

ICON ENERGY LIMITED and its Controlled Entities

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Icon Energy Limited

ABN 61 058 454 569

INTERIM FINANCIAL REPORT

For the half-year ended
31 December 2023

Icon Energy Limited

ABN 61 058 454 569

INTERIM FINANCIAL REPORT

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Directors' Report

The Directors of Icon Energy Limited ("*Icon Energy*" or "*the Company*") present their report together with the financial statements of the Company and its controlled entities ("*the Group*" or "*the Consolidated Entity*") for the half-year ended 31 December 2023 and the Independent Auditor's Review Report thereon.

Principal Activities

The principal activities of Icon Energy during the half-year continued to relate 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 determined on 5 September 2023 in Icon's favour.

Directors

The Directors of the Company who held office during or since the end of the half-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 Chairman | Director since 01/02/1993 Chairman since 06/10/2023 |
| Peter Marshall Wilson | Non-executive Director | Director since 08/09/2023 |
| Jeffrey Royce Marvin | Managing Director | Director since 31/03/2023 Managing Director since 06/10/2023 |

Icon's Chairman Stephen Barry retired from the Board after many years of service to the company, on 8 September 2023. Icon would like to note and thank Mr Barry for his valued contribution made to the company.

Dividends Paid or Recommended

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 2023: \$NIL).

Results

The loss of the Group for the half-year after providing for income tax amounted to \$644,123 (31 December 2022 - loss of \$4,358,603).

The cash balance as at 31 December 2023 was \$697,940 (30 June 2023: \$1,480,933).

Review of Operations

There were no substantive mining exploration activities during the half year period.

Queensland – Petroleum Exploration – Cooper Basin – ATP 855

ATP 855 was due for renewal on 31 October 2022.

On 4 October 2022, Icon submitted an application to the Queensland Department of Resources (the Department) for the renewal of ATP 855.

On 17 October 2022, the Acting Chief Executive's delegate refused to receive or process the application for the renewal of ATP 855 in accordance with section 842(2) of the Petroleum and Gas (Production and Safety) Act 2004 (P&G Act). 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 1st 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 filed an appeal to the Supreme Court of Queensland seeking to set aside that decision as being incorrect.

The appeal that was heard by the Court on 5 September 2023 brought a favorable outcome for the company. The Court, in its judgement, declared the previous decision to refuse to accept the application for a renewal of ATP 855 null and void. The Court affirmed that the application substantially complied with the requirements for making the Application under the Act within the meaning of that term as used in s 842(3) of the Act. The subsequent order mandated the Department to accept the application as an application made under the Act and required the respondent to bear the costs of the proceeding on the standard basis.

The subsequent submission of the permit renewal is currently undergoing processing by the Departments of Resources. Icon Energy Limited will announce the outcome once it has been processed.

Subsequent Events

As announced on 12 January 2024, Icon Energy entered into a binding term sheet with Consolidated Resources Pte Ltd to jointly pursue energy resource opportunities in the oil and gas sector and other energy resources and critical minerals. This Term Sheet is subject to and contingent upon several conditions and final Transaction documents which need to be negotiated by both Parties.

No other matters or circumstances have arisen since the end of the reporting period, which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

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Auditor's Declaration

The lead Auditor's Independence Declaration under Section 307C of the *Corporations Act 2001* is set out on page 7 for the half-year ended 31 December 2023 and forms part of the Directors' Report for the half-year ended 31 December 2023.

This report is signed in accordance with a resolution of the Board of Directors made pursuant to s 306(3) of the *Corporations Act 2001*.



R S James
Chairman

15 March 2024
Burleigh Heads, Queensland

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

To the directors of Icon Energy Limited

As lead auditor for the review of Icon Energy Limited for the half-year ended 31 December 2023, I declare that, to the best of my knowledge and belief, there have been:

- no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Icon Energy Limited and the entities it controlled during the period.

William Buck

William Buck (Qld)
ABN:21 559 713 106

M. Monaghan

M J Monaghan
Director

Brisbane, 15 March 2024

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**CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS
 AND OTHER COMPREHENSIVE INCOME**
 for the half-year ended 31 December 2023

| | NOTES | 31 December | 31 December |
|--|-------|------------------|--------------------|
| | | 2023 | 2022 |
| | | \$ | \$ |
| Interest received and other income | | 149,934 | 17,476 |
| Administration expenses | | (355,962) | (440,205) |
| Depreciation expenses | | (1,841) | (114,007) |
| Employee benefits and expenses | | (128,969) | (87,776) |
| Occupancy expense | | (36,179) | - |
| Tenement expense | | (124,151) | (287,357) |
| Finance costs | | (25,862) | (560) |
| Restoration provision expense | | (110,994) | - |
| Asset write-off | 4 | (10,099) | (3,446,174) |
| Loss before income tax | | (644,123) | (4,358,603) |
| Income tax benefit | | - | - |
| Loss for the period | | (644,123) | (4,358,603) |
| Other comprehensive income | | - | - |
| Total other comprehensive income for the period | | (644,123) | (4,358,603) |
| Total comprehensive loss for the period | | (644,123) | (4,358,603) |
| Loss per share | | | |
| Basic and diluted loss per share (cents per share) | | (0.08) | (0.57) |

The accompanying notes form part of these condensed consolidated interim financial statements.

