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OPERATIONS UPDATE ATP 855

Icon is now focused on operations in ATP 855, which are in final preparation for mobilisation to the tenement in southwest Queensland. COVID-19 has been a major disrupter since March 2020. It seriously affected the manufacture of the coil tubing in the USA. Our professionals who have been contracted for specialist operations have been waiting for months to receive confirmation of the work timetable. Some overseas personnel had to be replaced because they could not travel to Australia at this time. As frustrating as this has been, the field equipment and supplies are now being assembled in Roma prior mobilising to the well sites during the first week in November 2020.

Icon announced earlier in the year, that an exciting gas prospect has been identified in Halifax No.1 which was the first well drilled in the whole of the ATP 855 tenement. This followed Icon's decision to rehabilitate the existing wells in ATP 855.

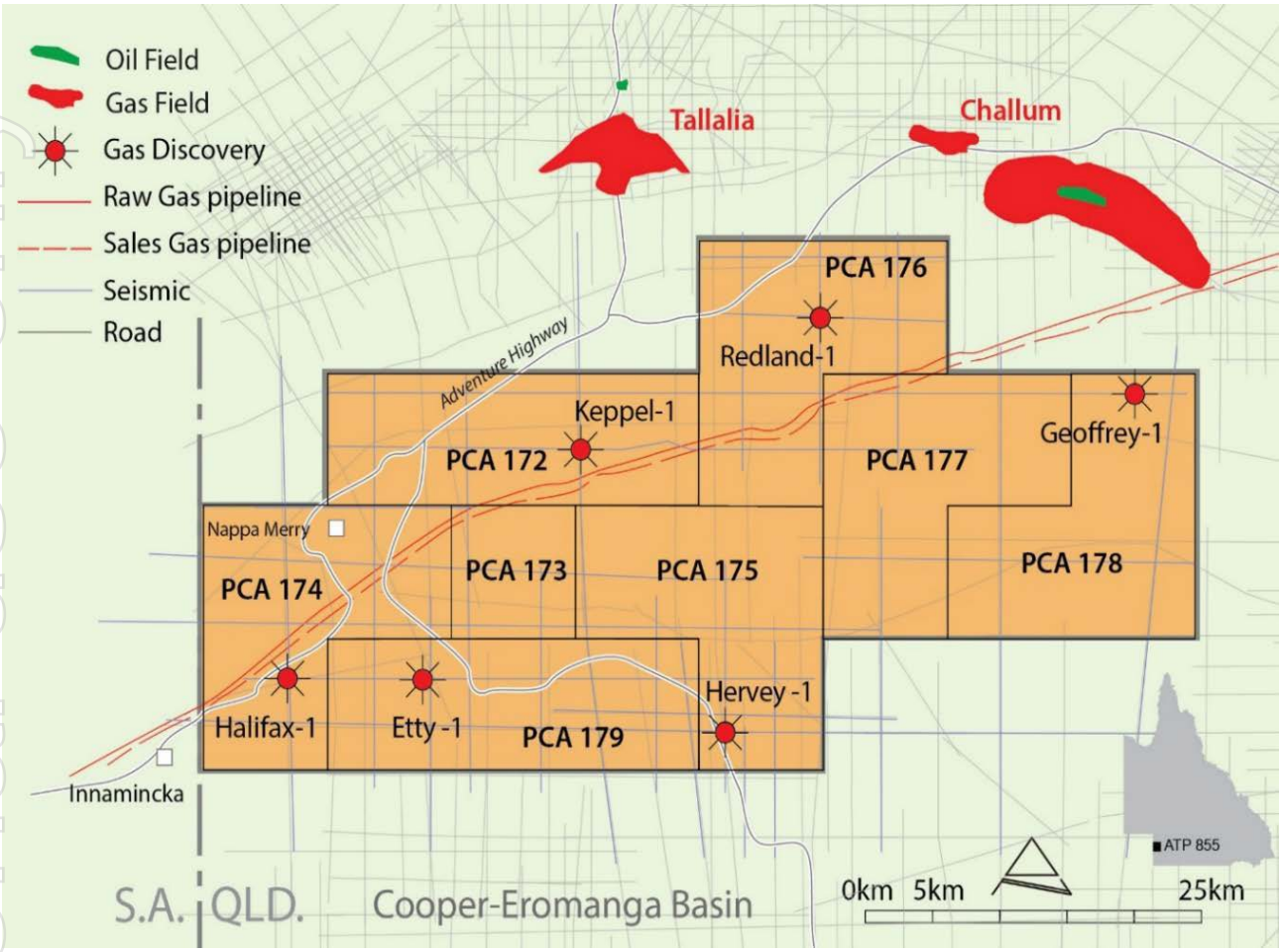
Prior to the commencement of the rehabilitation program, an extensive review of the six wells drilled was undertaken in house, with the advice of Consulting Engineers, to be sure that no other hydrocarbon opportunity had been overlooked. Following this review, it became evident that there was a real possibility of producing commercial hydrocarbons from the Callamurra sandstone which is above the unconventional gas play in the Halifax No.1 well. As a result the ATP 855 review, the program has now been modified to test Halifax No. 1 over the Callamurra sandstone.

