



ICON ENERGY LIMITED

Annual Report 2007

www.iconenergy.com



ICON ENERGY LIMITED

ABN 61 058 454 569

energy for the future - the future of energy



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Chairman's Address

Welcome to Icon's 11th Annual General Meeting since listing on the ASX in September 1997. I am pleased to report a net profit for the year ended 31st December 2007 of \$3,200,000. This trading profit has enabled us to drill three (3) wells in the second half of the year. These wells were designed to test the coal seam gas potential in ATP 626P in the Eastern Surat Basin and have been a major success for Icon in confirming the discovery of prospective gas recoverable reserves of 0.9-1.3 TCF within the Jurassic Walloon Coal Measures. The next step requires these wells to be tested for gas production starting with a dewatering process. As the water is pumped from the coal seam gas is produced in slowly increasing amounts until a commercial flow is achieved. Some wells may require some kind of stimulation during the pumping process. Markets require that we prove recoverable reserves at the 1P(proven) and 2P(proven plus probable) level as defined by the Society of Petroleum Engineers (SPE), for gas contracts to be executed.

The current onshore gas prices are approximately \$3.00 per gigajoule which is well below the world price for liquified natural gas (LNG) at \$5.00-\$6.00 per gigajoule.

Icon is seeking to align its gas business with both local contract and LNG markets.

In July 2007, Icon sold two small areas in the Cooper Enomanga Basin in southwest Queensland to Santos. At the same time Santos withdrew from its Farmin Agreement in ATP 626P and Icon then assumed 100% working interest in the permit and drilled Stitch No 1, Lydia No 1 and Natasha No 1.

Icon is negotiating with several potential partners that can provide funds by way of placement of shares or farmin to earn a direct working interest in ATP 626P and also provide a market for gas production from the area.

In southwest Queensland ATP 855P has been offered to Icon under the preferred tender application process. Before grant, it is required to advertise the offer under the Native Title provision. If no claimants come forward, the permit will be granted soon after cessation of the advertising period. If claimants become registered within this period an RTN or Right to Negotiate process must be pursued under Federal Law. In South Australia, PEL 218 was awarded and conditions were fulfilled by Adelaide Energy Limited, giving Icon farmin rights to the permit.

An application was requested for gazettal of geothermal rights in ATP 855 and a tender submitted. At the time of this report the successful tenders had not been advised.

Icon's staff has expanded to meet new drilling and exploration work and the Board is very pleased with the quality and experience of our new employees.

I would like to thank all of the staff for the results achieved in 2007 and the very promising future Icon has obtained following years of difficult circumstances.

I invite you to attend the Annual General Meeting to be held at the Southport Yacht Club on Friday, 30th May 2008 at 11.00 am.

Martin Pyecroft
CHAIRMAN



Managing Director's Report

The market for gas in Australia is robust with new electric power generation planned to use gas. With Australia's new commitment to the Kyoto Protocol, new gas fired power generation is replacing coal sourced generation. While the burning of gas produces carbon emissions, the reduction in these emissions compared with the used coal is very significant.

A new gas pipeline from Wallumbilla (10 kms east of Roma) to the Hunter Valley is planned and will be located approximately 80 kms west of ATP 626P.

Icon's core business is now focused on the coal bed methane gas reserves in permit ATP 626P in the Surat Basin in Queensland. A preliminary estimate of the prospective reserves of marketable gas was estimated to be in the range of 0.9-1.25 trillion cubic feet (TCF). This prospective reserve has a value at \$AUD3.00 per gigajoule of up to \$3.75 billion dollars (or \$12.00 per share). Work done in the past few months indicate that this reserve estimate could be very conservative. Icon's working interest in ATP 626P is 100% and net revenue interest after deduction of Government royalty is 90%.

Icon requires two main requirements needed to exploit this gas resource, these are development capital and a market for the gas.

Both requirements are being addressed but the process takes time to achieve the best result for shareholders and provide surety in the outcome.

Gas prices in Australia are low at approximately \$3.00 per gigajoule but over the next few years these prices are likely to reflect export LNG gas prices which are nearly double the current prices.

