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9 April 2009

Mr Patrick O'Connor
Adviser
Issuers Department (Brisbane)
ASX Limited

By email: Patrick.OConnor@asx.com.au

Dear Patrick

RE: ICON ENERGY LIMITED (ASX CODE: ICN) (COMPANY)

I refer to the price query dated 8 April 2009 issued by you on behalf of the Australian Securities Exchange (ASX) (Price Query).

The Company's responses to each point in the Price Query correlates to each question in the Price Query, accordingly.

1. Placement

After trading closed on 7 April 2009, the Board of Directors of the Company (Board) resolved to approve a mandate with a corporate advisor to issue, by way of placement, to sophisticated and professional investors (as defined in the Corporations Act), up to 45,000,000 shares in the capital of the Company (Placement). The terms of the Placement (as amended during the morning of 8 April 2009) included a Placement price of \$0.24 per share (which was a 14.3% discount to the \$0.28 closing price of the Company shares as traded on the ASX on the prior day).

The Placement was, for (then) present purposes, a confidential matter as provided for in ASX Listing Rule 3.1A.2 and until a detailed approach (including a timetable) was agreed between the Company and the corporate advisor, it constituted an incomplete proposal as provided for in ASX Listing Rule 3.1A.3. The Company confirms that neither a detailed approach nor timetable had been agreed with the corporate advisor.

During the course of trading on 8 April 2009, the abnormally high volumes of shares in the Company as traded on the ASX were observed, and subsequently the consequential downward pressure on the prevailing price of the shares in the Company was also observed.

Following communication with the ASX, the Company requested the trading halt of the Company's shares from trading on the ASX as it believed a there was a *real likelihood that a false market* would be in existence, in the manner as described in ASX Listing Rule 3.1B. This belief was premised on the fact the Board believed, in its utmost good faith, that the confidentiality attaching to the Placement was lost during the early part of the afternoon of 8 April 2009.

Share Purchase Plan

The Board also resolved on 7 April 2009, subject to receipt of requisite regulatory approvals and any accompanying conditions being met as requested by the ASX and the Australian Securities & Investments Commission (ASIC), to offer to the Company's shareholders on record at announcement date (to be at or about the same time the Placement was to be announced), participation in a share purchase plan to acquire shares in the Company up to the value of \$10,000.

The Company had considered the proposed share purchase plan to be a matter which had fallen within the ambit of ASX Listing Rule 3.1A (being confidential and an incomplete proposal), until receipt of all regulatory approvals (as described above) and finalisation of the details pertaining to the Placement (to ensure congruity where and to the extent necessary between the two capital raisings).

2. Placement

The Company wishes to advise that this morning it has provided written notice to the corporate advisor to the Placement that the terms of the Placement mandate have been frustrated, having regard to:

- to the Company's continuous disclosure obligations;
- each Directors' statutory obligations to act in the best interests of the Company; and
- the closing price of the shares in the Company on 8 April 2009 (being 24 cents), when compared with the agreed placement price (be at a discount to the prevailing market price) as described above.

To ensure it is able to continue to meet its continuous disclosure obligations without further disruption to the trading of shares in the Company on the ASX, the Board does not envisage resolving to pursue a placement in the near or foreseeable future.

Share Purchase Plan

Subject to receipt of all regulatory approvals as described above, and no adverse material information becoming known to the Company, the Company advises that at this stage, in the near future, it intends to advise to the ASX the terms of a share purchase plan.

3. There is no known reason to believe such a change.
4. There is no known reason to believe such an item will be recorded in the Company's financial accounts.
5. All information known to the Company has been provided in 1. (above).

6. The Company confirms it is in compliance with all ASX Listing Rules, including ASX Listing Rule 3.1 and furthermore, undertakes to ensure to the extent practicable, all arrangements with third parties continue to ensure the Company remains compliant with all applicable laws, including the ASX Listing Rules.