If the test is successful then the well can be suspended as a producing gas well. A full investigation of the results of the well would then be undertaken to determine the commerciality of the well. Icon Energy planned to commence a rehabilitation program in ATP 855 in the second quarter of this calendar year but that has been affected by COVID-19 delays. The commencement of the rehabilitation and test program is expected to commence on or about the second week in November 2020 subject to no further COVID-19 or weather delays. Equipment and drilling supplies are now being mobilised to the field for the operations.

Icon Energy determined that completion of the rehabilitation of the six wells in ATP 855 would provide a "clean slate" which would represent a more attractive opportunity for farmout success. The delays in commencement of the rehabilitation program have impeded our ability to introduce a new joint venturer in the gas project. These delays were primarily because of COVID-19 which delayed manufacturing of specialised equipment in the USA. Weather might cause some further delays as this year's Monsoon season is affected by a strong La Nina event. The operations are mostly in high country, closer to the South Australian border.

The results of Halifax testing will be released as soon as results are available. The rehabilitation program will require about one month for completion with surface work following later.

Icon is pleased to report that the Department of Natural Resources Mines and Energy (DNRME) has granted Icon an extension of the current Later Work Program (LWP) in ATP 855 for two years until 29th October 2022. This extension was granted on the basis of COVID-19 delays as a Special Amendment of the Authority to prospect (ATP) 855 under section 107A of the *Petroleum and Gas (Production and Safety) Act 2004 (P&G Act).*



ATP 855 map showing PCA and discovery well locations.

ATP 594

"Berella No 1", located in the northern block of the tenement, was confirmed as a four way structural closure by the recent 3D seismic survey. No new activity is reported for the past quarter.

VICTORIAN TENEMENTS (PEP 170, 172, 173)

The Victorian Government has announced that the Moratorium will be lifted and onshore tenements returned to operational status in July 2021. The ban on fraccing will be retained and enshrined in the Victorian Constitution. All future drilling operations in Victoria will be for conventional drilling targets only. Icon's permits will be reviewed prior to this date as previous tenders required stimulation which is now banned.

