the restoration provision	171,947	-
<b>Balance at end of the year</b>	<b>5,557,429</b>	<b>-</b>
<b>Non-current</b>		
<b>Balance at beginning of the year</b>	-	5,238,410
Charged to profit or loss:		
- unwinding of discount	-	70,457
Increase in the restoration provision	-	-
<b>Balance at end of the year</b>	<b>-</b>	<b>5,308,867</b>

The restoration provision was reviewed at the end of 30 June 2019 and it was decided by the Board that the restoration works of the well sites be carried out in the next year (before 30 June 2020) whereas the initial plan was to perform this work in 20 years. This decision triggered the change of the disclosure of provision from non-current to current in the financial year ended 30 June 2019. This change also affected the estimate of the provision and an adjustment was recorded to increase it by \$171,947 (30 June 2018: Nil). This increase is significantly less than the increase in net current estimate had the restoration work not been brought forward. After the restoration work is completed, the restoration provision will not be required and will be reduced to nil.

## NOTE 10 - ISSUED CAPITAL

### Authorised and Issued Share Capital

Issued share capital 597,556,938 (30 June 2018: 597,556,938) fully paid, no par value ordinary shares.

Fully Paid Shares	30 June 2019		30 June 2018	
	Number of shares	\$	Number of shares	\$
<b>Balance at beginning of the year</b>	597,556,938	101,984,750	597,556,938	101,984,750
Shares issued	-	-	-	-
<b>Balance at the end of the year</b>	<b>597,556,938</b>	<b>101,984,750</b>	<b>597,556,938</b>	<b>101,984,750</b>

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.

# Notes to the Consolidated Financial Statements

for the year ended 30 June 2019

## NOTE 11 - SHARE BASED PAYMENTS

Performance rights issued under STI and LTI performance plan are recognised on the date the service are provided from each key management personnel. The Plan was renewed at the 2014 AGM and expired at the end of three year period, in November 2017. The Board decided not to institute any new Plans at this time.

## NOTE 12 - RESERVES

Foreign currency translation reserve \*

**Total reserves**

CONSOLIDATED ENTITY	
30 June 2019	30 June 2018
\$	\$
-	307
-	<b>307</b>

\* The foreign currency translation reserve records exchange differences arising on translation of a foreign controlled subsidiary.

## NOTE 13 - EARNINGS PER SHARE

(a)	Reconciliation of Earnings to Net Loss:		
	Net Loss for the year	<b>(31,372,498)</b>	(4,037,191)
	Earnings used in the calculation of basic EPS	<b>(31,372,498)</b>	(4,037,191)
	Earnings used in the calculation of diluted EPS	<b>(31,372,498)</b>	(4,037,191)
(b)	Weighted average number of ordinary shares outstanding during the year used in the calculation of basic EPS.	<b>597,556,938</b>	597,556,938
	Adjustment for calculation of diluted earnings per share	-	-
	Weighted average number of ordinary shares outstanding during the year used in the calculation of diluted EPS.	<b>597,556,938</b>	597,556,938
	Basic and diluted loss per share (cents per share)	<b>(5.25)</b>	(0.68)

## NOTE 14 - CASH FLOW INFORMATION

Reconciliation of net cash used in operating activities to loss after income tax:		
Loss after income tax	<b>(31,372,498)</b>	(4,037,191)
<b>Add/(less) non-cash items:</b>		
Depreciation and amortisation	<b>26,003</b>	97,981
Closure of subsidiary	-	-
Gain on sale of property, plant and equipment assets	-	(2,225,791)
Impairment expense	<b>25,909,794</b>	1,446,617
<b>Adjustment for changes in assets and liabilities</b>		
Inventories	<b>2,452,545</b>	1,160,036
Performance guarantee bonds	-	(130,088)
Trade and other receivables	<b>25,212</b>	(6,365)
Trade and other payables*	<b>(7,662)</b>	(347,968)
Employee provisions	<b>(106,169)</b>	(88,332)
Restoration provision	<b>76,615</b>	70,457
Net cash used in operating activities	<b>(2,996,160)</b>	<b>(4,060,644)</b>

\*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 2019

## NOTE 15 - CAPITAL AND LEASING COMMITMENTS

### Work Programme Commitments

The total commitments for work programmes for ATP594P and ATP855 are as follows:

Exploration expenditure commitments

- not later than 1 year
- later than one year but not later than five years

CONSOLIDATED ENTITY	
30 June 2019	30 June 2018
\$	\$
400,000	6,850,000
<b>10,450,000</b>	<b>4,000,000</b>
<b>10,850,000</b>	<b>10,850,000</b>