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CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION
as at 31 December 2023

| | NOTE | 31 December 2023 \$ | 30 June 2023 \$ |
|--------------------------------------|------|---------------------------|--------------------|
| CURRENT ASSETS | | | |
| Cash and cash equivalents | | 697,940 | 1,480,933 |
| Trade and other receivables | | 135,648 | 57,792 |
| Prepayments | | 254,357 | 103,680 |
| Performance guarantee bonds | | 756,220 | 756,220 |
| TOTAL CURRENT ASSETS | | 1,844,165 | 2,398,625 |
| NON-CURRENT ASSETS | | | |
| Property, plant, and equipment | | 2,991 | 13,975 |
| TOTAL NON-CURRENT ASSETS | | 2,991 | 13,975 |
| TOTAL ASSETS | | 1,847,156 | 2,412,600 |
| CURRENT LIABILITIES | | | |
| Trade and other payables | | 114,153 | 177,449 |
| Employee benefits | | 57,862 | 52,743 |
| Provisions | 5 | 4,857,015 | 4,746,021 |
| TOTAL CURRENT LIABILITIES | | 5,029,030 | 4,976,217 |
| NON-CURRENT LIABILITIES | | | |
| Non-interest bearing borrowings | | 419,320 | 393,458 |
| TOTAL NON-CURRENT LIABILITIES | | 419,320 | 393,458 |
| TOTAL LIABILITIES | | 5,448,350 | 5,369,675 |
| NET ASSETS | | (3,601,194) | (2,957,071) |
| EQUITY | | | |
| Issued capital | 6 | 104,116,869 | 104,116,869 |
| Contributed capital | | 141,103 | 141,103 |
| Accumulated losses | | (107,859,166) | (107,215,043) |
| TOTAL EQUITY | | (3,601,194) | (2,957,071) |

The accompanying notes form part of these condensed consolidated interim financial statements.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY
for the half-year ended 31 December 2023

| CONSOLIDATED ENTITY | Ordinary Share Capital | Accumulated Losses | Contributed Capital | Total |
|--|---------------------------|-----------------------|------------------------|-------------|
| | \$ | \$ | \$ | \$ |
| Balance 1 July 2022 | 103,458,324 | (101,677,256) | - | 1,781,068 |
| Total comprehensive income: | | | - | |
| Loss for the period | - | (4,358,603) | - | (4,358,603) |
| Other comprehensive loss | - | - | - | - |
| Total comprehensive loss for the period | - | (4,358,603) | - | (4,358,603) |
| Transactions with owners in their capacity as owners: | | | | |
| Shares issued | 662,184 | - | - | 662,184 |
| Share issue costs | (3,639) | - | - | (3,639) |
| Total transactions with owners | 658,545 | - | - | 658,545 |
| Balance at 31 December 2022 - attributable to owners of parent entity | 104,116,869 | (106,035,859) | - | (1,918,990) |
| Balance 1 July 2023 | 104,116,869 | (107,215,043) | 141,103 | (2,957,071) |
| Total comprehensive income: | | | | |
| Loss for the period | - | (644,123) | - | (644,123) |
| Other Comprehensive loss | - | - | - | - |
| Total comprehensive loss for the period | - | (644,123) | - | (644,123) |
| Transactions with owners in their capacity as owners: | | | | |
| Shares issued | - | - | - | - |
| Share issue costs | - | - | - | - |
| Contributed capital | - | - | - | - |
| Total transactions with owners | - | - | - | - |
| Balance at 31 December 2023 - attributable to owners of parent entity | 104,116,869 | (107,859,166) | 141,103 | (3,601,194) |

The accompanying notes form part of these condensed consolidated interim financial statements.

