Icon Energy Limited

ABN 61 058 454 569

FULL YEAR ACCOUNTS

For the year ended
30 June 2023

Icon Energy Limited

ABN 61 058 454 569

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DIRECTORS' REPORT

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 2023 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 related to the renewal application in respect to ATP 855 due on or before 31 October 2022, and the subsequent filing of an application lodged in the Supreme Court of Queensland. The hearing was conducted on 5 September 2023 and the judgement will be reported in 3-6 months from this date.

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 Retired on 08/09/2023
Raymond Swinburn James	Non-executive Director Company Secretary	Director since 01/02/1993 Company Secretary since 21 October 2022
Dr Keith Hilless AM	Non-executive Director	Director since 03/04/2009 Retired on 30/11/2022
Jeffrey Marvin	Non-executive Director	Director since 31/03/2023
Peter Wilson	Non-executive Director	Director since 08/09/2023

Icon's Director Keith Hilless and Icon's Chairman Stephen Barry retired from the Board after many years of service to the company, on 30 November 2022 and 8 September 2023 respectively. Icon would like to note and thank them for their valued contribution made to the company.

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.

REVIEW OF OPERATIONS

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

ATP 855 Cooper-Eromanga Basin Queensland

- ATP 855 was due for renewal on 31 October 2022.
- On 4 October 2022, Icon submitted an application to the Queensland Department of Resources (DOR) for the renewal of ATP 855 which was due for renewal on 31 October 2022.
- On 14 October 2022 Icon received a letter from the Department stating that the Minister's Delegate refused to receive or process the renewal application. It was refused under section 82(1)(e) of the P&G Act—which addresses capability criteria and section 82(1)(f) of the P&G Act and other matters under sections 84 and 86. Section 84 of the P&G Act provides that the Minister may grant or refuse the renewal unless satisfied that the applicant satisfies the capability criteria.
- On 1 November 2022 the Department of Resources informed Icon that ATP 855 and the PCAs had expired. On 8 February 2023 the Department in correspondence outlined further reasons concerning its position rejecting the renewal application
- Icon has filed an appeal to the Supreme Court of Queensland seeking to set aside that decision as being incorrect.
- The appeal was heard by the Court on 5 September 2023 and the matter expected to be finalised with a judgement due sometime in the next 3-6 months.

PEP 170, 172 and 173 Gippsland Basin Victoria

- Icon did not to accept the offer to renew PEP 172 and 173 and advised the Victorian government of that decision. Icon applied to surrender PEP 170 and consent was given on 16 August 2022.

PRLs 35, 37, 38, 41, 43, 44, 45, 48 and 49 South Australia (PRLs)

- Following a decision by other joint venturers to withdraw from the tenement, Icon also withdrew from the venture and from the tenement and served a notice on the Operator on 23 August 2022.

- Icon has now completed documentation and withdrawn from all PRLs. (formaly known as PEP 218)

ATP 594 Cooper-Eromanga Basin Queensland

- Icon has lodged documents for the return of the Environmental Authority (EPSX03049115) for ATP 594 which has expired.

Corporate

- Icon Energy held the Company's 2022 Annual General Meeting on 30 November 2022 with all resolutions adopted.
- On 31 March 2023, the Board appointed a new non-executive director of the company, Mr Jeffrey Marvin. Mr Marvin has 20 years global experience in mineral resource project exploration, financing and development. Mr Marvin has international management and corporate governance experience with projects located in diverse international business climates. Prior to joining Icon's Board, Mr Marvin was a founding/executive director of an Australian energy technology company and has experience working across a range of projects including gold, coal, mineral-sands and coal seam gas.
- On 8 September 2023, the Board appointed a new non-executive director of the Company, Mr Peter Wilson. Mr Wilson has over 42 years of experience in the international coal mining and mining contract industry and has held senior management positions including General Manager, Director and Chief Operating Officer at a number of mine operating and contracting companies. During his career, Mr Wilson has worked in multiple jurisdictions including Australia, New Zealand, India, and Africa, and he has experience across a range of commodities including coking coal, heavy mineral sands and metalliferous mining. More recently, Mr Wilson was engaged as a consultant on a Heavy Mineral Sands project in Namaqualand, South Africa, and is currently Operations Director at Mine2Port Limited, an Australian company with interests in coking coal, rail and port logistics projects in Africa and the United States of America. Mr Wilson was also appointed a Non-Executive Director of UK AIM listed company Kazera Global Plc in April 2023.

EVENTS AFTER THE BALANCE DATE

On 5 September 2023 the Hearing in the Supreme Court of Queensland was held between the Company and the Queensland Department of Resources. Her Honour reserved her decision and will deliver a written judgement, timing of which is not known but could be several months.

There has not arisen any other 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 the renewal of ATP 855.

FINANCIAL POSITION

The consolidated loss after tax for the Company and its controlled entities for the financial year ended 30 June 2023 was $5,537,787 (2022: $1,468,076 loss).

In September 2022, 13,243,677 listed options were exercised and Icon raised $662,183 before costs.

In March 2023, Raymond James, a Director of the Company, signed a loan agreement for the amount of $520,000 to the Company on an interest-free unsecured loan for 2.5 years expiring 13 September 2025.

SHARES UNDER OPTION

The Company has no options or other convertible securities on issue at the date of this report.

DIVIDENDS

The Directors recommend that no dividend be paid by the Company. No dividends have been declared or paid by the Company since the end of the previous financial year (30 June 2022).

REMUNERATION REPORT

The Remuneration Report for the financial period which forms part of the Director's Report can be found on page 30 of this Annual Report.

COMPANY SECRETARY

On 27 September 2022, Natalia Fraser resigned from her position as a Company Secretary. Following Ms Fraser's resignation, Raymond James was appointed as a Company Secretary on

21 October 2022. The 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, twenty-eight meetings of Directors and four committee meetings 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	28	28	2	2	-	-
S M Barry	28	28	2	2	2	2
K Hilless	14	12	1	-	1	1
J Marvin	3	3	-	-	1	1

ENVIRONMENTAL REGULATION

The Consolidated Entity's operations are subject to various environmental regulations. Further information on the Group's environmental performance can be found in the Sustainability section of the 2023 Annual Report.

The Directors regret to report that in the financial year the company obtained from Queensland Treasury a determination of the surety required to be provided in respect of ATP 855 and its Estimated Rehabilitation Cost however failed to apply to the Department of Environment and Science for its determination of the estimated rehabilitation cost prior to the expiry of the ERC on 1 April 2022. The Department of Environment and Science has after the end of the financial year issued the company with penalty infringement notices in respect of the breaches totalling $17,231.00 which have been paid. A request to surrender Icon's Environmental Authority (EA) was not made because the court proceedings had not been determined.

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 2023 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 $74,088 (30 June 2022: $57,652).

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 37 and forms part of the Directors' Report for the period ended 30 June 2023. 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.

R S James	J R Marvin
Director	Director
29 September 2023	29 September 2023

Key Points

- **No short-term incentives or long-term incentives were issued by Icon for the 2022-2023 financial year.**
- **There are no performance rights issued to executives or staff which might vest in the future.**
- **Executive salary increases for 2022-2023 were restricted to CPI increases.**

The Directors of Icon Energy Limited present this Remuneration Report for the Consolidated Entity for the year ended 30 June 2023, outlining key aspects of the Group's remuneration policy and framework, and remuneration awarded to Directors and other Key Management Personnel (KMP) for the reporting period.

The Remuneration Report forms part of the Directors' Report. The information provided in this report has been prepared in accordance with section 300A of the *Corporations Act 2001 (Cth)* and has been audited as required by the Act.