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

In 2019, the Group has 100% interest in the above tenements (30 June 2018: 100%)

### Operating Lease Commitments

#### Operating Lease

Minimum lease payments of non-cancellable operating leases contracted for but not capitalised in the financial statements:

- not later than 1 year
- later than one year but not later than three years

530,259	522,334
<b>359,395</b>	<b>980,548</b>
<b>889,654</b>	<b>1,502,882</b>

During the year an amount of \$518,000 was recognised in Profit or Loss in respect of operating leases (30 June 2018: \$172,667)

On 12 March 2018, the Consolidated Entity sold its corporate office and leased it back for a three year term. The rent is payable by monthly installments in advance and is adjusted every year to reflect increases in CPI. There is an option to renew the lease for a further three year term.

## NOTE 16 - JOINT ARRANGEMENTS AND MINING TENEMENTS HELD

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

Oil and Gas	Basin	Interest %	Interest %
		30 June 2019	30 June 2018
ATP 594P	Cooper Eromanga	100.00%	100.00%
ATP 855P	Cooper Eromanga	100.00%	100.00%
PRL's 35, 37, 38, 41, 43, 44, 45, 48 and 49 *	Cooper Eromanga	33.33%	33.33%
PEP 170	Gippsland	100.00%	100.00%
PEP 172 **	Gippsland	100.00%	100.00%
PEP 173 **	Gippsland	100.00%	100.00%

\* Formerly PEL 218 (Post Permian Section).

\*\* Permit to be granted

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:

### NON-CURRENT ASSETS

Exploration and evaluation expenditure at cost

Total non current assets

Share of total assets in joint arrangements

NOTE

8

CONSOLIDATED ENTITY	
30 June 2019	30 June 2018
\$	\$
1,647,937	1,647,937
<b>1,647,937</b>	<b>1,647,937</b>
<b>1,647,937</b>	<b>1,647,937</b>

# Notes to the Consolidated Financial Statements

for the year ended 30 June 2019

## NOTE 17 - CONTROLLED ENTITIES

Parent entity:	Country of	Date of	% Owned	
	Incorporation	Incorporation	30 June 2019	30 June 2018
Icon Energy Limited	Australia			
<b>Subsidiaries of Icon Energy Limited:</b>				
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

During the year ended 30 June 2019, the Consolidated Entity deregistered its US subsidiary Icon Oil US (LLC).

## NOTE 18 - 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 2019	30 June 2018	30 June 2019	30 June 2018	30 June 2019	30 June 2018
	\$	\$	\$	\$	\$	\$
<b>Revenue</b>						
Total segment revenue	-	-	-	-	-	-
Segment loss before income tax	<b>(31,372,498)</b>	(4,035,297)		(1,894)	<b>(31,372,498)</b>	(4,037,191)
Interest income	<b>228,445</b>	203,027	-	-	<b>228,445</b>	203,027
Finance cost	<b>(76,615)</b>	(70,457)	-	-	<b>(76,615)</b>	(70,457)
Legal costs recovered	<b>500,000</b>	-	-	-	<b>500,000</b>	-
Other Income	<b>3,850</b>	9,762	-	-	<b>3,850</b>	9,762
Depreciation and amortisation of segment	<b>(26,003)</b>	(97,981)	-	-	<b>(26,003)</b>	(97,981)
Gain on sale of non-current assets	-	2,225,791	-	-	-	2,225,791
Impairment of Assets	<b>(25,909,794)</b>	1,446,617	-	-	<b>(25,909,794)</b>	1,446,617
Segment Assets	<b>17,906,000</b>	49,122,569	-	11,084	<b>17,906,000</b>	49,133,653
Segment Liabilities	<b>6,261,592</b>	6,128,016	-	1,902	<b>6,261,592</b>	6,129,918
<b>Other segment information</b>						
Acquisition of non-current segment assets	<b>8,462</b>	26,075	-	-	<b>8,462</b>	26,075

During the year ended 30 June 2019, the Consolidated Entity deregistered its US subsidiary Icon Oil US (LLC) leaving only one operating segment on the basis of geographic location.