Yours sincerely,



Ray McNamara
Icon Energy Limited



For further information please contact:
Ray McNamara
Company Secretary / Executive Director
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Facsimile: (+617) 5562 0011
Email: info@iconenergy.com
Or visit www.iconenergy.com



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8 April 2009

Dr. Ray McNamara and Mr. Ray James
Icon Energy Limited
Level 4, 19 Arbour Court
ROBINA TOWN CENTRE QLD 4230

Email transmission: raymac@iconenergy.com, rayjames@iconenergy.com

Dear Dr. McNamara and Mr. James

Icon Energy Limited (the "Company")

RE: PRICE QUERY

We have noted a change in the price of the Company's securities from a close of 28 cents on Tuesday, 7 April 2009 to a low of 23.5 cents today, 8 April 2009. We have also noted an increase in the volume of trading in the securities over this period.

In light of the price change and increase in volume, please respond to each of the following questions.

1. Is the Company aware of any information concerning it that has not been announced which, if known, could be an explanation for recent trading in the securities of the Company?

Please note that as recent trading in the Company's securities could indicate that information has ceased to be confidential, the Company is unable to rely on the exceptions to listing rule 3.1 contained in listing rule 3.1A when answering this question.

2. If the answer to question 1 is yes, can an announcement be made immediately? If not, why not and when is it expected that an announcement will be made?

Please note, if the answer to question 1 is yes and an announcement cannot be made immediately, you need to contact us to discuss this and you need to consider a trading halt (see below).

3. Is there any reason to think that there may be a change in the operating profit or loss before abnormal items and income tax so that the figure for the full year period ending 30 June 2009 would vary from the previous full year period or any previous guidance provided by the Company by more than 15%? If so, please provide details as to the extent of the likely variation.

4. Is there any reason to think that the Company may record any material abnormal or extraordinary profit or loss for the full year period ending 30 June 2009? If so, please provide details.
5. Is there any other explanation that the Company may have for the price change and increase in volume in the securities of the Company?
6. Please confirm that the Company is in compliance with the listing rules and, in particular, listing rule 3.1.

Your response should be sent to me by e-mail at patrick.oconnor@asx.com.au or by facsimile on facsimile number (07) 3832 4114. It should not be sent to the Company Announcements Office.

Unless the information is required immediately under listing rule 3.1, a response is requested as soon as possible and, in any event, not later than **4.00 pm Wednesday, 8 April 2009**.

Under listing rule 18.7A, a copy of this query and your response **will** be released to the market, so your response should be in a suitable form and separately address each of the questions asked. If you have any queries or concerns, please contact me immediately.

Listing rule 3.1

Listing rule 3.1 requires an entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. The exceptions to this requirement are set out in listing rule 3.1A.

In responding to this letter you should consult listing rule 3.1 and Guidance Note 8 – Continuous Disclosure: listing rule 3.1.

If the information requested by this letter is information required to be given to ASX under listing rule 3.1 your obligation is to disclose the information immediately.

Your responsibility under listing rule 3.1 is not confined to, or necessarily satisfied by, answering the questions set out in this letter.

Trading halt

If you are unable to respond by the time requested, or if the answer to question 1 is yes and an announcement cannot be made immediately, you should consider a request for a trading halt in the Company's securities. As set out in listing rule 17.1 and Guidance Note 16 – Trading Halts we may grant a trading halt at your request. We may require the request to be in writing. We are not required to act on your request. You must tell us each of the following.

- The reasons for the trading halt.
- How long you want the trading halt to last.
- The event you expect to happen that will end the trading halt.
- That you are not aware of any reason why the trading halt should not be granted.
- Any other information necessary to inform the market about the trading halt, or that we ask for.

The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. If a trading halt is requested and granted and you are still unable to reply to this letter before the commencement of trading, suspension from quotation would normally be imposed by us from the commencement of trading if not previously requested by you. The same applies if you have requested a trading

halt because you are unable to release information to the market, and are still unable to do so before the commencement of trading.

If you have any queries regarding any of the above, please let me know.

Yours sincerely

A handwritten signature in black ink that reads "Pat O'L" followed by a horizontal flourish.

Patrick O'Connor
Adviser, Issuers (Brisbane)

Direct line: 07 3835 4001