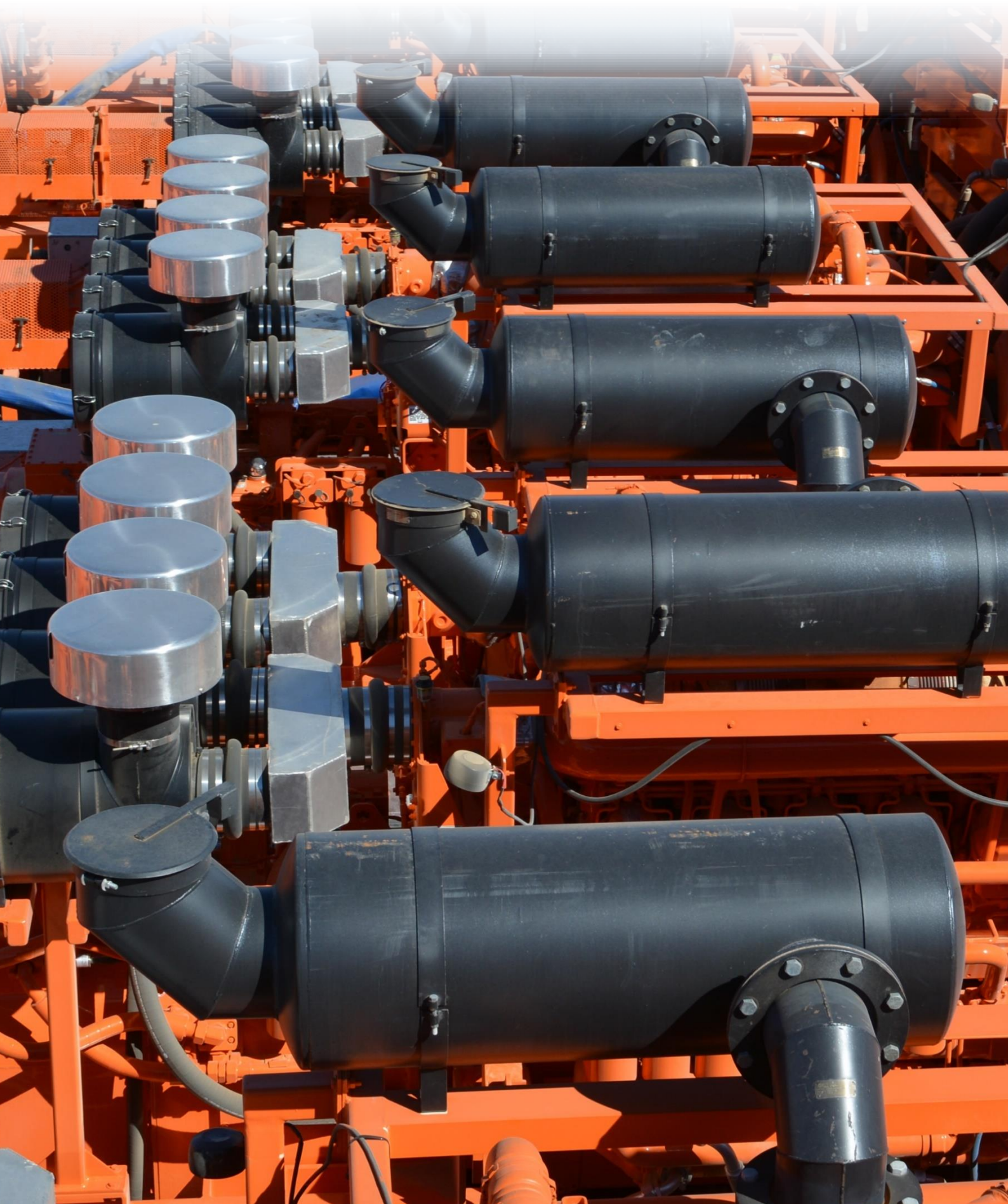




QUARTERLY REPORT

Period Ending 30 September 2015
Icon Energy Limited
ABN 61 058 454 569



HIGHLIGHTS

Operations

- Icon Energy has conducted a preliminary technical evaluation and review of prospectivity of ATP 594 which has included a review of the well data within ATP 594 and the adjacent tenements including formation tops, formation thickness, reservoir quality, source rock quality and maturity, migration and timing of generated hydrocarbons. A 3D seismic survey in the permit with an expected start date in the last quarter of 2015, subject to approvals and seismic contractor availability. A well is planned for 2016. A joint venture partner is being negotiated.
- The Company is currently seeking new opportunities in the Cooper Basin.
- ATP 855 is currently in management status by the Operator and Beach Energy are seeking a new joint venture partner in ATP 855.

Corporate

- The on-market share buy-back, enables Icon to purchase up to 10% of Icon Energy ordinary shares on issue, totalling up to 61.9 million shares over the next 12 months.