# Notes to the Consolidated Financial Statements

for the year ended 30 June 2019

## NOTE 19 - FINANCIAL INSTRUMENTS

	NOTE	CONSOLIDATED ENTITY	
		30 June 2019	30 June 2018
		\$	\$
Financial instruments comprise of the following:			
<b>Financial Assets</b>			
Cash and cash equivalents	5	8,834,705	12,266,962
Amortised cost			
- Trade and other receivables		16,855	42,068
<b>Financial Liabilities</b>			
Held at amortised cost			
- Trade and other payables		140,791	151,510

The carrying values of financial assets and financial liabilities held at amortised cost approximate their fair value.

The Consolidated Entity's financial instruments consist mainly of deposits with banks, short-term investments, accounts receivable and payable. 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's operations.

The Consolidated Entity does not have any derivative instruments at 30 June 2019 (30 June 2018: 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 24 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 and equity comprising issued capital, net of reserves and accumulated losses as disclosed in notes 5 and 10 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 2018.

### Financial Risk Management

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

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. The Group does not carry any significant currency or price risk.

#### Interest rate risk

The Consolidated Entity's interest rate risk arises mainly from the term deposits and cash and cash equivalents. The Consolidated Entity does not have any borrowing facilities.

The Consolidated Entity does not use long-term debt to finance its exploration activities. The Consolidated Entity 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.

# Notes to the Consolidated Financial Statements

for the year ended 30 June 2019

## NOTE 19 - FINANCIAL INSTRUMENTS (CONTINUED)

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		Non interest bearing \$	Total \$	
				Within 1 year \$	1 to 5 years \$			
<b>30 June 2019</b>	<b>NOTE</b>							
	<i>Financial assets</i>							
	<b>Cash and cash equivalents</b>	<b>5</b>	<b>1.89%</b>	<b>8,834,086</b>	-	-	<b>619</b>	<b>8,834,705</b>
	<b>Trade and other receivables</b>		-	-	-	-	<b>16,855</b>	<b>16,855</b>
	<b>Performance guarantee bonds</b>		<b>1.95%</b>	<b>716,698</b>	-	-	<b>187,431</b>	<b>904,129</b>
	<b>Total Financial Assets</b>			<b>9,550,784</b>	-	-	<b>204,905</b>	<b>9,755,689</b>
	<i>Financial liabilities</i>							
	<b>Trade and other payables</b>		-	-	-	-	<b>140,791</b>	<b>140,791</b>
	<b>Total Financial Liabilities</b>			-	-	-	<b>140,791</b>	<b>140,791</b>
<b>30 June 2018</b>	<b>NOTE</b>							
	<i>Financial assets</i>							
	<b>Cash and cash equivalents</b>	<b>5</b>	<b>2.14%</b>	<b>12,266,856</b>	-	-	<b>106</b>	<b>12,266,962</b>
	<b>Trade and other receivables</b>		-	-	-	-	<b>42,068</b>	<b>42,068</b>
	<b>Performance guarantee bonds</b>		<b>2.25%</b>	<b>716,698</b>	-	-	<b>187,431</b>	<b>904,129</b>
	<b>Total Financial Assets</b>			<b>12,983,554</b>	-	-	<b>229,605</b>	<b>13,213,159</b>
	<i>Financial liabilities</i>							
	<b>Trade and other payables</b>		-	-	-	-	<b>151,510</b>	<b>151,510</b>
	<b>Total Financial Liabilities</b>			-	-	-	<b>151,510</b>	<b>151,510</b>

### 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.

# Notes to the Consolidated Financial Statements

for the year ended 30 June 2019

## NOTE 19 - FINANCIAL INSTRUMENTS (CONTINUED)

At 30 June 2019, 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 \$34,095 higher/\$34,456 lower (30 June 2018:\$29,196 higher/\$32,849 lower), mainly as a result of the Consolidated Entity's exposure to interest rates on its variable rate cash and cash equivalents.

### (b) Credit risk

Credit risk refers to the risk that a 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 financial loss.

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.

### (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:

	Carrying Amount \$	Contractual Cashflows \$	<1Year \$	1-5 Years \$
<b>30 June 2019</b>				
Trade and other payables	140,791	140,791	140,791	-
	<b>140,791</b>	<b>140,791</b>	<b>140,791</b>	<b>-</b>
<b>30 June 2018</b>				
Trade and other payables	151,510	151,510	151,510	-
	<b>151,510</b>	<b>151,510</b>	<b>151,510</b>	<b>-</b>

The Consolidated Entity's liquidity risk relating to financial liabilities at 30 June 2019 is limited to the repayment of the trade payables. Trade payables are short-term in nature. 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 Consolidated Statement of Financial Position and accompanying explanatory notes at 30 June 2019, 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 20 - RELATED PARTY TRANSACTIONS

- Interests in subsidiaries are disclosed in note 17.
- Transactions with Directors and Director Related Entities are disclosed in note 4.
- There were no other related party transactions during the year ended 30 June 2019 or 30 June 2018.