In this report, KMP are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly.

Key management personnel covered in this report:

Name	Position Held	Period as KMP
Non-Executive Directors		
Stephen Barry	Chairman	Full Year
Dr Keith Hilless	Director	Retired 30 November 2022
Ray James	Director Company Secretary	Full Year Appointed 21 October 2022
Jeffrey Marvin	Director	Appointed 31 March 2023
Other Key Management Personnel		
Natalia Fraser	Chief Financial Officer and Company Secretary	Resigned 27 September 2022

Changes since the end of the reporting period:

As disclosed to the Australian Stock Exchange, Mr Peter Wilson was appointed as director on 8 September 2023, and Mr Stephen Barry resigned from the position of Chairman and a member of the Board on 8 September 2023 due to his current professional commitments as a practicing lawyer.

1. ROLE OF THE REMUNERATION, NOMINATIONS AND SUCCESSION COMMITTEE

Our Remuneration, Nominations and Succession Committee is made of independent non-executive directors. The 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, that remuneration is competitive in attracting, retaining and motivating people of the highest quality and that remuneration practices are transparent and easily understood.

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 Corporate Governance Statement provides further information on the role of the Committee.

2. 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; and
- 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.

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

Non-Executive Directors

On appointment to the Board, all Directors agree to terms of appointment as set put in a letter of appointment. The letter sets out the remuneration applicable and other matters such as role of Director, compliance with the Company's corporate policies, access to independent professional advice and confidentiality obligations.

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. In 2018 the Board determined to reduce base fees by 20% in view of the low share price. Thereafter, Non-Executive Directors are paid a base fee of $56,000 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. The Chairman's remuneration has been set at $78,480 per annum plus Committee fees and superannuation. An additional $6,000 per annum per Committee is paid to Committee members and $6,800 per annum per Committee for the Chairmen of the Committees. This arrangement has been in place for the year ended 30 June 2023.

Since Mr James' service agreement as Managing Director expired on 31 December 2019, Mr James remained a director of the company with additional duties as directed by the Board. Therefore, the Board determined a remuneration for Mr James of $111,124 per annum plus superannuation.

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 accrued and paid to Non-Executive Directors during the financial year was $268,672. Non-Executive Directors do not receive performance-based remuneration.

At the date of this report, no Director was considered to be executive.

Other Key Management Personnel

Other Key Management Personnel may be employed by the Company under a service agreement. They are remunerated through a combination of:

- Fixed Remuneration (FR); and
- Bonus or other incentives (short-term and long-term) 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.

At the date of this report, no other employees were considered to be key management personnel.

There were no remuneration consultants used by the Company during the year ended 30 June 2023 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 2022-23 year.

6. LONG-TERM INCENTIVES

The Company did not issue Long-term Incentives (LTI) for the 2022-23 year.

7. SERVICE AGREEMENTS

The Company has a policy that service agreements with Executive and Senior Managers should be limited in term and include termination clauses of between two and twelve months. The Company may make a payment in lieu of notice equal to the base amount prescribed in the service agreement for a specified period, and in respect of Executive Directors subject to the limits prescribed by section 200G of the *Corporations Act 2001*, or that determined by the Board and subject to shareholder approval at the time. In addition, accrued statutory benefits and superannuation benefits are payable. Details of the service agreements/contracts in force during the 2022/2023 financial year appear in the table below.

Table 1: Service Agreements with Other Key Management Personnel

Name	Date of Contract	Termination by Icon (without cause)	Termination by employee	Termination Payments (where terminated by Company)	STI & LTI Entitlements not applicable
N Fraser	29-Aug-19	2 months	2 months	Payment in lieu of notice based on FR	Resigned 27 September 2022

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

Table 2: Directors and Key Management Personnel Remuneration for the year ended 30 June 2023

	Short Term		Post-employment			
	Salaries & Fees (i)	**Other Benefits (ii)**	**Superannuation**	**Long-term Employee Benefits (iii)**	**Termination Benefits (iv)**	**Total**
	$	$	$	$		$
Non-executive Directors						
Stephen Barry	84,800	-	8,904	-	-	93,704
Keith Hilless	31,400	-	3,297	-	-	34,697
Ray James	111,124	-	11,668	-	-	122,792
Jeffrey Marvin(v)	15,818	-	1,661	-	-	17,479
Other Key Management Personnel						
Natalia Fraser (vi)	32,411	668	3,600	495	58,346	95,520
Total	**275,553**	**668**	**29,130**	**495**	**58,346**	**364,192**

(i) Salaries & Fees include annual leave paid during the year.
(ii) Other Benefits represent accrued annual leave during the year.
(iii) Long-term employee benefits represent only the long service leave accrued during the year.
(iv) Termination Benefits include annual and long service leave paid out at termination.
(v) Mr Marvin was appointed as a Non-Executive Director on 31 March 2023. The amounts represent accrued Directors' Fees and Super during the reporting period.
(vi) This represents Ms Fraser's remuneration for the period to 27 September 2022.

Table 3: Directors and Key Management Personnel Remuneration for the year ended 30 June 2022

	Short Term		Post-employment			
	Salaries & Fees (i)	Other Benefits (ii)	Superannuation	Long-term Employee Benefits (iii)	Termination Benefits (iv)	Total
	$	$	$	$		$
Non-executive Directors						
Stephen Barry	84,800	-	8,480	-	-	93,280
Keith Hilless	62,800	-	6,280	-	-	69,080
Ray James	111,124	-	11,112	-	-	122,236
Other Key Management Personnel						
Natalia Fraser	113,951	2,091	11,395	2,053	-	129,490
Total	**372,675**	**2,091**	**37,267**	**2,053**	**-**	**414,086**

(vii) Salaries & Fees include annual leave paid during the year.
(viii) Other Benefits represent accrued annual leave during the year.
(ix) Long-term employee benefits represent only the long service leave accrued during the year.
(x) Termination Benefits include annual leave paid out at termination and payment in lieu of notice as per employees' Service Agreements.

9. DIRECTORS' AND SENIOR MANAGEMENTS' INTERESTS

As at 30 June 2023, the interests of the Directors and senior management or entities associated with them in shares and options of Icon Energy Limited are:

Shareholdings

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

Table 4: Directors' and Executive and Senior Manager' Interests

2023	Balance 1.07.2022	Employee Performance Rights Plan	Purchases	Options Exercised	Sold	Other changes	Balance 30.06.2023
	Number	Number	Number	Number	Number	Number	Number
	Directors						
Stephen Barry*	2,480,389	-	-	-	-	-	2,480,389
Keith Hilless	139,840	-	-	-	-	(139,840)	-
Raymond James*	37,846,993	-	-	12,615,664	-	-	50,462,657
Jeffrey Marvin	-	-	-	-	-	-	-
Other Key Management Personnel							
Natalia Fraser	359,661	-	-	-	-	(359,661)	-
	40,826,883	**-**	**-**	**12,615,664**	**-**	**(499,501)**	**52,943,046**

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

2022	Balance 1.07.2021	Employee Performance Rights Plan	Purchases	Options Exercised	Sold	Other changes**	Balance 30.06.2022
	Number	Number	Number	Number	Number	Number	Number
	Directors						
Stephen Barry*	1,653,593	-	-	-	-	826,796	2,480,389
Keith Hilless	93,227	-	-	-	-	46,613	139,840
Raymond James*	25,231,329	-	-	-	-	12,615,664	37,846,993
Other Key Management Personnel							
Natalia Fraser	239,774	-	-	-	-	119,887	359,661
	27,217,923	**-**	**-**	**-**	**-**	**13,608,960**	**40,826,883**

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

**Shares purchased through the Rights Issue to the shareholders.

Transactions with Directors and Director Related Entities

During the year ended 30 June 2023, Raymond James, a Director of the Company, signed a loan agreement for the amount of $520,000 to the Company on an interest-free unsecured loan for 2.5 years expiring 13 September 2025 (30 June 2022: nil).