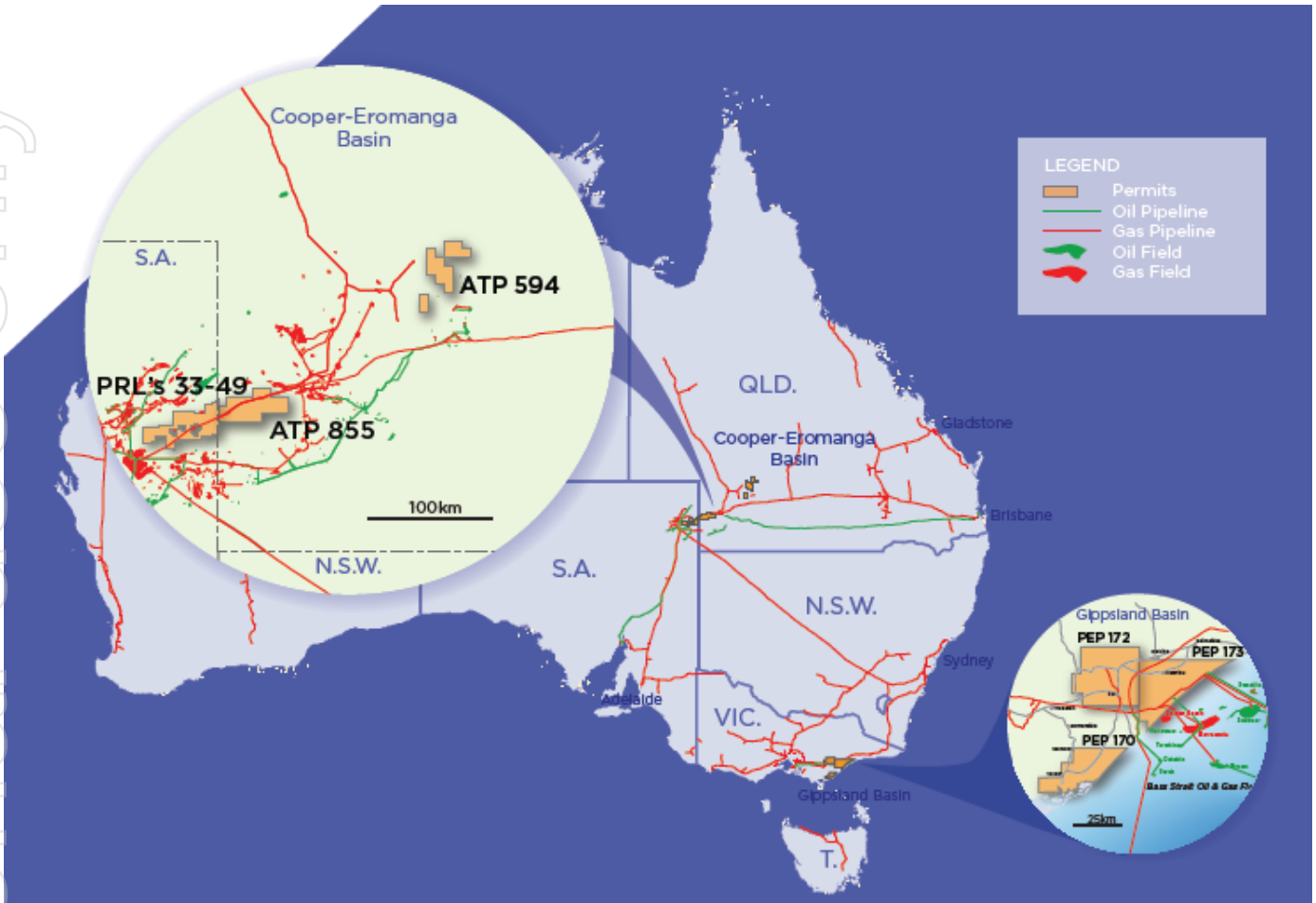
Icon will have the option of taking up the areas under the new tenement rules which are yet to be negotiated.

SOUTH AUSTRALIAN TENEMENTS

PRLs 35, 37, 38, 41, 43, 44, 45, 49 (ex PEL 218) have been reduced in size by 50% under the SA relinquishment regulations for retention. The retained leases now cover a total area of 857 km². Icon has an interest of 33% in the post-Permian section of the tenement.

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Permit / Area	Tenement Area	Permit Interest	Operator	Prospect Type
Cooper - Eromanga Basin				
ATP 594	1,230 km²	100%	Icon Energy	Oil, Gas
Cooper - Eromanga Basin, Nappamerri Trough				
ATP 855	1,679 km²	100%	Icon Energy	Shale Gas, Basin Centred Gas
PRLs 35, 37, 38, 41, 43, 44, 45, 48, 49*	857 km²	33.33%	Beach Energy	Oil
Gippsland Basin				
PEP 170	804 km²	100%	Icon Energy	Oil, Gas
PEP 172**	1,312 km²	100%	Icon Energy	Gas
PEP 173**	1,220 km²	100%	Icon Energy	Gas

* Formerly PEL 218 (Post Permian Section)