# Notes to the Consolidated Financial Statements

for the year ended 30 June 2019

## NOTE 21 - CONTINGENT LIABILITIES

On 12 October 2018, Justice Bond of the Supreme Court of Queensland delivered judgement in the matter of Baldwin versus Icon. The Plaintiffs' claims against Icon Energy were dismissed and the Plaintiffs were ordered to pay Icon's costs. Icon has recovered the costs.

## NOTE 22 - EVENTS AFTER BALANCE DATE

Subsequent to the conclusion of the financial year on 30th June 2019, Directors Dr. Kevin Jih and Derek Murphy retired from the Board after many years of service to the company. Icon would like to note and thank them for their valued contribution made to the company.

Following Dr. Jih's retirement, Natalia Fraser was appointed as Chief Financial Officer and Company Secretary.

There are no other after balance sheet date events at the date of signing (30 June 2018: Nil).

## NOTE 23 - 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 24 for a summary of the significant accounting policies relating to the Consolidated Entity.

### Financial position

	30 June 2019	30 June 2018
	\$	\$
<b>Assets</b>		
Current assets	9,250,930	15,220,544
Non-current assets	8,520,795	33,840,854
<b>Total assets</b>	<b>17,771,725</b>	<b>49,061,398</b>
<b>Liabilities</b>		
Current liabilities	652,469	731,843
Non-current liabilities	5,561,015	5,352,116
<b>Total liabilities</b>	<b>6,213,484</b>	<b>6,083,959</b>
<b>Net Assets</b>	<b>11,558,241</b>	<b>42,977,439</b>
<b>Equity</b>		
Issued capital	101,984,750	101,984,750
Reserves	-	-
Accumulated losses	(90,426,509)	(59,007,312)
<b>Total equity</b>	<b>11,558,240</b>	<b>42,977,438</b>
<b>Financial performance</b>		
Loss for the year	(31,439,128)	(10,631,773)
Other comprehensive income	-	-
<b>Total comprehensive income</b>	<b>(31,439,128)</b>	<b>(10,631,773)</b>

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

Carrying amount included in current liabilities	-	-
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### Contingent liabilities of the parent entity

There are no contingent assets at the date of this report that require disclosure. Contingent liabilities are disclosed in note 21.

The parent entity did not have any contractual commitments for the acquisition of property, plant or equipment as at 30 June 2019 or 30 June 2018.

# Notes to the Consolidated Financial Statements

for the year ended 30 June 2019

## NOTE 24 - STATEMENT OF ACCOUNTING POLICIES

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 Group has adopted AASB 9 *Financial Instruments* which came effective in the current year. The requirements of AASB 9 represent a significant change from AASB 139 *Financial Instruments: Recognition and Measurement*.

The nature and effects of the key changes to the Group's accounting policies resulting from its adoption of AASB 9 are summarised below. The change in accounting policy has not had a significant impact on the Group's financial results.

#### Standards and Interpretations issued but not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2019 reporting periods. Some of them are available for early adoption at 30 June 2019, 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:

Reference	Application date of standard	Impact on Group financial report	Application start date for the Group
AASB 16 - Leases	Annual periods beginning on or after 1 January 2019	<p>AASB 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. There is a current operating lease in place that the Group is a party to as a result of its sale and leaseback arrangement. Based on the entity's preliminary assessment, the likely impact on the first time adoption of the Standard for the year ending 30 June 2020 includes:</p> <ul style="list-style-type: none"> <li>• lease assets and financial liabilities on the balance sheet will increase approximately by \$256,000 and \$342,000 respectively (based on the facts at the date of the assessment)</li> <li>• the nature of expenses related to this lease will change as AASB 16 replaces the straight-line operating lease expense with a depreciation charge for the right of use asset and interest expense on the lease liability</li> <li>• operating cash outflows will be lower and financing cash flows will be higher in the statement of cash flows as principal repayments on all lease liabilities will now be included in financing activities rather than operating activities. Interest can also be included within financing activities.</li> </ul>	1 July 2019

# Notes to the Consolidated Financial Statements

for the year ended 30 June 2019

## NOTE 24 - STATEMENT OF ACCOUNTING POLICIES (Continued)

### (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 17 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) 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.