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 other KMP of the Company during the year.

Options Held by Key Management Personnel

The movement during the year in the number of options in Icon Energy Limited held directly, indirectly or beneficially, by each KMP, including their related parties, is as follows:

Table 5: Options held by Directors and Executive and Senior Managers

2023	Balance 1.07.2022	Employee Performance Rights Plan	Purchases	Options Exercised	Options Expired	Other changes	Balance 30.06.2023
	Number	Number	Number	Number	Number	Number	Number
Directors							
Stephen Barry*	826,796	-	-	-	(826,796)	-	-
Keith Hilless	46,613	-	-	-	(46,613)	-	-
Raymond James*	12,615,664	-	-	(12,615,664)	-	-	-
Jeffrey Marvin	-	-	-	-	-	-	-
Other Key Management Personnel							
Natalia Fraser	119,887	-	-	-	(119,887)	-	-
	13,608,960	**-**	**-**	**(12,615,664)**	**(993,296)**	**-**	**-**

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

2022	Balance 1.07.2021	Employee Performance Rights Plan	Purchases	Options Exercised	Sold	Other changes**	Balance 30.06.2022
	Number	Number	Number	Number	Number	Number	Number
Directors							
Stephen Barry*	-	-	-	-	-	826,796	826,796
Keith Hilless	-	-	-	-	-	46,613	46,613
Raymond James*	-	-	-	-	-	12,615,664	12,615,664
Other Key Management Personnel							
Natalia Fraser	-	-	-	-	-	119,887	119,887
	-	**-**	**-**	**-**	**-**	**13,608,960**	**13,608,960**

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

**Options acquired through the Rights Issue to the shareholders.

At the Company's 2022 Annual General Meeting (AGM) 94.96% of votes cast in relation to the resolution to adopt the 2022 Remuneration Report were cast in favour of the resolution. There were no comments made on the Remuneration Report at that AGM.

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

Table 6: Company's Profit/Loss (after tax)

	30-Jun-19	30-Jun-20	30-Jun-21	30-Jun-22	30-Jun-23
Closing Share Price	0.014	0.008	0.014	0.014	0.004
Dividends paid	-	-	-	-	-
Profit (Loss) after tax	($31,372,498)	($2,949,536)	(6,919,302)	(1,468,076)	(5,537,787)

End of Remuneration Report (audited)

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 2023, 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 2023 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 (including Independence Standards)* (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 application for renewal of Authority to Prospect (ATP 855) is dependent on the successful outcome of a Judicial Review and approval by the Department of Resources. 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 Company's and Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

In addition to the matter described in the Material uncertainty related to going concern section, we have determined the matter described below to be the key audit matters to be communicated in our report. 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.

Crowe

Key Audit Matter	How we addressed the Key Audit Matter
Rehabilitation provision	
Refer to Note 10 to the financial statements. Judgement is required in the determination of the rehabilitation provision, including: — assumptions relating to the manner in which rehabilitation will be undertaken; and — scope and quantum of costs, and timing of the rehabilitation activities.	Our audit procedures included: — obtaining an understanding of the key controls management has in place to estimate the rehabilitation provision; — agreeing rehabilitation cost estimates to underlying support, including reports from management's external expert; — assessing the independence, competence and objectivity of the expert used by management; — confirming the rehabilitation dates are consistent with the expiry of Authority to Prospect (ATP 855) on 1 November 2022; and — testing the mathematical accuracy of the rehabilitation provision. We also assessed the appropriateness of the disclosures included in Note 10 to the financial statements.

Emphasis of Matter

We draw attention to Note 21 in the financial report, as a consequence of uncertainties surrounding the renewal of ATP855 potential obligations exist which meet the definition of contingent liabilities as defined in AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*. Our opinion is not modified in respect of this matter.

Other Information

The directors are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the Director's Report for the year ended 30 June 2023 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 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. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In 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, designs and performs audit procedures responsive to those risks, and obtains 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

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2023.

In our opinion, the Remuneration Report of Icon Energy Limited, for the year ended 30 June 2023, complies with *Section 300A* of the *Corporations Act 2001*.

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

Crowe Brisbane

Crowe Brisbane

Sean McGurk

Partner

Date: 29 September 2023

Crowe

AUDITOR'S INDEPENDENCE DECLARATION

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Icon Energy Limited for the year ended 30 June 2023, I declare that, to the best of my knowledge and belief, there have been:

(a) no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

(b) no contraventions of any applicable code of professional conduct in relation to the audit.

Crowe Brisbane

Crowe Brisbane

Sean McGurk
Partner

Date: 29 September 2023

Liability limited by a scheme approved under Professional Standards Legislation.

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 external audit, conducted via the Crowe Australasia external audit division and Unison SMSF Audit. 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 Brisbane, an affiliate of Findex (Aust) Pty Ltd.

DIRECTORS' DECLARATION

The Directors of the Company declare that:

1) The financial statements and notes, as set out on pages 43 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 2023 and of the performance for the year ended on that date of the consolidated entity;
2) The Board received a Declaration 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.

RJ James

Raymond James
Director
29 September 2023

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2023

	NOTES	30 June 2023 $	30 June 2022 $
Continuing operations			
Interest received and other income	**2a**	**40,726**	1,948
Administration expenses	**4**	**(840,618)**	(612,516)
Depreciation and amortisation expense		**(116,863)**	(374,766)
Employee benefits and expenses		**(239,246)**	(211,585)
Occupancy expense		**(42,922)**	-
Profit on sale of current assets	**2b**	**5,535**	21,078
Exploration asset write off	**7**	**(3,937,029)**	-
Write down of inventories	**6**	-	18,965
Tenement expenditure		**(392,249)**	(305,989)
Finance costs		**(15,121)**	(5,211)
Loss before income tax		**(5,537,787)**	**(1,468,076)**
Income tax expense	**3**	**-**	-
Loss for the year from continuing operations		**(5,537,787)**	**(1,468,076)**
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss		**-**	**-**
Total other comprehensive loss for the year, net of tax		**-**	-
Total comprehensive loss for the year		**(5,537,787)**	**(1,468,076)**
Earnings per share			
From continuing operations			
Basic and diluted loss per share (cents per share)	**13**	**(0.72)**	(0.21)

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2023

	NOTES	30 June 2023 $	30 June 2022 $
CURRENT ASSETS			
Cash and cash equivalents	5	1,480,933	1,845,450
Trade and other receivables		57,792	2,118
Prepayments		103,680	80,483
Performance guarantee bonds		756,220	-
TOTAL CURRENT ASSETS		2,398,625	1,928,051
NON-CURRENT ASSETS			
Property, plant and equipment		13,975	19,689
Exploration and evaluation expenditure	7	-	4,296,230
Performance guarantee bonds		-	756,220
Right-of-use asset	8	-	37,905
TOTAL NON-CURRENT ASSETS		13,975	5,110,044
TOTAL ASSETS		2,412,600	7,038,095
CURRENT LIABILITIES			
Trade and other payables		177,453	96,501
Employee benefits		52,743	87,235
Lease liabilities	8	-	41,315
Provisions	10	4,746,017	-
TOTAL CURRENT LIABILITIES		4,976,213	225,051
NON-CURRENT LIABILITIES			
Non-interest bearing borrowings	4d, 9	393,458	-
Provisions	10	-	5,031,976
TOTAL NON-CURRENT LIABILITIES		393,458	5,031,976
TOTAL LIABILITIES		5,369,671	5,257,027
NET ASSETS		(2,957,071)	1,781,068
EQUITY			
Issued capital	11	104,116,869	103,458,324
Contributed capital		141,103	-
Accumulated losses		(107,215,043)	(101,677,256)
TOTAL EQUITY		(2,957,071)	1,781,068