Icon was the successful tenderer for ATP 849P. This permit covers 3,850 kms and is underlain by the Walloon Coal Measures at depths of up to 300 metres. Much of the area is unexplored with only three wells in the permit. Icon has a working interest of 80% in this permit.

Associated with CBM development are large water disposal reserves. Presently associated water is ponded for evaporation. Icon is working closely with PetroSun in the United States to develop a sustainable source of biodiesel derived from algae. The evaporation ponds may provide the ideal environment for this new initiative and would provide a good use for the waste water. Water quality in ATP 626P is of high quality (potable from Natasha No 1) and this augurs well for subsequent applications such as algae growth.

Icon's permits in SWQ are well placed in regard to petroleum potential and while exploration is proceeding in these permits they do not currently form a part of the producing assets of Icon.

In the long term growth of Icon, we aim to have a market capitalization exceeding \$100 million within three (3) years. If the CBM resources prove to be as productive as anticipated this aim will be readily achieved.

For those shareholders of Icon stock, it has been a long wait for Icon to find a solid asset capable of early development and cash flow. While Bayou Choctaw in Louisiana has been disappointing, the geological asset remains undeveloped. Our operating partner is negotiating a new fund raising and we would anticipate promising results in the future when a new development drilling timetable is announced.

Raymond James
MANAGING DIRECTOR



Review of Operations

ATP 626P

ATP 626P is now Icon's prime asset with prospective gas reserves estimated to be in excess of 1.8 TCF. This estimate of gas reserves has been up-graded from previously announced reserves following a detailed analysis of 25 wells drilled in or near the permit. The net coal reserves used in the estimates have been calibrated using the results from Stitch, Lydia and Natasha wells drilled in 2007. These reserves estimates have not yet been independently verified but are in excess of 1.8 TCF. The dewatering programmes to determine gas flow rates and permeability are due to commence.

These reserve estimates are conservative and based only on coal measurements. It is known that the carbonaceous shales contribute gas but these have not been used in the calculations.

The next step in the appraisal process is to determine the coal permeability and gas content.

The gas content will be determined from new core holes to be drilled and at this point, a pilot drilling programme is planned for Lydia. High coal gas readings of up to 78 units in the upper Jundah Coals and lower Taroom coals in Stitch No 1 indicate gas saturation at a depth of 1,100 metres. Natasha is flowing gas cut water, also indicating gas saturation. A geological breakout study prepared by our Chief Geologist, Harry Duerden, has shown that the Walloon Coals in the permit have high breakout values indicating favorable permeability.

The net results of our geological studies and gas reserve estimates have given encouraging results in all aspects examined.

Numerous discussions and negotiations are being held with potential financiers and gas markets are being studied. The demand for local use of gas is promising and the prospects for LNG gas sales in 4 – 5 years time are encouraging.

Icon's best development options would appear to be twofold. The first option would be to develop a small market supplying up to 15PJ per year to establish a cash flow. Secondly, agreements need to be reached with developers of the LNG export gas planned for Gladstone port.

There is little doubt that Icon has a major asset in ATP 626P with a potential value of several billion dollars. To maximize this value for Icon, shareholders will take time, a very large investment and successful drilling and testing results.

There have been numerous approaches to Icon to assist in funding and market development. Icon is carefully considering all these options.



Samples from Lydia - on location at ATP 626P.



Drilling on location at ATP 626P.



Review of Operations (continued)

The gas reserves are contained within the Walloon Coal Measures and depths of 750-1,200 metres. Stitch No 1 failed to penetrate the sandstone objective in the downthrown position to the Moonie Fault. After the seismic data has been reviewed, new plans call for the re-drilling of the objective further to the west of the original location. A cement plug was set at the top of the Hutton sandstone to isolate the Walloon Coals from the aquifer and this plug would enable Icon to sidetrack the well by “kicking off” this plug and directionally drilling.

ATP 849 P

This permit has been awarded to Icon and its joint venture partners and is in the process of grant following extensive negotiations with the Environment Protection Authority (EPA). A requirement of grant is to first obtain an Environmental authority (EA) and then deposit the security bond to cover the government in case of damage during operations that is not rehabilitated correctly and abandoned. Icon has achieved a significant breakthrough in these negotiations when the EPA agreed to accept the security bond on a yearly basis rather than a four-year basis. This is a considerable saving to Icon's funds.