- To date, the total number of shares purchased under the Buy-back to 16,207,299 for a total of \$971,719. These shares have been cancelled as per the ASX listing rules.
- Icon has no obligation to purchase additional shares under the on market Buy-back arrangement.

Financial Position at the end of June 2015 Quarter

- As at 30 September 2015 Icon Energy had a cash balance of \$12.37 million.
- As at 30 September 2015 Icon Energy had 602,510,204 ordinary shares on issue and 6,329 shareholders.

OPERATIONS

Queensland – Petroleum Exploration – Cooper-Eromanga Basin ATP 594

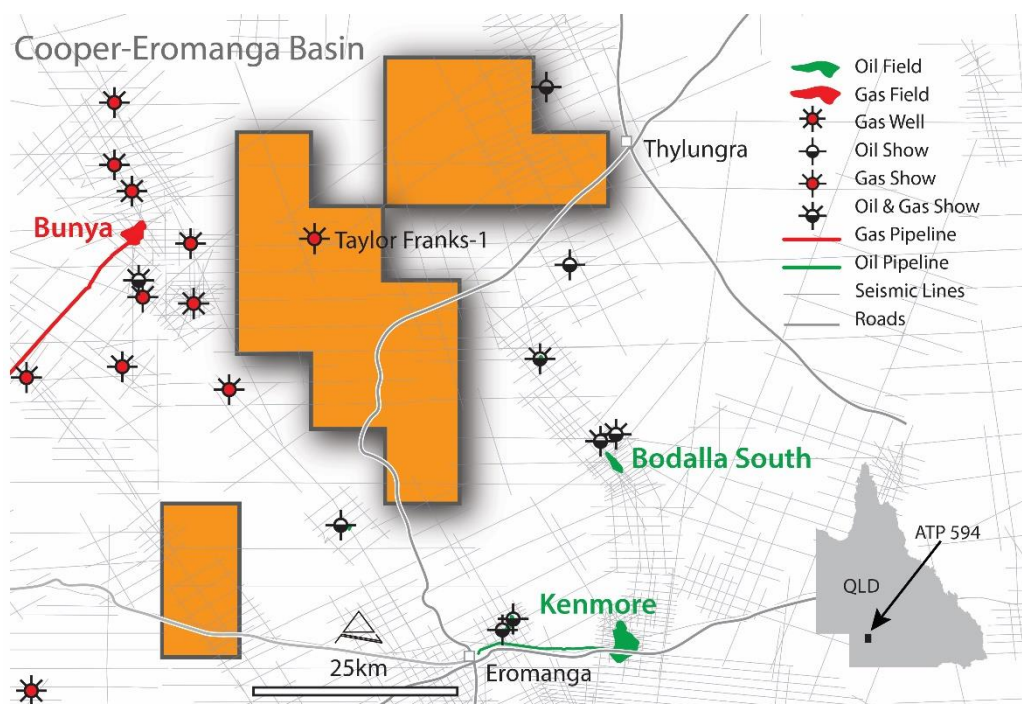
ATP 594 was renewed by the Department of Natural Resources and Mines, on 17 April 2015. The current approved term of ATP 594 is for 4 years, with an opportunity to apply for a renewal at the end of the 4 year time period. There is a further opportunity to renew after 8 years, which would take the maximum term allowable for the ATP to 12 years.