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2023

	Ordinary Share Capital (Note 11) $	Accumulated Losses $	Contributed Capital $	Total $
Balance 1 July 2021	101,985,050	(100,209,180)	-	1,775,870
Total comprehensive income:			-	
Loss for the year	-	(1,468,076)	-	(1,468,076)
Other comprehensive loss	-	-	-	-
Total comprehensive loss for the year	-	(1,468,076)	-	(1,468,076)
Transactions with owners in their capacity as owners:				
Shares issued	1,572,141	-	-	1,572,141
Share issue costs	(98,867)	-	-	(98,867)
Total transactions with owners	1,473,274	-	-	1,473,274
Balance at 30 June 2022 - attributable to owners of parent entity	**103,458,324**	**(101,677,256)**	**-**	**1,781,068**
Balance 1 July 2022	**103,458,324**	**(101,677,256)**	**-**	**1,781,068**
Total comprehensive income:			**-**	
Loss for the year	**-**	**(5,537,787)**	**-**	**(5,537,787)**
Other comprehensive loss	**-**	**-**	**-**	**-**
Total comprehensive loss for the year	**-**	**(5,537,787)**	**-**	**(5,537,787)**
Transactions with owners in their capacity as owners:				
Shares issued	**662,184**	**-**	**-**	**662,184**
Share isuue costs	**(3,639)**	**-**	**-**	**(3,639)**
Contributed capital	**-**	**-**	**141,103**	**141,103**
Total transactions with owners	**658,545**	**-**	**141,103**	**799,648**
Balance at 30 June 2023 - attributable to owners of parent entity	**104,116,869**	**(107,215,043)**	**141,103**	**(2,957,071)**

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2023

	NOTES	30 June 2023 $ Inflows (Outflows)	30 June 2022 $ Inflows (Outflows)
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from customers		**4,268**	21,078
Cash payments to suppliers and employees		**(1,124,202)**	(837,512)
Interest received		**35,409**	1,836
Tenement expenditure		**(415,997)**	(301,366)
Interest expense		**(1,226)**	(5,877)
Net cash used in operating activities	**14**	**(1,501,747)**	**(1,121,841)**
CASH FLOWS FROM INVESTMENT ACTIVITIES			
Payments for property, plant & equipment		**-**	(5,091)
Net cash used in investment activities		**-**	**(5,091)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of share capital		**662,184**	1,572,141
Capital raising costs		**(3,639)**	(98,867)
Repayments of lease liabilities	**8**	**(41,315)**	(82,579)
Proceeds from borrowings	**4d**	**520,000**	-
Net cash from financing activities		**1,137,230**	1,390,695
Net increase/(decrease) in cash and cash equivalents held		**(364,517)**	**263,763**
Cash and cash equivalents at beginning of the financial year		**1,845,450**	**1,581,687**
Cash and cash equivalents at the end of the financial year	**5**	**1,480,933**	**1,845,450**

The accompanying notes form part of these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

NOTE 1 - REPORTING ENTITY AND BASIS OF ACCOUNTING

Icon Energy Limited is a listed public company, incorporated and domiciled in Australia.

The Company's registered office is located at Level 3, 2 Corporate Court, Bundall Queensland 4217.

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") for the year ended 30 June 2023 and were authorised for issue in accordance with a resolution of the Board of Directors on 29 September 2023.

The Group is a for-profit entity, with the primary activity during the year related to the renewal of ATP 855.

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 authorative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*. 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 financial statements have been prepared on an accrual and historical cost basis, except for provisions that have been measured at the present value of board of directors' best estimate of the expenditure required to settle the present obligation at the end of the reporting period. All amounts are presented in Australian dollars, unless otherwise noted. This is also the functional currency of the parent.

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

Going concern

It is a requirement of the Australian Accounting Standards, that 'when preparing financial statements, management shall make an assessment of an entity's ability to continue as a going concern. An entity shall prepare financial statements on a going concern basis unless management either intends to liquidate the entity or to cease trading or has no realistic alternative but to do so. When management is aware, in making its assessment, of material uncertainties related to events or conditions that may cast significant doubt upon the entity's ability to continue as a going concern, the entity shall disclose those uncertainties.

The 30 June 2023 end of year financial statements have been prepared on a going concern basis as management do not intend to liquidate the entity nor cease operations and have determined that the Company does not meet the threshold of having no realistic alternative but to do so.

The going concern basis of preparation contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business and at the amounts stated in the financial report.

The Group recorded an operating loss for the year ended 30 June 2023 of $5,537,787 (2022: $1,457,076) and net operating cash outflows for the 12 months ended 30 June 2023 was $1,501,747 (2022: $1,121,841). The Group's current liabilities exceeded its current assets by $2,577,588.

On 4 October 2022, the Company lodged an application to the Queensland Department of Resources (Department of Resources) to renew ATP 855 (Renewal Application).

On 1 November 2022 the Company was notified in writing by the Department of both the expiry of ATP 855 and the termination of Potential Commercial Areas 172 – 179.

Under Section 292 of the Petroleum and Gas (Production and Safety) Act 2004 the Company is required to ensure that all wells are decommissioned from use before the tenure or authority ends, with such obligation persisting after the end of the tenure. At the date of expiry of ATP 855 The Group had six wells that had not been decommissioned as prescribed under the Petroleum and Gas (Production and Safety) Act 2004. The director's have estimated the cost of performing the required decommissioning and rehabilitation work to be $4,746,017.

On 14 November 2022 the Company filed an application in the Supreme Court of Queensland to judicially review the decision of the Delegate (JR Application) to refuse to receive or process the Renewal Application.

As a consequence of ATP 855 expiring on 1 November 2022, and in accordance with the requirements of the Australian Accounting Standards, the following accounting was applied at 30 June 2023:

- exploration and Evaluation Expenditure with a carrying value of $3,937,029 was derecognised and written off; and
- after the reporting period, the Restoration Provision in respect to ATP 855 of $4,746,017 was reclassified from non-current to current liabilities.

On 5 September 2023 the Hearing in the supreme Court of Queensland took place. Her Honour reserved her decision and will deliver a written judgement, the timing of which is uncertain but could take up to several months. At the date of signing the financial statements, the outcome of the JR review is unknown.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

NOTE 1 - BASIS OF ACCOUNTING (Continued)

In preparing the end of year financial statements on the going concern basis the critical assumptions used by the directors are:

- the Department of Resources nor the Department of Environment & Science will not seek commencement of outstanding decommissioning or rehabilitation requirements in respect to ATP 855 prior to the outcome of the JR Application being known;
- the likelihood of a successful outcome of the JR Application is no lower than 50%;
- being able to meet all the necessary requirements as prescribed by the Petroleum and Gas (Production and Safety) Act 2004 for a successful outcome in respect to the Renewal Application;
- the management of cash through tight control of administrative expenses.

