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16 June 2009

The Manager
Company Announcements Office
Australian Securities Exchange Limited
20 Bridge Street
Sydney NSW 2000

Dear Sir

Icon Energy Limited Newsletter June 2009

Icon Energy Limited advises that the June 2009 Newsletter will be sent to specific shareholders and interested parties this evening to provide updated information to those parties including regarding the AGM last month, the upcoming share purchase plan and the current drilling program near Goondiwindi.



Ray McNamara
Icon Energy Limited



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Or visit www.iconenergy.com



ICON ENERGY LIMITED



Company Secretary on site



Core Samples for Testing



Drill Bit after LP-4



Voting at the AGM

e-NEWSLETTER JUNE 2009

To subscribe to Newsletter go to www.iconenergy.com and 'Register for Latest News'

Share Purchase Plan Offer

Icon Managing Director Ray James revealed the Share Placement Plan offer to Shareholders at the AGM

Our shareholders are invited to benefit from the upcoming capital raising project by being offered the right to buy a bundle of Icon shares at the discounted price of 30c per share. While shareholders who do not wish to participate have no obligation to take part in the Share Purchase Plan (SPP), it represents a great opportunity for participants to buy Icon shares at a discount.

The capital raising will be used to expand appraisal drilling and seismic data acquisition in our coal seam gas (CSG) permits. This additional work outside of the Stanwell farmin block will increase the 2P & 3P reserves in ATP 626P & ATP 849P. The share price of Icon will reflect the value of 2P & 3P reserves directly and this will not occur without additional drilling. Some funds will be spent adding value to Icon's other areas through drilling and seismic acquisition as well as for ongoing management and operations costs.

We expect that the total amount to be raised through the Share Purchase Plan will vary depending on the number of shareholders who apply, but it should be in the order of between \$5 and 6 million AUD.

Shareholders will be eligible to take advantage of the SPP Offer if they have: (a) a registered address in Australia or New Zealand, and (b) they hold Icon securities on the register at **7pm (Queensland Time) on 5 June 2009**. Each eligible shareholder will be entitled to apply for up to \$15,000 worth of new shares, by choosing one of the available share bundles: \$990 AUD – 3,300 shares, \$4,950 AUD – 16,500 shares, \$9,990 AUD – 33,300 shares or \$15,000 AUD – 50,000 shares. There are no brokerage fees or other transaction costs to take up your entitlement and handling or stamping fees are not applicable for this Share Purchase Plan. For international shareholders to be eligible to participate in the SPP they must have an Australian or New Zealand address on the register on the register at 7pm (Brisbane Time) 5 June 2009 and comply with the payment requirements.

You can you apply between the time that the SPP opens on **12 June 2009** and closes on **26 June 2009 at 5pm** (Queensland Time), however all key dates are indicative only and are subject to change at the discretion of the Board. We will mail the offer details, application and full instructions to your registered address. The allotment of the shares will occur 6 July 2009 and confirmation statements are expected to be dispatched to registered addresses on or about the same date.

The payment facilities available are BPAY and cheque (either personal or bank cheque). **All payments must be received by Computer-share Investor Services Pty Limited by 5pm (Queensland Time) on 26 June 2009**. If you are paying by cheque, your original personalised application form (photocopies or faxes will not be accepted for security reasons) must also be received by then. The address for postage will be mailed to you, can be accessed online or you can call the help line. If you are paying by BPAY you do not need to return your Share Purchase Plan Application Form. You need to make the payment using the Biller Code (657270) and personalised Customer Reference Number (CRN) which appears on your Share Purchase Plan Application Form.

All payments must be made in Australian currency and cheques and bank drafts must be drawn on an Australian branch of a financial institution. There are other applicable payments conditions so ensure that you see the terms and conditions mailed to you or view them online.

This is just a summary of key elements of the SPP offer. Full details will be mailed to you. Any questions you still have can be answered via a special Icon SPP help line (see below).

ICON SPP HELP LINE

Within Australia: 1300 552 270

Outside Australia: +(61 3) 9415 4000

The prospectus & info is also online:

- iconenergy.com/sppprospectus
- iconenergy.com/sppguide
- iconenergy.com/sppsapplication

Pilot Program Drilling Update

All wells in the Lydia Pilot are now finished and the rigs have been released. All of the pumping equipment required for de-watering has been installed and successfully tested. The water storage pond is also 80% completed despite some adverse weather conditions. Pressures are strong and indications are that we can expect good permeability across the coals. Permeability allows for the release of the gas from the coals after de-watering. The next test phase is to draw water from one well and test how this affects the other wells located nearby. So we're on track to get gas to surface and for reserve certification.



Ray James
Ray James
Managing Director

AGM NEWS: The Board would like to thank all who took part in the AGM last month, whether by attendance or by proxy voting. Thank you too for your support - all of the resolutions were very strongly supported and adopted including the adoption of the remuneration report, the election of new directors Dr Keith Hilless and Mr Derek Murphy and

the re-election of Chairman Mr Stephen Barry. Overall the AGM was a smooth and uncomplicated affair, having none of the fireworks of the last EGM, which was a welcome improvement. The biggest news was that of the ASX trading halt requested by the Board to facilitate the Share Purchase Plan (SPP) in which Icon Shareholders were invited to take part.