** Permit to be granted

TWENTY LARGEST ORDINARY SHAREHOLDERS as at 28 October 2020

1	HK PROSPEROUS TECHNOLOGY LIMITED	80,318,393	13.44
2	BNP PARIBAS NOMINEES PTY LTD <LGT BANK AG DRP>	59,835,516	10.01
3	RAY JAMES	25,038,469	4.19
4	HOWARD LU	16,068,181	2.69
5	MR EDDIE SABA	15,125,378	2.53
6	MR EDDIE SABA <SABA SUPERANNUATION FUND A/C>	12,000,000	2.01
7	CITICORP NOMINEES PTY LIMITED	11,346,074	1.90
8	TAIWAN FRUCTOSE CO LTD	9,000,000	1.51
9	ICON HOLDINGS PTY LTD <THE K J PAGANIN FAMILY A/C>	6,000,000	1.00
10	CABLEX INDUSTRIES PTY LTD	4,991,332	0.84
11	SAMBOR TRADING PTY LTD	4,522,256	0.76
12	MR CHIEN HUA LEE	4,500,000	0.75
13	ALPHA GEM PTY LTD	4,304,581	0.72
14	BLADES AUSTRALIA PTY LTD	4,250,000	0.71
15	MR DOUGLAS CAMPBELL TIPPING + MRS NEREIDA MARY TIPPING <DC & NM TIPPING S/F A/C>	4,000,000	0.67
16	MR IANAKI SEMERDZIEV	3,741,000	0.63
17	J P MORGAN NOMINEES AUSTRALIA LIMITED	3,635,676	0.61
18	MOROHI PTY LTD	3,620,058	0.61
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
	Totals: Top 20 holders of FULLY PAID ORDINARY SHARES (TOTAL)	**278,940,095**	**46.68**
	Total Remaining Holders Balance	**318,666,843**	**53.32**

For further information, please contact:

Ray James
Director

Phone +61 7 5554 7111
Email contact@iconenergy.com

Or visit the website www.iconenergy.com

Icon Energy Limited (ASX: ICN), is a petroleum exploration Company with a portfolio of acreage in the 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.

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Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

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Name of entity	
Icon Energy Limited	
ABN	**Quarter ended ("current quarter")**
61 058 454 569	30 September 2020

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (3 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers		
1.2	Payments for		
	(a) exploration & evaluation	(111)	(111)
	(b) development		
	(c) production		
	(d) staff costs	(49)	(49)
	(e) administration and corporate costs	(200)	(200)
1.3	Dividends received (see note 3)		
1.4	Interest received	7	7
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Government grants and tax incentives		
1.8	Other (COVID19 gov support)	48	48
1.9	**Net cash from / (used in) operating activities**	**(305)**	**(305)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment		
	(d) exploration & evaluation		
	(e) investments		
	(f) other non-current assets		

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Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
2.2	Proceeds from the disposal of:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment		
	(d) investments		
	(e) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (Prepayments for exploration and evaluation)		
2.6	**Net cash from / (used in) investing activities**	**0**	**0**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)		
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options		
3.4	Transaction costs related to issues of equity securities or convertible debt securities		
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (Payment of lease liabilities)		
3.10	**Net cash from / (used in) financing activities**	**0**	**0**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	5,541	5,541
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(305)	(305)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	0	0
4.4	Net cash from / (used in) financing activities (item 3.10 above)	0	0

Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
4.5	Effect of movement in exchange rates on cash held		
4.6	**Cash and cash equivalents at end of period**	**5,236**	**5,236**

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter $A'000	Previous quarter $A'000
5.1	Bank balances	2,236	2,541
5.2	Call deposits	3,000	3,000
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**5,236**	**5,541**

6.	Payments to related parties of the entity and their associates	Current quarter $A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	
6.2	Aggregate amount of payments to related parties and their associates included in item 2	

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

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7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities		
7.2	Credit standby arrangements		
7.3	Other (please specify)		
7.4	**Total financing facilities**		

7.5	**Unused financing facilities available at quarter end**	
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.	

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	(305)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	0
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(305)
8.4	Cash and cash equivalents at quarter end (item 4.6)	5,236
8.5	Unused finance facilities available at quarter end (item 7.5)	0
8.6	Total available funding (item 8.4 + item 8.5)	5,236
8.7	**Estimated quarters of funding available (item 8.6 divided by item 8.3)**	17.2

Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.

8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:

8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer:

8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer:

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8.8.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
Answer:	

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Date: 30 October 2020



Authorised by: Natalia Fraser (CFO and Company Secretary)
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

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