If any of these critical assumptions are incorrect, then there is material uncertainty whether the Group will continue as a going concern and therefore whether it will realise its assets and discharge its liabilities in the normal course of business and at the amounts stated in the financial statements.

The end of year financial statements do not include any adjustment relating to the recoverability or classification of recorded asset amounts or to the amounts or classification of liabilities that may be necessary should the Company not be able to continue as a going concern.

NOTE 2 - LOSS FROM OPERATING ACTIVITIES

Loss from operating activities before income tax includes the following items:	CONSOLIDATED ENTITY	
	30 June 2023	**30 June 2022**
a. Other income	**$**	**$**
Interest received	**40,726**	1,948
	40,726	**1,948**
b. Gain on sale of current assets		
Proceeds on disposal of inventory	**5,535**	40,043
Written down value of inventory	**-**	(18,965)
	5,535	**21,078**
c. Other expenses		
Superannuation	**21,034**	18,590
Audit and review of financial statements - Crowe	**64,700**	56,900

NOTE 3 - INCOME TAX EXPENSE

Loss before tax expense	**(5,537,787)**	(1,468,076)
Prima facie tax payable on loss before income tax at 30% (2022: 30%)	**(1,661,336)**	(440,423)
Increase/(decrease) in income tax expense due to:		
Non deductible expenses	**-**	341
Deferred tax benefits not brought to account	**1,661,336**	440,082
Income Tax attributable to loss before tax	**-**	-

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	**68,061,959**	66,295,776
Potential tax benefit	**20,418,588**	19,888,733
Temporary differences		
Other	**66,971**	67,796
Provisions	**4,851,736**	5,225,154
Transfer to Deferred Tax Asset	**1,867,314**	-
Potential tax benefit	**2,035,806**	1,587,885
Total deferred tax benefits not brought to account	**22,454,394**	21,476,618
Deferred Tax Liabilities		
Mining and exploration costs	**(1,867,314)**	2,231,698
Transfer to Deferred Tax Asset	**1,867,314**	-
Total deferred tax liabilities not brought to account	**-**	669,509
Total deferred tax assets not brought to account - net	**22,454,394**	**20,807,109**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

NOTE 4 - KEY MANAGEMENT PERSONNEL REMUNERATION

		CONSOLIDATED ENTITY	
		30 June 2023	30 June 2022
		$	$
(a)	Key management personnel compensation comprised the following:		
	• Short term employee benefits	**276,221**	374,766
	• Long term benefits	**495**	2,053
	• Post employment benefits	**29,130**	37,267
	• Termination benefits	**58,346**	-
		364,192	**414,086**

Remuneration of Directors is disclosed in the administration expenses within the Consolidated Statement of Profit or Loss and other Comprehensive Income whereas employee remuneration is within the employee benefits and expenses.

(b) Performance rights provided as remuneration

There were no performance rights granted as remuneration during the period ended 30 June 2023 (30 June 2022: Nil).

Performance rights holdings

There were no performance rights granted under the executive short-term and long-term incentive scheme that were held during the financial year by Key Management Personnel during the period ended 30 June 2023 (30 June 2022: Nil).

(c) Transactions with Directors and Director Related Entities

	30 June 2023	30 June 2022
Legal fees paid in the ordinary course of business to CKB Associates Lawyers, a firm which Mr. S Barry has a controlling interest.	**-**	**19,106**

There was an oustanding amount of $4,796 (included in the total above) as at 30 June 2022.

(d) Loans from Directors	NOTE	30 June 2023	30 June 2022
Balance at beginning of the year		**-**	-
Loans advanced		**378,897**	-
Interest expense (included in finance cost)		**14,561**	-
Balance at the end of the year	9	**393,458**	**-**

On 13 March 2023, Raymond James, a Director of the Company, signed a loan agreement for the amount of $520,000 to the Company on an interest-free unsecured loan for 2.5 years expiring 13 September 2025.

The loan is initially recognised at fair value in accordance with *AASB 9 Financial Instruments* . This is measured as the present value of all future cash flows, discounted using a standard business unsecured bank rate. The difference between fair value at initial recognition and the associated transaction cost is recognised as contributed equity in the Consolidated Statement of Financial Position. Loan is subsequently measured at amortised cost. The increase in the carrying amount of the loan due to the passage of time is recognised as finance cost in profit or loss.

NOTE 5 - CASH AND CASH EQUIVALENTS

	30 June 2023	30 June 2022
Cash on hand	**7**	191
Cash at bank	**1,480,927**	1,845,259
	1,480,933	**1,845,450**

NOTE 6 - INVENTORIES

	30 June 2023	30 June 2022
Tenement consumables	**-**	-
Add: impairment reversal	**-**	18,965
Less: inventories sold	**-**	**(18,965)**

In the year ended 30 June 2022, in accordance with *AASB 102 Inventories* , inventories impairment was reversed as a result of sale of inventory (note 2(b))

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

NOTE 7 - EXPLORATION AND EVALUATION EXPENDITURE	CONSOLIDATED ENTITY	
	30 June 2023 $	30 June 2022 $
Exploration and Evaluation expenditure at cost	**-**	**4,296,230**

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

Balance at beginning of the year	**4,296,230**	3,910,950
Increase/(decrease) in the restoration asset	**(285,955)**	678,262
Less: Depreciation of restoration asset	**(73,246)**	(292,983)
Less: Exploration and evaluation asset write off	**(3,937,029)**	-
Balance at the end of the year	**-**	**4,296,230**

Exploration and evaluation expenditure is only carried forward if it is expected to be recovered which is dependent on the successful development and commercial exploration or sale of area of interest.

At each reporting date, the Directors undertake an assessment of the carrying amount of its explorations and evaluation assets. During the period, the Directors identified that as a result of ATP 855 expiring on 1 November 2022, the exploration and evaluation asset ATP 855 that was recorded as a non-current asset, has to be completely written off in accordance with the Australian Accounting Standard *AASB 6 Exploration and Evaluation of Mineral Resources.* Therefore, an exploration asset write off totalling $3,937,029 has been recognised in the statement of profit or loss.

NOTE 8 - LEASES

This note provides information for leases where the group is a lessee.

The consolidated interim statement of financial position shows the following amounts relating to leases:

Right-of-use asset - Building		
Balance at beginning of the year	**37,905**	118,905
Depreciation charge for the year	**(37,905)**	(75,394)
Reassessment to right-of-use assets	**-**	(5,605)
Balance at the end of the year	**-**	37,905
Lease liabilities		
Current	**-**	41,315
Non-current	**-**	-
	-	41,315

The consolidated statement of profit or loss shows the following amounts relating to leases:

Depreciation charge of right-of-use assets (included in depreciation expenses)		
Building	**37,905**	75,394
	37,905	75,394
Interest expense (included in finance cost)	**560**	5,211
The total cash outflow for leases	**41,315**	82,579

The Group leases its head office building. A renewal of the current lease contract was signed for a month to month agreement commencing 27 August 2023.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

NOTE 9 - NON-INTEREST BEARING BORROWINGS

Non-current unsecured non-interest bearing borrowing is a loan from related party. Further information relating to loans from related parties is set out in note 4(d).

Consolidated Entity		CONSOLIDATED ENTITY	
		30 June 2023	30 June 2022
Non-interest bearing borrowings - unsecured	NOTE	$	$
Current		-	-
Non-current	4	393,458	-
		393,458	-

NOTE 10 - PROVISIONS

Restoration provision
Restoration provision represents the present value of estimated costs for the rehabilitation ATP 855.