#### *Exploration and evaluation expenditure*

The application of the Group's policy for exploration and evaluation discussed in Note 24(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 and the impairment loss is recognised in profit or loss.

#### *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 restoration activities and future removal technologies. Refer to note 9 for key assumptions.

### (d) Income Tax

Income tax comprises current and deferred tax.

Current tax is the expected tax payable/(receivable) on the taxable income or loss for the year, 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.

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.

# Notes to the Consolidated Financial Statements

for the year ended 30 June 2019

## NOTE 24 - STATEMENT OF ACCOUNTING POLICIES (Continued)

### (d) Income Tax (Continued)

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.

### (e) 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 Consolidated 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.

### (f) Property, Plant, and Equipment

Property, plant and equipment are brought to account at cost less, where applicable, any accumulated depreciation and accumulated impairment losses. 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 asset's 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 2019

## NOTE 24 - STATEMENT OF ACCOUNTING POLICIES (Continued)

### (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 a reasonable assessment of the existence of economically recoverable reserves and active and significant operations in, or in relation to, the area of interest are continuing.

Accumulated costs in relation to an abandoned area are written off in full in profit or 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.

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. For the purposes of impairment testing, exploration and evaluation assets are allocated to cash-generating units to which the exploration activity relates. The cash-generating unit shall not be larger than the area of interest.

### (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 Profit and Loss.

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 Group 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 3 months 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.

### (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 finance cost in profit or loss.

# Notes to the Consolidated Financial Statements

for the year ended 30 June 2019

## NOTE 24 - STATEMENT OF ACCOUNTING POLICIES (Continued)

### (k) Provisions (Continued)

#### *Restoration provision*

The Group 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 profit or loss. The capitalised costs are amortised over the life of the petroleum asset. The periodic unwinding of the discount is recognised in profit or loss 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 profit or loss. 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.

### (l) 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.

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are regularly reviewed by the Managing Director to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Managing Director include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily the Company's headquarters), head office expenses, and income tax assets and liabilities.

Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment, and intangible assets other than goodwill.

### (m) Comparative Figures

Where required by Accounting Standards, comparative figures have been adjusted to conform with changes in presentation for the current financial year.

### (n) 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**

AASB 9 contains three principal classification categories for financial assets: measured at amortised cost, Fair Value through Other Comprehensive Income (FVOCI) and Fair Value Through Profit or Loss (FVTPL). The classification of financial assets under AASB 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. AASB 9 eliminates the previous AASB 139 categories of held to maturity, loans and receivables and available for sale.

The Group's loans and receivables are therefore now classified as amortised cost.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

# Notes to the Consolidated Financial Statements

for the year ended 30 June 2019

## NOTE 24 - STATEMENT OF ACCOUNTING POLICIES (Continued)

### (n) Financial Instruments (Continued)

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

#### Financial liabilities

The adoption of AASB 9 has not had a significant effect on the Group's accounting policies for financial liabilities.

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

#### Impairment

##### Financial assets

AASB 9 replaces the 'incurred loss' model in AASB 139 with an 'expected credit loss' (ECL) model. The new impairment model applies to financial assets measured at amortised cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments. Under AASB 9, credit losses are recognised earlier than under AASB 139.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

### (o) Impairment of Non-Financial Assets

At each reporting date, the directors review the carrying values of its non-financial 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.

### (p) 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.

#### Foreign Operations

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 equity and are recognised as other comprehensive income.

# Notes to the Consolidated Financial Statements

for the year ended 30 June 2019

## NOTE 24 - STATEMENT OF ACCOUNTING POLICIES (Continued)

### (q) Inventories

Inventories are valued at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Cost comprises direct materials and delivery costs, direct labour, import duties and other taxes and an appropriate proportion of variable and fixed overhead expenditure based on normal operating capacity. Costs of purchased inventory are determined after deducting rebates and discounts received or receivable. Inventories consist of drilling consumables predominantly chemicals and proppant.

### (r) Leases

Leases of plant and equipment, under which the Group 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.

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

A sale and leaseback transaction is one where the Group sells an asset and immediately reacquires the use of the asset by entering into a lease with the buyer.

For sale and finance leasebacks, any profit from the sale is deferred and amortised over the lease term. For sale and operating leasebacks, generally the assets are sold at fair value, and accordingly the profit or loss from the sale is recognised immediately in profit or loss.

# Additional Shareholder Information

## On-market buy-back

There were no on-market buy back transactions during 2018-2019 financial year.

