

## CHAIRMAN'S ADDRESS

It is with pleasure that I present to you the Annual Report of Icon Energy Limited and its subsidiary companies. The year to 31 December 2009 saw the company move from a small prospective gas and oil company to a high potential player focussed on the coal seam gas industry with the growth potential our shareholders demand.

January 2009 was a significant milestone with the signing of a gas sale agreement and a farmin agreement with the Stanwell Corporation. That strategic relationship provided the company with the two ingredients necessary for the company to move forward in the commercialisation of our resources in the Lydia Area of ATP 626P – a gas sale agreement to justify the production of coal seam gas and funding for the pilot wells.

2009 also saw the upgrade of our resource estimates in ATP 626 from 2C Contingent Gas Resource at 260BCF and 2C Gas Initially In Place (GIIP) to 6115 PJ (BCF) GIIP with 1775 PJ (3C) and 1115PJ (2C).

The Company was also able to grow its operational staff to undertake our drilling program in ATP626P. Our expectation is that the company will need to add additional staff as we move into an aggressive reserves certification program both within the Lydia Area and in the 100% owned area in ATP 626P.

We also used the expertise of our farmin partners to explore the potential of PEL 218 located in the South Australian portion of the Cooper Basin.

On a sad note, I want to acknowledge the loss to the Company and the industry of Martin Pyecroft our former Chairman. I found it a privilege to serve as a director of Icon with him.

In keeping with the company's movement to a profitable future through growth and development, it was also necessary for the Board undertake a program of Board renewal and expansion to comply with best practice in corporate governance. To this end we were pleased to welcome to the Board Derek Murphy and Keith Hilless. Both gentlemen bring to the Board a great deal of commercial experience, a history of extensive governance experience and unquestionable integrity and honesty. As a Board we recognise that as the company continues to develop we will need to add additional directors who can contribute to the development of the company.

The past year has seen a difficult economic landscape and while Icon has not been immune to the negative pressures that have been exerted on many sectors of the economy, Icon's relative performance has been credible. Some of the optimism for the Coal Seam Gas sector has declined primarily due to media speculation about current demand and future production. We have witnessed resultant falls in our share price. Looking ahead, we believe there is a vibrant sector for the Coal Seam Gas and LNG sectors and that Icon Energy Limited represents long-term value.

Finally I also wish to sincerely thank you, our shareholders, for your support over the past year. As Chairman it has always been my underpinning principle to respect shareholders as the owners of the Company, as it is in your interests that we act. I and my fellow directors look forward to Icon's success in 2010.