The Directors base their judgements, estimates and assumptions on historical and on other various factors including expectations of future events, Directors believe 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		
Restoration provision		
Current		
Balance at beginning of the year	-	-
Reclassification from non-current provision	4,255,166	-
Increase/(decrease) in the restoration provision	490,855	-
Balance at end of the year	4,746,021	-
Non-Current		
Balance at beginning of the year	5,031,976	4,353,713
Reclassification to current provision	(4,255,166)	-
Increase/(decrease) in the restoration provision	(776,810)	678,262
Balance at end of the year	-	5,031,976

At each reporting date, the Directors review the classification of restoration provision into current or non-current and adjust the amount of the provision to reflect the best estimate.

As a result of ATP 855 expiring on 1 November 2022, and the Group not having an unconditional right to defer settlement of the liability for at least twelve months after the reporting period, the Restoration Provision in respect to ATP 855 of $4,255,166 was reclassified from non-current to current liabilities in accordance with the Australian Accounting Standard *AASB 101 Presentation of Financial Statements* .

At 30 June 2023, the current restoration provision of $4,746,021 is based on the updated estimate provided by an independent estimator in August 2023.

NOTE 11 - ISSUED CAPITAL

a. Ordinary Shares

Authorised and Issued Share Capital

Issued share capital 768,013,667 (30 June 2022: 754,769,990) fully paid, no par value ordinary shares.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

NOTE 11 - ISSUED CAPITAL (Continued)

	30 June 2023 Number of shares	30 June 2023 $	30 June 2022 Number of shares	30 June 2022 $
Balance at beginning of the year	**754,769,990**	**103,557,191**	597,606,938	101,985,050
Shares issued during the period	**13,243,677**	**662,184**	157,163,052	1,572,141
Balance at the end of the year	**768,013,667**	**104,219,374**	**754,769,990**	**103,557,191**

The holders of ordinary shares are entitled to receive dividends as declared and are entitled to one vote per share at shareholders' meetings. The Consolidated Entity did not pay a dividend during the year ended 30 June 2023, nor has any dividend been proposed up to the reporting date (30 June 2022: nil). 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.

b. Options

	30 June 2023 Number of options	30 June 2023 $	30 June 2022 Number of options	30 June 2022 $
Balance at beginning of the year	**97,137,552**	**4,856,878**	-	-
Issue of listed options - January 2022	**-**	**-**	97,150,302	4,857,515
Exercise of listed options - Februry 2022	**-**	**-**	(6,750)	(338)
Exercise of listed options - March 2022	**-**	**-**	(1,000)	(50)
Exercise of listed options - June 2022	**-**	**-**	(5,000)	(250)
Exercise of listed options - September 2022	**(13,243,677)**	**(662,184)**	-	-
Expiry of listed options - September 2022	**(83,893,875)**	**(4,194,694)**	-	-
	-	**-**	**97,137,552**	**4,856,878**

In September 2022, a total of 13,243,677 listed options were exercised rasing a total of $662,184.

During the year ended 30 June 2023 no options were issued (30 June 2022: 97,150,302). The Consolidated Entity has no options on issue at the end of 30 June 2023.

NOTE 12 - SHARE BASED PAYMENTS

There were no share based payment during the year ended 30 June 2023 and 30 June 2022.

NOTE 13 - EARNINGS PER SHARE

		CONSOLIDATED ENTITY 30 June 2023 $	CONSOLIDATED ENTITY 30 June 2022 $
(a)	Reconciliation of Earnings to Net Loss:		
	Net Loss for the year	**(5,537,787)**	(1,468,076)
	Earnings used in the calculation of basic EPS	**(5,537,787)**	(1,468,076)
	Earnings used in the calculation of diluted EPS	**(5,537,787)**	(1,468,076)
(b)	Weighted average number of ordinary shares outstanding during the year used in the calculation of basic EPS.	**765,509,128**	688,063,561
	Adjustment for calculation of diluted earnings per share	**-**	45,242,531
	Weighted average number of ordinary shares outstanding during the year used in the calculation of diluted EPS.	**765,509,128**	733,306,092
	Basic and diluted loss per share (cents per share)	**(0.72)**	(0.21)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

NOTE 14 - CASH FLOW INFORMATION

Reconciliation of net cash used in operating activities to loss after income tax:	CONSOLIDATED ENTITY 30 June 2023 $	30 June 2022 $
Loss after income tax	**(5,537,787)**	(1,468,076)
Add/(less) non-cash items:		
Depreciation and amortisation	**116,863**	374,766
Impairment expense	**3,937,029**	-
Finance costs	**14,561**	-
Adjustment for changes in assets and liabilities:		
Inventories	**-**	-
Prepayments	**(23,198)**	(23,699)
Trade and other receivables	**(55,675)**	20,688
Trade and other payables	**80,952**	(42,179)
Lease libilities	**-**	6,029
Employee provisions	**(34,492)**	10,630
Restoration provision	**-**	-
Net cash used in operating activities	**(1,501,747)**	**(1,121,841)**

NOTE 15 - COMMITMENTS

Work Programme Commitments

The total commitments for work programmes for ATP 855 is as follows:

Exploration expenditure commitments	30 June 2023	30 June 2022
• not later than 1 year	**-**	4,000,000
• later than one year but not later than five years	-	-
	-	**4,000,000**

Refer to Note 1.

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 % 30 June 2023	Interest % 30 June 2022
ATP 855P**	Cooper Eromanga	**0.00%**	100.00%
PRL's 35, 37, 38, 41, 43, 44, 45, 48 and 49 ***	Cooper Eromanga	**0.00%**	33.33%
PEP 170****	Gippsland	**0.00%**	100.00%
PEP 172 ****	Gippsland	**0.00%**	100.00%
PEP 173 ****	Gippsland	**0.00%**	100.00%

** Currently in dispute.
*** Formerly PEL 218 (Post Permian Section). Icon withdrew from all PRLs.
**** Icon did not accept the offer to take up PEP 172 and 173 from the Victorian Dept of Earth Resources. Icon applied to surrender PEP 170 and consent was given on 2 August 2022.

NOTE 17 - CONTROLLED ENTITIES

Parent entity:	Country of Incorporation	Date of Incorporation	% Owned 30 June 2023	% Owned 30 June 2022
Icon Energy Limited	Australia			
Subsidiaries of Icon Energy Limited:				
Icon Drilling Pty Ltd	Australia	18 Nov 1994	**100**	100

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

NOTE 18 - SEGMENT INFORMATION

The Consolidated Entity operates in a single business segment, being the oil and gas exploration within Queensland. This is consistent with reporting to the Group's chief operating decision maker, who is the Board of Directors, that reviews internal management reports on at least a monthly basis. The financial results of this segment are equivalent to the financial statements of the Consolidated Entity as a whole.

NOTE 19 - FINANCIAL INSTRUMENTS

		CONSOLIDATED ENTITY	
The Group holds the following financial instruments:	NOTE	30 June 2023 $	30 June 2022 $
Financial Assets			
Cash and cash equivalents	5	**1,480,933**	1,845,450
Performance guarantee bonds		**-**	756,220
Amortised cost			
- Trade and other receivables		**57,792**	2,118
Financial Liabilities			
Non-interest bearing borrowings		**393,458**	-
Held at amortised cost			
- Trade and other payables		**177,453**	96,501

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, receivables, payables and borrowings. 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 2023 (30 June 2022: Nil).

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 11 respectively.

The board of directors reviews 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 2022.

Financial Risk Management

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

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

(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 earning ineterst at variable rates.The Consolidated Entity does not have any interest bearing borrowing facilities. Therefore, it has not been exposed to the interest rate risk through borrowing funds.