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CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS
for the half-year ended 31 December 2023

| | Half-year ended | |
|---|-----------------------|-----------------------|
| | 31 December 2023 | 31 December 2022 |
| NOTE | \$ | \$ |
| | Inflows (Outflows) | Inflows (Outflows) |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Cash payments to suppliers and employees | (754,200) | (653,897) |
| Interest received | 25,300 | 11,011 |
| Tenement expenditure | (53,136) | - |
| Interest expense | - | (560) |
| Net cash used in operating activities | (782,036) | (643,447) |
| CASH FLOWS FROM INVESTMENT ACTIVITIES | | |
| Payments for evaluation and exploration expenditure | - | (260,436) |
| Payments for plant and equipment | (957) | - |
| Net cash used in investment activities | (957) | (260,436) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Payments of lease liability | - | (41,315) |
| Proceeds from issue of share capital | - | 662,184 |
| Capital raising costs | - | (3,639) |
| Net cash used in financing activities | - | 617,230 |
| Net decrease in cash and cash equivalents held | (782,993) | (286,653) |
| Cash and cash equivalents at beginning of the financial period | 1,480,933 | 1,845,450 |
| Cash and cash equivalents at the end of the financial period | 697,940 | 1,558,798 |

The accompanying notes form part of these condensed consolidated interim financial statements.

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

for the half-year ended 31 December 2023

NOTE 1 - MATERIAL ACCOUNTING POLICY INFORMATION

Icon Energy Ltd (the 'Company') is a company domiciled in Australia. The condensed consolidated interim financial statements of the Company as at and for the half-year ended 31 December 2023 comprise the Company and its controlled entities (together referred to as 'the Group').

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

The consolidated annual financial report of the Group as at and for the year ended 30 June 2023 is available upon request from the Company's business office at Unit 2, 3 William Banks Drive, Burleigh Heads, Gold Coast, QLD, 4220 or at www.iconenergy.com.

The half-year condensed consolidated interim financial statements are general purpose financial statements prepared in accordance with the requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134: *Interim Financial Reporting*.

The condensed consolidated interim financial statements do not include full disclosures of the type normally included in annual financial statements.

It is recommended that these financial statements be read in conjunction with the annual financial report for the year ended 30 June 2023 and any public announcements made by Icon Energy Limited during the half-year in accordance with continuous disclosure requirements arising under the *Corporations Act 2001* and the ASX Listing Rules.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

The half year condensed financial statements were approved for issue by the Board of Directors on 15 March 2024.

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 31 December 2023 half 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.

For the half year ended 31 December 2023, the Group reported an operating loss of \$644,123 and net operating cash outflows totalling \$782,036. The Group's current liabilities surpassed its current assets by \$3,184,865.

On 4 October 2022, the Company submitted an application to the Queensland Department of Resources (Department of Resources) to renew ATP 855 (Renewal Application). However, on 17 October 2022, a delegate (Delegate) of the Chief Executive, Department of Resources, notified the Company of their decision to reject receiving or processing the Renewal Application, providing their rationale.

Subsequently, on 1 November 2022 the Department notified the Company in writing about the expiry of ATP 855 and the termination of Potential Commercial Areas 172 – 179.

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 reject receiving or processing the Renewal Application.

On 5 September 2023, the Hearing in the Supreme Court of Queensland took place. The Company received a favourable outcome from the Court. The Court's judgment set aside the previous decision to reject the application for the renewal of ATP 855. It affirmed that the application substantially complied with the requirements under the Act, as specified in section 842(3) of the Act. As a result, the Court mandated the Department of Resources to accept the application and required the respondent to bear the costs of the proceeding on the standard basis.

The subsequent submission of the permit renewal is currently undergoing processing by the Department of Resources.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
 for the half-year ended 31 December 2023

NOTE 1 - MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

In preparing the half 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 Renewal Application being known. The directors have estimated the cost of performing the required decommissioning and rehabilitation work to be \$4,857,015.
- The likelihood of a successful outcome of the Renewal 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 directors believe that no significant additional liability for ERC will apply if the ATP855 Renewal Application is successful.
- The directors believe that the company can raise additional share capital to support its operations.
- As announced in the Appendix 5B on 31 January 2024, if ATP855 is renewed the directors expect to raise funding by way of capital raising with a farm out partner.
- In the event that the renewal application is unsuccessful the directors will explore all available options to meet its ongoing requirements including deferral of the rehabilitation and further legal action, given the estimated quantum of resources in the tenement.
- Further support can be provided by related parties if required.

The reliance on future funding requirements and the uncertainty of the outcome for the Renewal Application indicates that 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 half year financial statements.

The half 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.

New, revised or amending Accounting Standards and Interpretations adopted

A number of new or amended standards became applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted and are not expected to have a significant impact on the financial statements once effective.

Basis of preparation

The half-year financial statements have been prepared on an accruals basis and are based on historical costs. All amounts are presented in Australian dollars, unless otherwise noted.