ATP 594 is well positioned on the eastern flank of the Cooper Basin and is considered to be prospective for hydrocarbons following a recent technical evaluation. However, the permit is underexplored and has experienced a 17 year hiatus in exploration activity.

The recent success on the Western flank of the Cooper Basin can be attributed to a combination of an improved understanding of the geology and enhanced definition of the sub-surface structure which was achieved with the application of 3D seismic acquisition. This led to better well placement and therefore improved the chance of success. Icon is hoping to emulate that success in ATP 594.

Preparations are now being made to acquire a 3D seismic survey in the permit to enable accurate structural definition of the sub-surface. An expected start date is now likely to be in Q1/Q2 2016.

Icon is the Operator of ATP 594 and has a 100% working interest in the tenement. Icon is currently looking for a joint venture partner and has interested parties reviewing data over the tenement with a view to participating in future exploration activities.



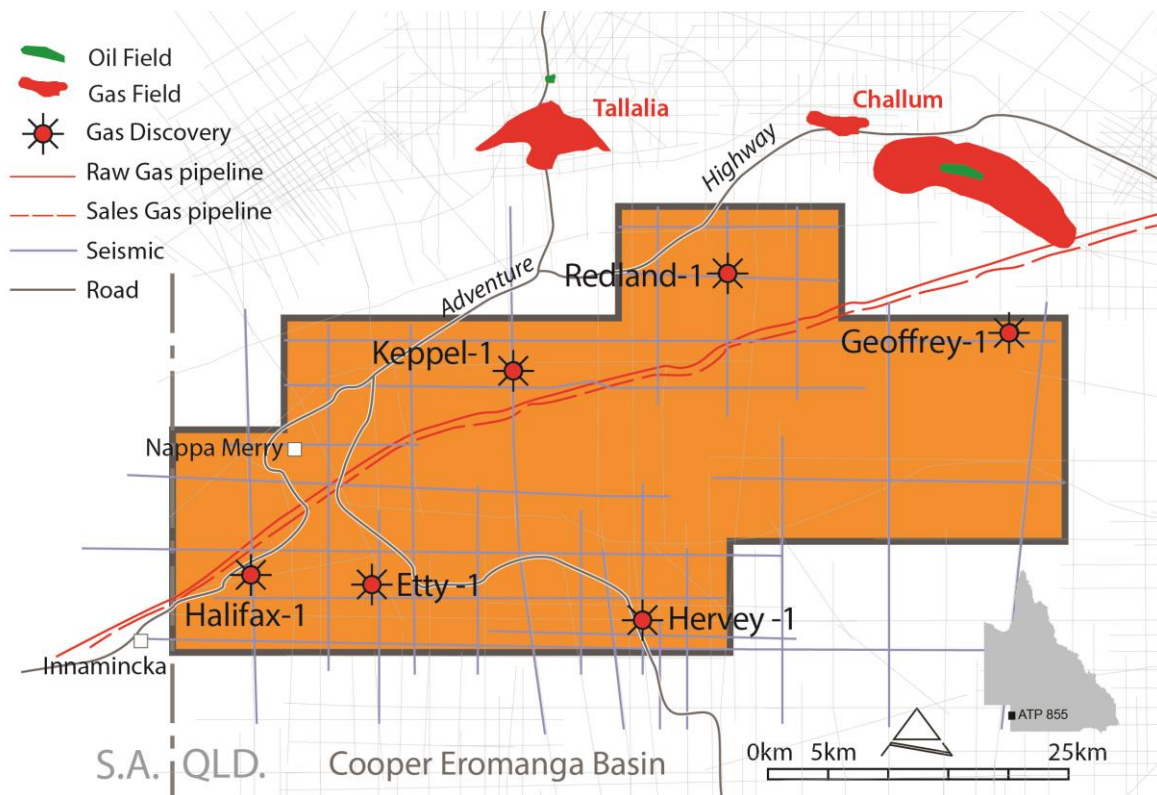
Map showing the location of ATP 594 and adjacent oil and gas fields.