ATP849P covers an area of 3854 sq kms and is prospective for CBM production. Icon plans to farmout this permit and is in discussion with interested parties now.

A farmout is being negotiated over this permit to cover the first four years of work. Icon's working interest is 80% and is the designated Operator.

ATP 794

Icon is negotiating to farmout this permit. Springfield East No 1 drilled in 1998 by Icon, confirmed a gas flow to surface (not commercial) at this point. A seismic acquisition and drilling programme is proposed under the new farmout negotiations.

Icon holds a working interest of 60% in this permit and is the Operator.

EP 218

Icon tendered for this permit but failed to win the bid. Subsequently Icon has farmed into this permit to earn an interest of 33.33% in the shallow sedimentary section for funding 50% of 100 kms of seismic data acquisition and the drilling 50% of one well. Seismic is expected to commence this year under this agreement. There are several firm leads in the permit. The Santos unit production of oil and gas surrounds the permit.

Icon's working interest when earned is 33.33%.

ATP 594

Icon is the operator of ATP 594. The program is presently under review pending discussions with the other 50% partner to transfer their 50% to Icon Energy. The permit is subject to an ORR, following Triple J Pty Ltd's default that needs to be converted to a working interest before farmout negotiations can be entered.

Icon has working interest of 50% in the permit .

ATP 855

Icon and its joint venture partners are the preferred tenders for this permit that is subject to Native Title. Before granting the permit, we must first negotiate under the Right to Negotiate (RTA) process and reach agreement with the Native Title parties who have a registered claim over the area. The four-month advertising period expires on 12 th April 2008 and if no claimants come forward then the permit will be awarded without Native Title agreement.

Icon has also applied for a grant of tender over the geothermal areas within ATP 855P but no result of the tender process have been announced.

Icon's working interest is 80% and is the Operator.



Review of Operations (continued)

ATP 549P (West)

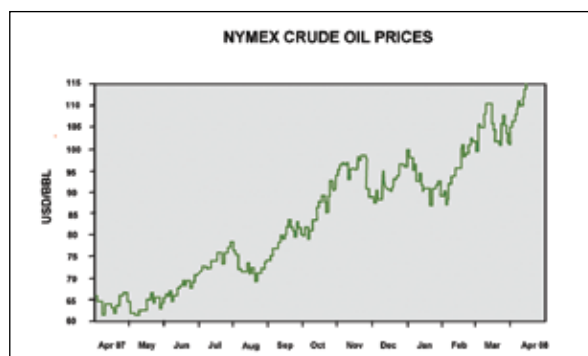
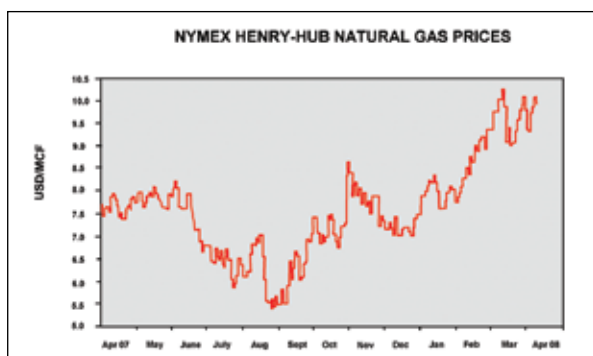
Icon is the operator of this permit and is presently applying to conditionally surrender the permit and conduct RTN negotiations to renew the permit for a new term with the working interest parties on the title of the permit.

Icon's working interest is 33.33%

ATP 560 U11

No work is planned in this sub-block at present.

Icon's interest is 50.5%.



OIL AND GAS PRICES

OIL PRICES :

Oil prices have now reached \$US100+ per barrel. This price is unlikely to fall any time soon as the USA battles with a depreciating dollar, tight refining capacity and dependence on foreign imports of crude oil. World consumption stands at 81.5 million barrels per day in April 2008 and is projected to increase to 130 million barrels per day by 2025. Oil will remain the dominant energy supply despite efforts to introduce alternative energy sources. In the long term, Icon forecasts that oil prices will stabilize at or above \$US60 per barrel over the next few years.