NOTE 2 - ESTIMATES

The preparation of the condensed consolidated interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed consolidated interim financial statements, the significant judgements made by management in applying the accounting policies of the Group and the key sources of estimation uncertainty were the same as those that applied in the consolidated annual financial report for the year ended 30 June 2023.

NOTE 3 - RELATED PARTY TRANSACTIONS

Transactions with Directors and Director Related Entities

Professional fees paid in the ordinary course of business to Herb Hero Pty Ltd, a firm which Mr. P Wilson has a controlling interest.

| CONSOLIDATED ENTITY | |
|----------------------------|--------------------|
| 31 December | 31 December |
| 2023 | 2022 |
| \$ | \$ |
| 17,125 | - |

There was an outstanding amount of \$17,125 (included in the total above) as at 31 December 2023 (30 June 2023: Nil)

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**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
for the half-year ended 31 December 2023**

NOTE 4 - ASSET WRITE-OFF

| | CONSOLIDATED ENTITY | |
|--|---------------------------|---------------------------|
| | 31 December 2023 \$ | 31 December 2022 \$ |
| Exploration and evaluation asset write off | - | 3,446,174 |
| Plant and equipment write off | 10,099 | - |
| | 10,099 | 3,446,174 |

NOTE 5 - PROVISIONS

Restoration provision

Restoration provision represents the present value of estimated costs for the rehabilitation of ATP855. Refer Note 1.

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 reporting period:

| Consolidated Entity | Note | CONSOLIDATED ENTITY | |
|--|------|---------------------------|----------------------------|
| | | 31 December 2023 \$ | 30 June 2023 2023 \$ |
| Current | | | |
| Balance at beginning of the year | | 4,746,021 | - |
| Reclassification from non-current provision | | - | 4,255,166 |
| Increase/(decrease) in the restoration | | 110,998 | 490,855 |
| Balance at end of the period | | 4,857,019 | 4,746,021 |
| Non-Current | | | |
| Balance at beginning of the year | | - | 5,031,976 |
| Reclassification to current provision | 1 | - | (4,255,166) |
| Increase/(decrease) in the restoration provision | | - | (776,810) |
| Balance at end of the period | | - | - |

NOTE 6 - ISSUED CAPITAL

Issued share capital 768,013,667 (30 June 2023: 768,013,667) fully paid, no par value ordinary shares.

NOTE 7 - CONTINGENT LIABILITIES

There were following contingent liabilities as at 31 December 2023:

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 (\$302 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.

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**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
for the half-year ended 31 December 2023**

NOTE 7 - CONTINGENT LIABILITIES (Continued)

Lodgement of invalid surrender notice

Following the expiration of tenure (ATP 594 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 were no other contingent liabilities as at 31 December 2023.

NOTE 8 - EVENTS AFTER BALANCE SHEET DATE

As announced on 12 January 2024, Icon Energy entered into a binding term sheet with Consolidated Resources Pte Ltd to jointly pursue energy resource opportunities in the oil and gas sector and other energy resources and critical minerals. This Term Sheet is subject to and contingent upon several conditions and final Transaction documents which needed to be negotiated by both Parties.

There were no other significant events after the balance sheet date.

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DIRECTORS' DECLARATION

The Directors of the Company declare that:

- 1) The financial statements and notes set out on pages 8 to 15 are in accordance with the *Corporations Act 2001*, including:
 - a) complying with Accounting Standard *AASB 134 Interim Financial Reporting*; and
 - b) giving a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the half-year ended on that date.
- 2) In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



Raymond S James
Chairman

Signed at Burleigh Heads, 15 March 2024

Independent auditor's review report to the members of Icon Energy Limited

Report on the half-year financial report



Our conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Icon Energy Limited (the Company), and its subsidiaries (the Group) does not comply with the *Corporations Act 2001*, including:

- giving a true and fair view of the Group's financial position as at 31 December 2023 and of its financial performance for the half-year then ended; and
- complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

What was reviewed?

We have reviewed the accompanying half-year financial report of the Group, which comprises:

- the consolidated statement of financial position as at 31 December 2023,
- the consolidated statement of profit or loss and other comprehensive income for the half-year then ended,
- the consolidated statement of changes in equity for the half-year then ended,
- the consolidated statement of cash flows for the half-year then ended,
- notes to the financial statements, including material accounting policy information, and
- the directors' declaration.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's responsibilities for the review 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 annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial report, which indicates that the group incurred a net loss after tax of \$644,123 during the half year ended 31 December 2023, had net cash outflows from operating activities of \$782,036 and its current liabilities surpassed its current assets by \$3,184,865 as at 31 December 2023. These events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the half-year 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 half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2023 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

William Buck

William Buck (Qld)
ABN 21 559 713 106

M. Monaghan

M J Monaghan
Director

Brisbane, 15 March 2024

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