Queensland – Petroleum Exploration – Cooper-Eromanga Basin ATP 855

The Stage 1 program in ATP 855 achieved all the exploration and technical objectives that were set by the Joint Venture partners. This included flowing natural gas from four wells, achieving the highest flow rate of 4.5 MMscf/d from a shale gas well (Halifax-1) in the Cooper Basin, having six Petroleum Discoveries and identifying a significant natural gas resource within the Permian Formations of the Nappamerri Trough.

The Joint Venture will now prepare a work program for the next phase of activity in ATP 855, which will work towards further defining the resource potential and ultimately progress the project towards commerciality.

Icon has a 35.1% interest in ATP 855.



Map showing the location and discovery wells in ATP 855.

A summary of ATP 855 Drilling, Stimulation and Testing Results are shown below:

¹ Well	Halifax-1	Keppel-1	Hervey-1	Etty-1	Redland-1	Geoffrey-1
TD	4,267m	3,898m	4,269m	3,807m	3,804m	4,125m
Gas Shows	Yes	Yes	Yes	Yes	Yes	Yes
Stimulation stages	14	N/A	5	4	3	5
Max. flow rate	4.5MMscf/d	Flowed gas to surface unstimulated	Flow rate of 0.6MMscf/d	Flow rate of >0.9MMscf/d primarily from a single stage	Flow rate of 0.1MMscf/d	1.1MMscf/d
2C Contingent resources ¹ (gross)	Halifax-1, Hervey-1, Etty-1, Redland-1 and Geoffrey-1 1,572 Bcf (2C)²					
Comments	Highest gas flow rate from unconventional shale gas and tight sands well in Cooper Basin	Flowed gas to surface unstimulated	Initial flow rate from 5 stages	Initial flow rate show 93% of gas primarily from the Daralingie Formation	Mechanical issues prevented on going extended flow test	Flow rate heavily choked back at 12/64" with well head pressure of 3,058psi

Tender Opportunities issued for the Cooper Basin – Queensland

Icon has applied for additional Tenures offered by the Queensland Government in the Cooper Basin as part of the 2015 Acreage Release. The outcome is dependent on the winning tenders for the areas and remain a speculative opportunity at this point.

¹ 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.

² Icon Energy announced on 27 March 2015, that DeGolyer and MacNaughton, a well-respected and qualified international petroleum reserve and resource evaluation company, had estimated that, the 2C Recoverable Gross Contingent Resource has increased by 943 Bcf, from 629 Bcf to 1,572 Bcf (as at 31 December 2014) .

Queensland – Petroleum Exploration – Surat Basin ATP 626

ATP 626 is currently in the last term with the Later Work Program covering the period from 1 January 2014 to 31 August 2017.

No field work is planned for the last quarter of 2015 in this permit.