The Consolidated Entity manages interest rate risk by monitoring levels of exposure to interest rate.

At the end of the reporting period, 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, are set out below:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

NOTE 19 - FINANCIAL INSTRUMENTS (Continued)

Consolidated Entity		Weighted Average Interest Rate %	Floating Interest $	Fixed Interest Rate Maturing Within 1 year $	Fixed Interest Rate Maturing 1 to 5 years $	Non interest bearing $	Total $
30 June 2023	**NOTE**						
Financial assets							
Cash and cash equivalents	**5**	**3.72%**	**1,480,927**	**-**	**-**	**7**	**1,480,934**
Trade and other receivables		**-**	**-**	**-**	**-**	**57,791**	**57,791**
Performance guarantee bonds		**2.49%**	**738,148**	**-**	**-**	**18,072**	**756,220**
Total Financial Assets			**2,219,075**	**-**	**-**	**75,870**	**2,294,945**
Financial liabilities							
Trade and other payables		**-**	**-**	**-**	**-**	**177,453**	**177,453**
Non-interest bearing borrowings		**-**	**-**	**-**	**-**	**393,458**	**393,458**
Total Financial Liabilities			**-**	**-**	**-**	**570,911**	**570,911**
Consolidated Entity							
30 June 2022							
Financial assets							
Cash and cash equivalents	5	0.09%	1,845,259	-	-	191	1,845,451
Trade and other receivables		-	-	-	-	2,116	2,116
Performance guarantee bonds		0.20%	738,148	-	-	18,072	756,220
Total Financial Assets			2,583,407	-	-	20,380	2,603,787
Financial liabilities							
Trade and other payables		-	-	-	-	96,501	96,501
Total Financial Liabilities			-	-	-	96,501	96,501

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

NOTE 19 - FINANCIAL INSTRUMENTS (Continued)

Sensitivity analysis

Based on financial instuments at 30 June 2023, 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 $11,598 higher/$11,838 lower (30 June 2022: $7,319 higher/$7,321 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 arises from the financial assets of the Consolidated Entity which comprise cash and cash equivalents and trade and other receivables. The Consolidated Entity's exposure to credit risk arises from potential default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments. 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.

During the year the Consolidated Entity maintained all cash and cash equivalent balances with the fiancial institution holding an AA- rating based on a S&P Global ratings.

The trade and other receivables balance consist of 94% of trade receivables (2022: nil) and 6% of receivables from the Australian Tax Office for goods and services tax refund (2022: 100%).

(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 Board reviews cashflows and considers short and long term forecasts and any implications to the Consolidated Entity's liquidity. Cash is held in a high interest account to maximise interest income. The amounts held as guarantees are regularly reviewed to ensure any restrictions are lifted as soon as possible.

The following are contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted except for the non-interest bearing borrowings which are discounted using a standard business unsecured bank rate when initially measured and subsequently measured at amortised cost.

	Carrying Amount $	Contractual Cashflows $	<1Year $	1-5 Years $
30 June 2023				
Trade and other payables	**177,453**	**177,453**	**177,453**	**-**
Non-interest bearing borrowings	**393,458**	**393,458**	**-**	**393,458**
	570,911	**570,911**	**177,453**	**393,458**
30 June 2022				
Trade and other payables	96,501	96,501	96,501	-
Lease liability	41,315	41,315	41,315	-
	137,816	**137,816**	**137,816**	**-**

The Consolidated Entity's liquidity risk relating to financial liabilities at 30 June 2023 is limited to the repayment of the trade payables and borrowings. Trade payables are non-interest bearing and are normally settled on 30 day term. The borrowings are long-term non interest bearing.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

NOTE 19 - FINANCIAL INSTRUMENTS (Continued)

Fair value estimation

The net fair value of cash and cash equivalents and short-term non-interest bearing monetary financial assets and liabilities of the Consolidated Entity, as stated in the Consolidated Statement of Financial Position and accompanying explanatory notes as at 30 June 2023 and 30 June 2022, is a reasonable approximation of their carrying value.

Non-current non-interest bearing borrowing is initially recognised at their fair value and subsequently - at amortised cost.

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 2023 or 30 June 2022.

NOTE 21 - CONTINGENT LIABILITIES

Proceedings in relation to the renewal application for ATP 855

The Company is going through the proceedings in respect of the decision by Queensland Department of Resources to refuse to accept the application to renew ATP 855. Icon believes that there is a reasonable probability that the Court's decision will be made in favour of Icon. However, if the proceedings are unsuccessful, it is likely the Court will order the Company to pay the State's costs of the proceedings on a standard basis. It is not possible at this time to accurately quantify Icon's future legal fees for the litigation.

Non-lodgement of ERC application

From 1 April 2022 the Environmental Protection Act 1994 (EP Act) requires that an Estimated Rehabilitation Cost (ERC) application is required to be submitted annually by the Company in relation to ATP855, Environmental Authority number: EPPG02088714.

In a letter dated 12 September 2022, the department has formed a reasonable belief that Icon have failed to apply for a new ERC decision at least 3 months prior to the ERC to which the decision relates ends and a penalty issued in the amount of $3,446 (s302 offence) was issued.

Additionally, in the same letter dated 12 September 2022, the department has formed a reasonable belief that the Company has been operating without an ERC decision in effect which is an offence under section 430(3) of the Act and a penalty of $13,785 was issued.

The ERC is used for financial provisioning purposes under the Mineral and Energy Resource (Financial Provisioning) Act 2018. The Company have had a surety bond in place since 9 June 2017 in relation to ATP855, Environmental Authority number: EPPG02088714 for the amount of $716,698. This represents an amount previously determined by the Queensland Government for the cost of rectifying any damage caused and to cover unpaid royalty, rent, penalties, or liabilities.

The amount requires to be updated but is dependent on an ERC application to be submitted before the financial provisioning can be assessed. At the date of the financial report the ERC decision is unknown and therefore not practicable to provide an estimate of the financial effect.

Lodgement of invalid surrender notice

Following the expiration of tenure (ATP594 on 16 April 2021) the Company were issued a requirement to surrender of Environmental Authority notice pursuant of section 258 of the Environmental Protection Act 1994.

A surrender application from the Company was received by the Department of Environment and Science on 1 August 2023. The application however was invalid as it did not satisfy the legislative requirements under section 262 (Requirements for surrender application) and 264 (Requirements for final rehabilitation report) of the EP Act. A non-statutory notice of "invalid application" was issued to the Company on 11 August 2023.

The uncertainties relate to the timing and the amount of costs in the final rehabilitation report. It is not practicable to estimate the financial effect as a valid surrender application has not yet been lodged.

There are no other contingent liabilties as at 30 June 2023 (30 June 2022: Nil).

NOTE 22 - EVENTS AFTER BALANCE DATE

On 5 September 2023 the Hearing in the Supreme Court of Queensland was held between the Company and the Queensland Department of Resources. Her Honour reserved her decision and will deliver a written judgement, timing of which is not known but could be several months.