GAS PRICES :

Gas prices for Australian gas have been historically low giving Australians cheap energy and allowing for competitive exports. This past year has seen a huge leap in gas demand from Asia and prices for Liquefied Natural Gas (LNG) have risen sharply to approximately \$5.00-\$6.00 per gigajoule as opposed to domestic prices of \$2.00-\$3.00 per gigajoule. With new LNG trains proposed in the Port of Gladstone and the West Coast, Australia's gas is in high demand at these new higher prices. This will put pressure on domestic gas prices. In the USA, Henry Hub gas prices are around \$US10.00 per gigajoule.

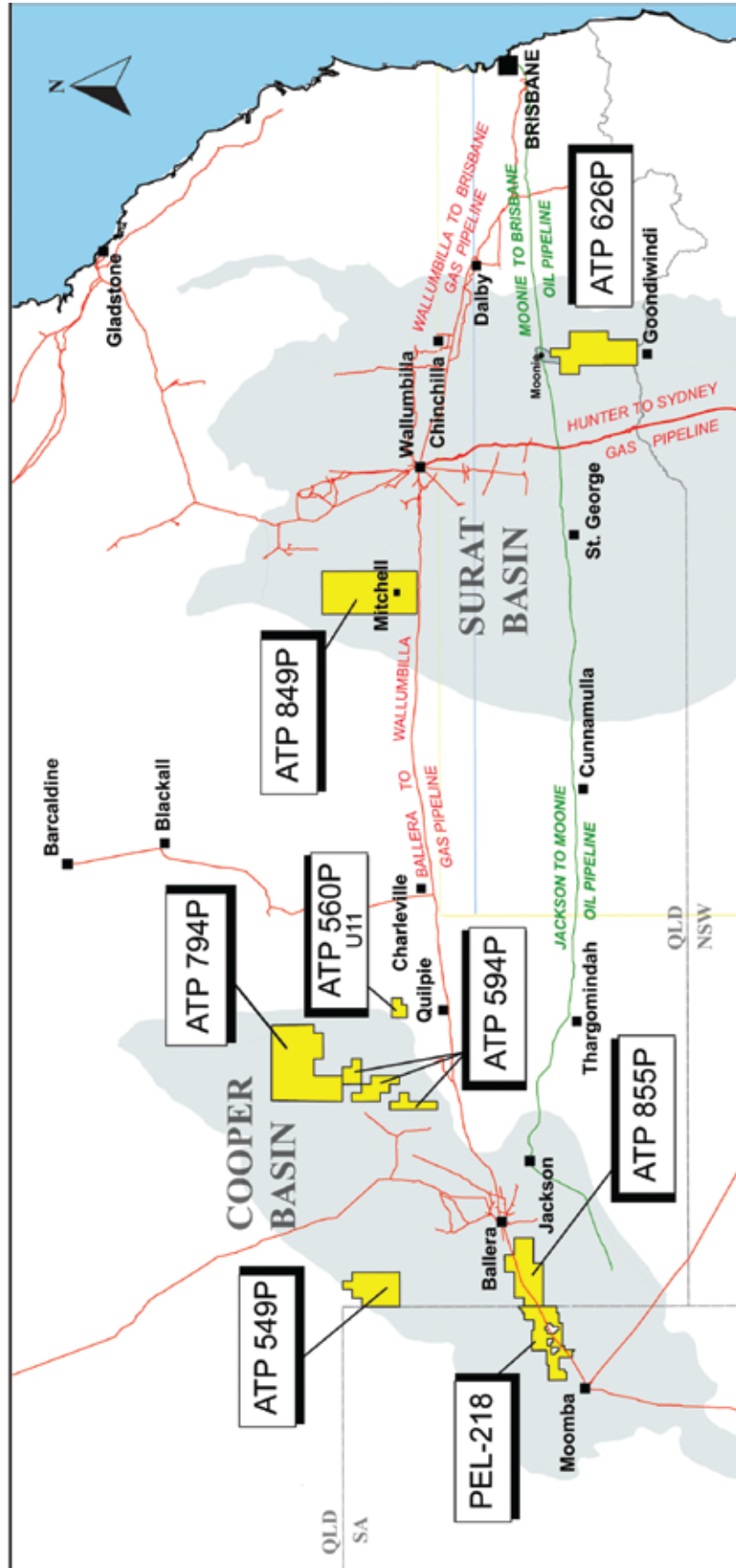
Gas pricing is likely to be priced in future at the equivalent energy value to that of oil.