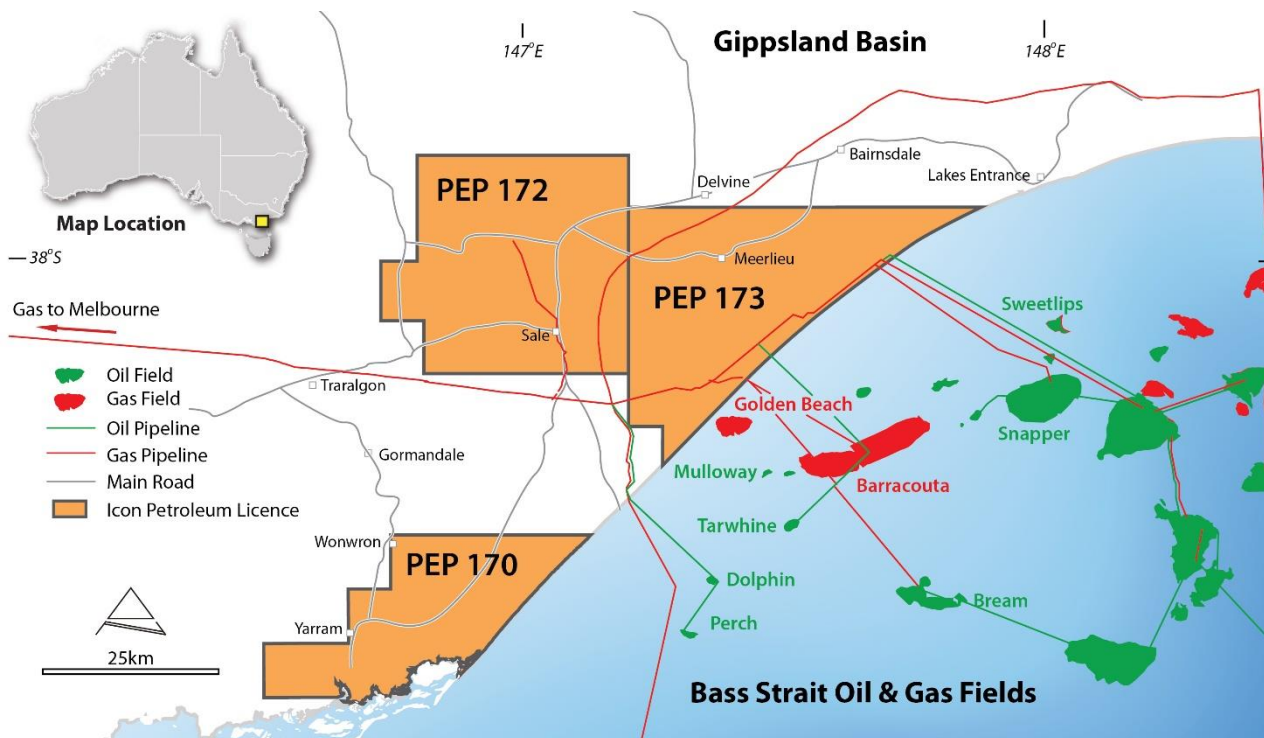
Icon has a 100% interest in ATP 626.

Victoria - Petroleum Exploration – Gippsland Basin PEP 170 and Applications for PEP 172 and 173

PEP 170 is still subject to the General Moratorium covering all drilling in onshore Victoria. The Victorian State Government is reviewing exploration drilling in Victoria and is expected to publish findings before the end of the current year.

Icon has suspended all field work until the Moratorium issue is resolved.

Icon Energy has 100% interest in PEP 170.



Map showing the location PEPs 170,172, 173 and adjacent oil and gas fields.

Basin / Area	Permit / Area	Tenement Area	Permit Interest	Operator	Prospect Type
Cooper Basin, Nappamerri Trough	ATP 855	1,674 km ²	35.1%	Beach Energy	Shale Gas, Oil
Cooper Basin Nappamerri Trough	PRLs 33 - 49*	1,602 km ²	33.33%	Beach Energy	Oil
Cooper - Eromanga Basin	ATP 594	1,230 km ²	100%	Icon Energy	Natural Gas, Oil
Cooper - Eromanga Basin	ATP 549 West	445 km ²	33.33%	Drillsearch	Natural Gas, Oil
Cooper - Eromanga Basin	ATP 794				
	- Regleigh Block	674 km ²	60%	Icon Energy	Oil
	- Springfield Block	1,505 km ²	60%	Icon Energy	Oil
Gippsland Basin	PEP 170	808 km ²	100%	Icon Energy	Natural Gas, Oil
Gippsland Basin	PEP 172**	1,312 km ² **	100%	Icon Energy	Natural Gas
Gippsland Basin	PEP 173**	1,220 km ^{2*}	100%	Icon Energy	Natural Gas
Surat Basin	ATP 626	741 km ²	100%	Icon Energy	Shale Gas, Oil