There are no after balance sheet date events at the date of signing.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

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.

a) Financial position	**30 June 2023 $**	**30 June 2022 $**
Assets		
Current assets	**2,357,481**	1,886,253
Non-current assets	**13,976**	5,110,044
Total assets	**2,371,456**	**6,996,297**
Liabilities		
Current liabilities	**4,976,216**	225,050
Non-current liabilities	**393,459**	5,031,977
Total liabilities	**5,369,675**	**5,257,027**
Net Assets	**(2,998,220)**	**1,739,269**
Equity		
Issued capital	**104,116,869**	103,458,324
Accumulated losses	**(107,256,189)**	(101,719,053)
Total equity	**(3,139,321)**	**1,739,271**
b) Financial performance		
Loss for the year	**(5,537,137)**	(1,467,800)
Other comprehensive income	**-**	-
Total comprehensive income	**(5,537,137)**	**(1,467,800)**
c) Guarantees entered into by the parent entity in relation to the debts of its subsidiaries		
Carrying amount included in current liabilities	**-**	**-**

d) Contingent liabilities of the parent entity
Contingent liabilties 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 2023 or 30 June 2022.

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 Consolidated Entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. None of these have had a material impact on Consolidate Entity's financial statements.

Standards and Interpretations issued but not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2023 reporting periods. Some of them are available for early adoption at 30 June 2023, but have not been applied in preparing this financial report. The Consolidated Entity has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

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 board of directors evaluates 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 actual results may differ from the resulting accounting estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to the estimates are recognised prospectively. The estimates, assumptions and judgements that are material to the financial report and 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 the board of directors to make certain estimates and assumptions as to future events and circumstances. Any such estimates and assumptions may change as new information becomes available.

Exploration and evaluation expenditure is assessed for impairment in line with AASB 6 *Exploration for and Evaluation of Mineral Resources*. When the circumstances suggest that the carrying amount of an exploration and evaluation expenditure asset may exceed its recoverable amount, the Group measures any impairment loss and discloses it in the consolidated statement of profit or loss and other comprehensive income. To make the judgement the Group involves independent valuation experts that determine the value as disclosed in note 7. There is therefore the risk that actual values realised may be materially different to those disclosed in these financial statements.

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, directors are required to make judgments regarding the removal date, future environmental legislation, the extent of restoration activities and future removal technologies. The Consolidated Entity assesses its restoration provision at each reporting date. Refer to note 10 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

NOTE 24 - STATEMENT OF ACCOUNTING POLICIES (Continued)

(d) Income Tax (Continued)

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

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

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

Tax Consolidation

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

(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 measured at cost less, where applicable, any accumulated depreciation and any 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, is 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%
Leasehold improvements	50%

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 2023

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 if the rights to tenure of the area of interest are current and 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.

Capitalised 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.

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) Loans and Borrowings

Loans and borrowings are initially recognised at fair value, net of transaction costs incurred. This is measured as the present value of all future cash flows, discounted using a current borrowing rate. Any difference between fair value at initial recognition and the trasaction cost is recognised as a gain or loss in the Stetement of Consolidated Income or Loss. Borrowings are subsequently measured at amortised cost. The increase in the borrowing due to the passage of time is recognised as finance cost in profit or loss.

Borrowings are classified as current liabilities unless the Consolidated Entity has an unconditional right to defer settlement of the libility for at lease 12 months after the reporting date.

(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

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 directors' 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.

(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 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

NOTE 24 - STATEMENT OF ACCOUNTING POLICIES (Continued)

(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 Board of Directors.

(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.

The Group's loans and receivables are 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.

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

For the purposes of subsequent measurement, financial liabilities are classified into financial liabilities at amortised cost or financial liabilities at FVTPL. A financial liabilities at FVTPL include financial liabilities held-for-trading and financial liabilities 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 uses an 'expected credit loss' (ECL) model. The impairment model applies to financial assets measured at amortised cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments.

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.

For trade receivables, the group applies the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

NOTE 24 - STATEMENT OF ACCOUNTING POLICIES (Continued)

(o) Impairment of Non-Financial Assets

Every six months, 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.

These consolidated financial statements are presented in Australian dollars, which is the parent entity's functional and presentation currency.

(q) Leases

Leases are recognisd as a right-of-use asset and a corresponding liability.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the Group under residual value guarantees
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the lessee's incremental borrowing rate, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Payments associated with short term leases and leases of low value assets are recognised in profit and loss on a straight-line basis with a lease term of 12 months or less.

(r) Issued Capital

Issued capital is recognised at the fair value of the consideration received by the Consolidated Entity. Any transaction costs arising on the issue of shares are recognised directly in equity as a reduction of the share proceeds received.

ADDITIONAL SHAREHOLDER INFORMATION

On-market buy-back

There is no on-market buy back transactions during 2022-2023 financial year.

Distribution of Shareholdings

The distribution of ordinary shareholders ranked according to size at 27 September 2023 was as follows:

Range	Total Holders	Units	Capital
1 - 1,000	399	53,865	0.01
1,001 - 5,000	921	3,005,022	0.39
5,001 - 10,000	713	5,985,391	0.78
10,001 - 100,000	1,822	65,645,980	8.55
100,001 - 250,000	321	53,057,124	6.91
Over 250,001	293	640,266,285	83.37
Rounding			- 0.01
TOTAL	**4,469**	**768,013,667**	**100**

Unmarketable Parcels as at 27 September 2023	Minimum Parcel Size	Holders	Units
Minimum $ 500.00 parcel at $ 0.0110 per unit	45,455	3,346	39,619,045

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 27 September 2023:

Rank	Name	Shares Held	% of Issued Capital
1	HK PROSPEROUS TECHNOLOGY LIMITED	80,318,393	10.46
2	BNP PARIBAS NOMINEES PTY LTD <DRP>	61,078,816	7.95
3	RAY JAMES	50,076,937	6.52
4	SABA SUPER PTY LTD <SABA SUPERANNUATION FUND A/C>	45,000,000	5.86
5	MR EDDIE SABA	23,813,067	3.10
6	MR DANIEL SABA	21,000,000	2.73
7	HOWARD LU	16,068,181	2.09
8	CITICORP NOMINEES PTY LIMITED	15,130,763	1.97
9	MRS LILIANA ENZA BAYEH + MR JAMIL BAYEH	15,000,000	1.95
9	WILLATON PROPERTIES PTY LTD	15,000,000	1.95
11	MR SHENG QI YU	11,759,540	1.53
12	TAIWAN FRUCTOSE CO LTD	9,000,000	1.17
13	MR ROBERT CAMERON GALBRAITH	8,025,000	1.04
14	SAMBOR TRADING PTY LTD	7,879,306	1.03
15	IRIS SYDNEY HOLDINGS PTY LTD	7,500,000	0.98
16	MR ANDREW DOWDESWELL <EXPLORATION RESOURCE SS A/C>	7,210,000	0.94
17	MR ROBERT GALBRAITH	6,101,189	0.79
18	JOHN E GILL TRADING PTY LTD	5,861,750	0.76
19	MR IANAKI SEMERDZIEV	5,611,500	0.73
20	TERRYDENT PTY LTD <TERRYDENT S/F A/C>	5,010,637	0.65
	Totals: Top 20 holders of FULLY PAID ORDINARY SHARES (TOTAL)	**416,445,079**	**54.22**
	Total Remaining Holders Balance	**351,568,588**	**45.78**

Substantial Holders

Rank	Name	Shares Held	% of Issued Capital
1	HK PROSPEROUS TECHNOLOGY LIMITED	80,318,393	10.46
2	MR EDDIE SABA (HOLDING THROUGH SABA SUPER PTY LTD <SABA SUPERANNUATION FUND A/C>)	71,076,937	9.25
3	RAY JAMES	50,076,937	6.52
4	MR CHING-TANG LI (HOLDING THROUGH BNP PARIBAS NOMINEES PTY LTD <LGT BANK AG DRP>)	39,347,341	5.12
	Totals: Substantial holders of FULLY PAID ORDINARY SHARES	**240,819,608**	**31.35**