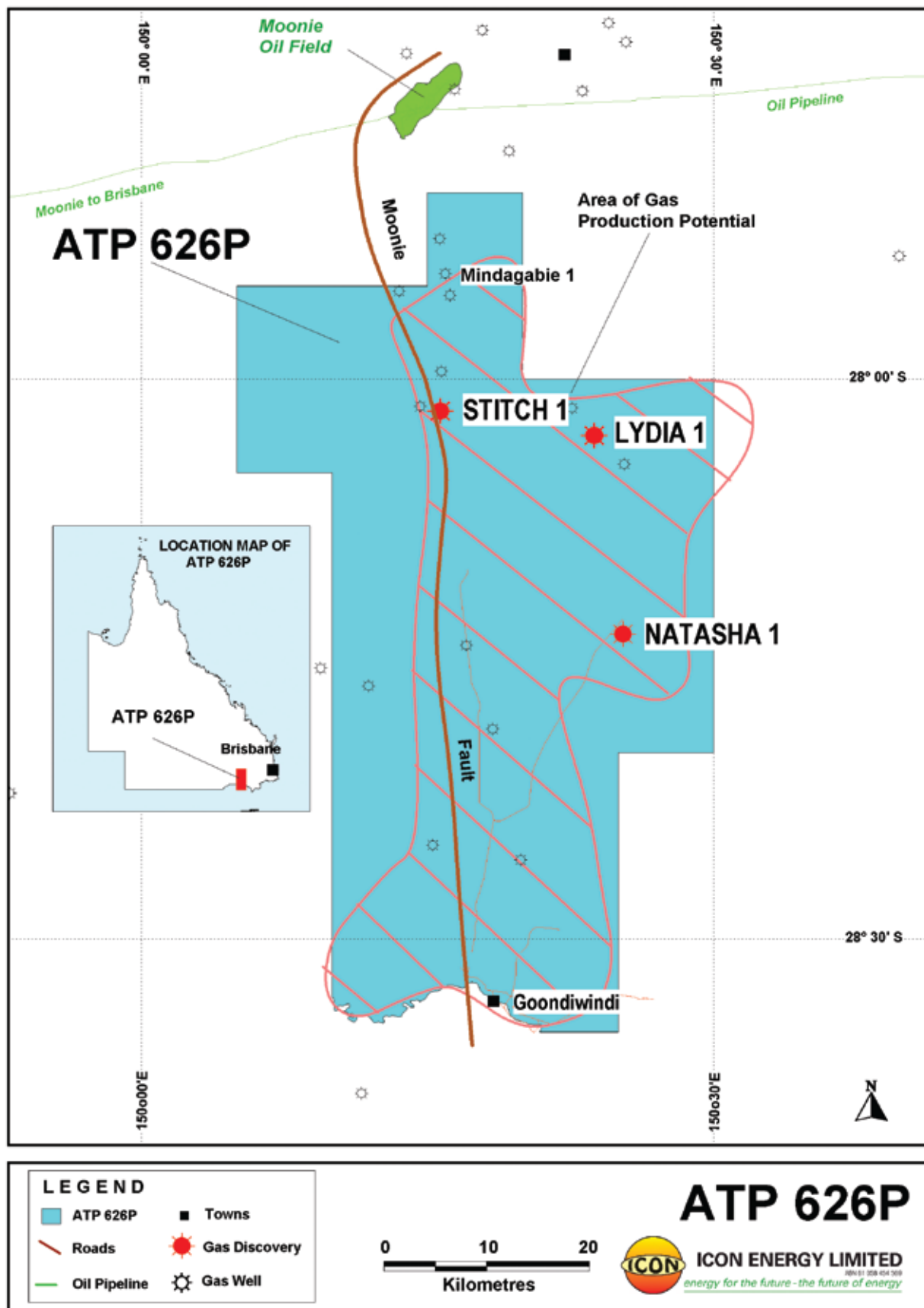
\$US6.00 gas is equivalent to \$40.00 per barrel of oil on an energy equivalent basis.