## Distribution of Shareholdings

The distribution of ordinary shareholders ranked according to size at 30 September 2019 was as follows:

Range	Total Holders	Units	% of Issued Capital
1 - 1,000	402	58,596	0.01
1,001 - 5,000	1,068	3,531,695	0.59
5,001 - 10,000	840	7,191,488	1.20
10,001 - 100,000	2,164	78,578,310	13.15
Over 100,001	602	508,196,849	85.05
<b>Rounding</b>			-
<b>TOTAL</b>	<b>5,076</b>	<b>597,556,938</b>	<b>100.00</b>

Unmarketable Parcels as at 30 September 2019	Minimum Parcel Size	Holders	Units
Minimum \$ 500.00 parcel at \$ 0.0140 per unit	35,715	3,673	39,471,631

## 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 01 October 2019:

Rank	Name	Shares Held	% of Issued Capital
1	HK PROSPEROUS TECHNOLOGY LIMITED	80,318,393	13.44
2	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	59,835,516	10.01
3	RAY JAMES	25,038,469	4.19
4	HOWARD LU	16,068,181	2.69
5	CITICORP NOMINEES PTY LIMITED	12,318,232	2.06
6	MR RONALD WILLIAM BALDWIN + MRS DIANNE BETH BALDWIN <WHISTLER SUPER FUND A/C>	9,509,600	1.59
7	TAIWAN FRUCTOSE CO LTD	9,000,000	1.51
8	MR EDDIE SABA <SABA SUPERANNUATION FUND A/C>	7,400,000	1.24
9	ICON HOLDINGS PTY LTD <THE K J PAGANIN FAMILY A/C>	6,000,000	1.00
10	MR EDDIE SABA	5,000,000	0.84
11	CABLEX INDUSTRIES PTY LTD	4,991,332	0.84
12	SAMBOR TRADING PTY LTD	4,522,256	0.76
13	MR CHIEN HUA LEE	4,500,000	0.75
14	ALPHA GEM PTY LTD	4,304,581	0.72
15	J P MORGAN NOMINEES AUSTRALIA LIMITED	3,771,130	0.63
16	MR IANAKI SEMERDZIEV	3,741,000	0.63
17	MOROHI PTY LTD	3,620,058	0.61
18	BLADES AUSTRALIA PTY LTD	3,550,000	0.59
19	LINK ORANGE PTY LTD	3,393,181	0.57
20	IAN PETHERBRIDGE RETIREMENT FUND PTY LTD <IAN PETHERBRIDGE R/F A/C>	3,250,000	0.54
<b>Totals: Top 20 holders of FULLY PAID ORDINARY SHARES (TOTAL)</b>		<b>270,131,929</b>	<b>45.21</b>
<b>Total Remaining Holders Balance</b>		<b>327,425,009</b>	<b>54.79</b>

## Substantial Holders

Rank	Name	Shares Held	% of Issued Capital
1	HK PROSPEROUS TECHNOLOGY LIMITED	80,318,393	13.44
2	MR CHING-TANG LI (HOLDING THROUGH HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2)	39,347,341	6.58
<b>Totals: Substantial holders of FULLY PAID ORDINARY SHARES</b>		<b>119,665,734</b>	<b>20.02</b>

# Corporate Directory

## Icon Energy Limited

ABN 61 058 454 569

ASX Code: ICN

### Directors

Stephen Barry (Chairman)  
Raymond James (Managing Director) (Executive Director)  
Keith Hillless (Non-executive Director)  
Howard Lu (Non-executive Director)

### Registered Office

4 Miami Key  
Broadbeach Waters  
Gold Coast Queensland 4218

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Broadbeach  
Gold Coast Queensland 4218

Telephone: +61 7 5554 7111  
Fax: +61 7 5554 7100  
Email: [contact@iconenergy.com](mailto:contact@iconenergy.com)  
Website: [www.iconenergy.com](http://www.iconenergy.com)

### Share Registry

#### ComputerShare Investor Services Pty Limited

117 Victoria Street  
West End  
Brisbane Queensland 4101

GPO Box 523  
Brisbane Queensland 4001

Telephone: +61 7 3237 2100  
Fax: +61 7 3237 2152

### Auditors

#### Crowe Brisbane

Level 16, 120 Edward Street  
Brisbane Queensland 4000

### Internet Address

[www.iconenergy.com](http://www.iconenergy.com)

### Information and Investor enquiries

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





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