* Formerly PEL 218 (Post Permian Section)

** Permit to be granted

Figure 1: Table showing all Icon Energy's tenements

FURTHER INFORMATION

For further information please contact:

Ray James	Phone	+61 7 5554 7111
Managing Director	Email	investor.relations@iconenergy.com

Or visit the website www.iconenergy.com

Icon Energy Limited (ASX: ICN), is a petroleum exploration Company with a portfolio of prime acreage in the Surat, Cooper, Eromanga and Gippsland Basins in Australia.

The Company's exploration strategy focuses on building significant and responsible operations with strategic partners to satisfy energy needs of Australian and overseas based consumers.

Appendix 5B

Mining exploration entity quarterly report

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

Name of entity

Icon Energy Limited

ABN

61 058 454 569

Quarter ended ("current quarter")

30 September 2015

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (3 months) \$A'000
1.1 Receipts from product sales and related debtors		
1.2 Payments for (a) exploration & evaluation (b) development (c) production (d) administration	(194) (1,056)	(194) (1,056)
1.3 Dividends received	84	84
1.4 Interest and other items of a similar nature received	0	0
1.5 Interest and other costs of finance paid	0	0
1.6 Income taxes paid		
1.7 Other (provide details if material)		
Net Operating Cash Flows	(1,166)	(1,166)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets	 (4)	 (4)
1.9 Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets	0 	0
1.10 Loans to other entities		
1.11 Loans repaid by other entities		
1.12 Other (provide details if material)		
Net investing cash flows	(4)	(4)
1.13 Total operating and investing cash flows (carried forward)	(1,170)	(1,170)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(1,170)	(1,170)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	(210)	(210)
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings	0	0
1.18	Dividends paid		
1.19	Other (provide details if material)		
	Net financing cash flows	(210)	(210)
Net increase (decrease) in cash held			
		(1,380)	(1,380)
1.20	Cash at beginning of quarter/year to date	13,749	13,749
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	12,369	12,369

Payments to directors of the entity and associates of the directors

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

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	464
1.24	Aggregate amount of loans to the parties included in item 1.10	Nil

1.25 Explanation necessary for an understanding of the transactions

N/A

Non-cash financing and investing activities

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

N/A

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

N/A

Financing facilities available

Add notes as necessary for an understanding of the position.

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	0	0
3.2 Credit standby arrangements	0	0

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	600
4.2 Development	Nil
4.3 Production	Nil
4.4 Administration	1,400
Total	2,000

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	1,362	1,742
5.2 Deposits at call	Nil	Nil
5.3 Bank overdraft	Nil	Nil
5.4 Other – bank term deposits	11,007	12,007
Total: cash at end of quarter (item 1.22)	12,369	13,749

Changes in interests in mining tenements

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

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter

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


	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference +securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	602,510,204	602,510,204		Fully Paid
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	4,515,946	4,515,946		Fully Paid
7.5 +Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				

+ See chapter 19 for defined terms.

7.7	Options <i>(description and conversion factor)</i> Unlisted Performance Rights <i>(performance rights issued pursuant to Long Term Incentive (LTI) and Short Term Incentive (STI) offers under the Employee Performance Rights Plan)</i>			<i>Exercise price</i>	<i>Expiry date</i>
	2013 LTI	2,705,497		Nil	30 June 2016
	2014 LTI	<u>4,494,537</u>		Nil	30 June 2017
	Total	7,200,034			
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	Debentures <i>(totals only)</i>				
7.12	Unsecured notes <i>(totals only)</i>				

Compliance statement

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

Sign here:  Date: 21 October 2015
 (Executive Director / CFO)

Print name: Dr Kevin Jih

+ See chapter 19 for defined terms.

Notes

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

== == == == ==