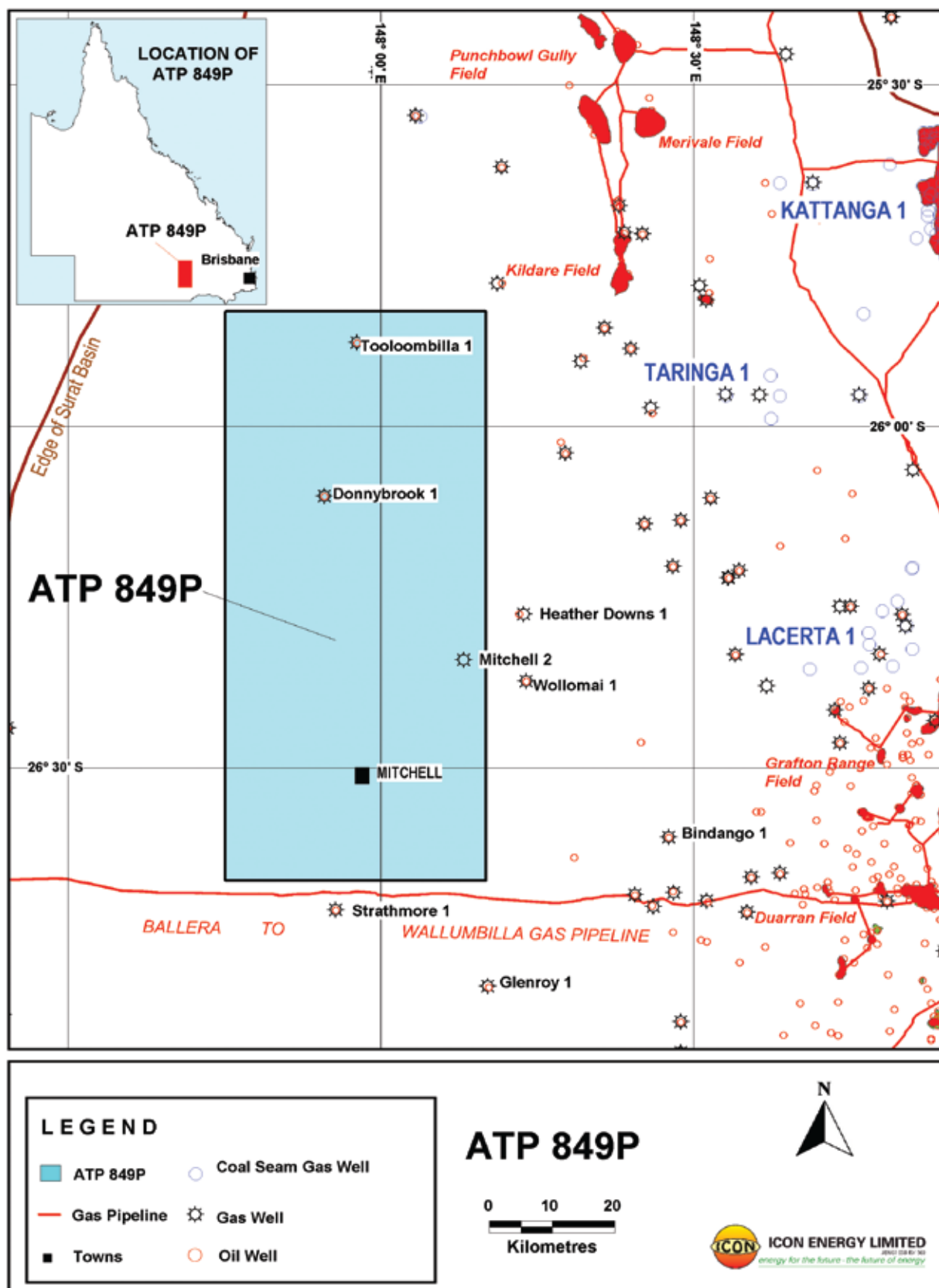


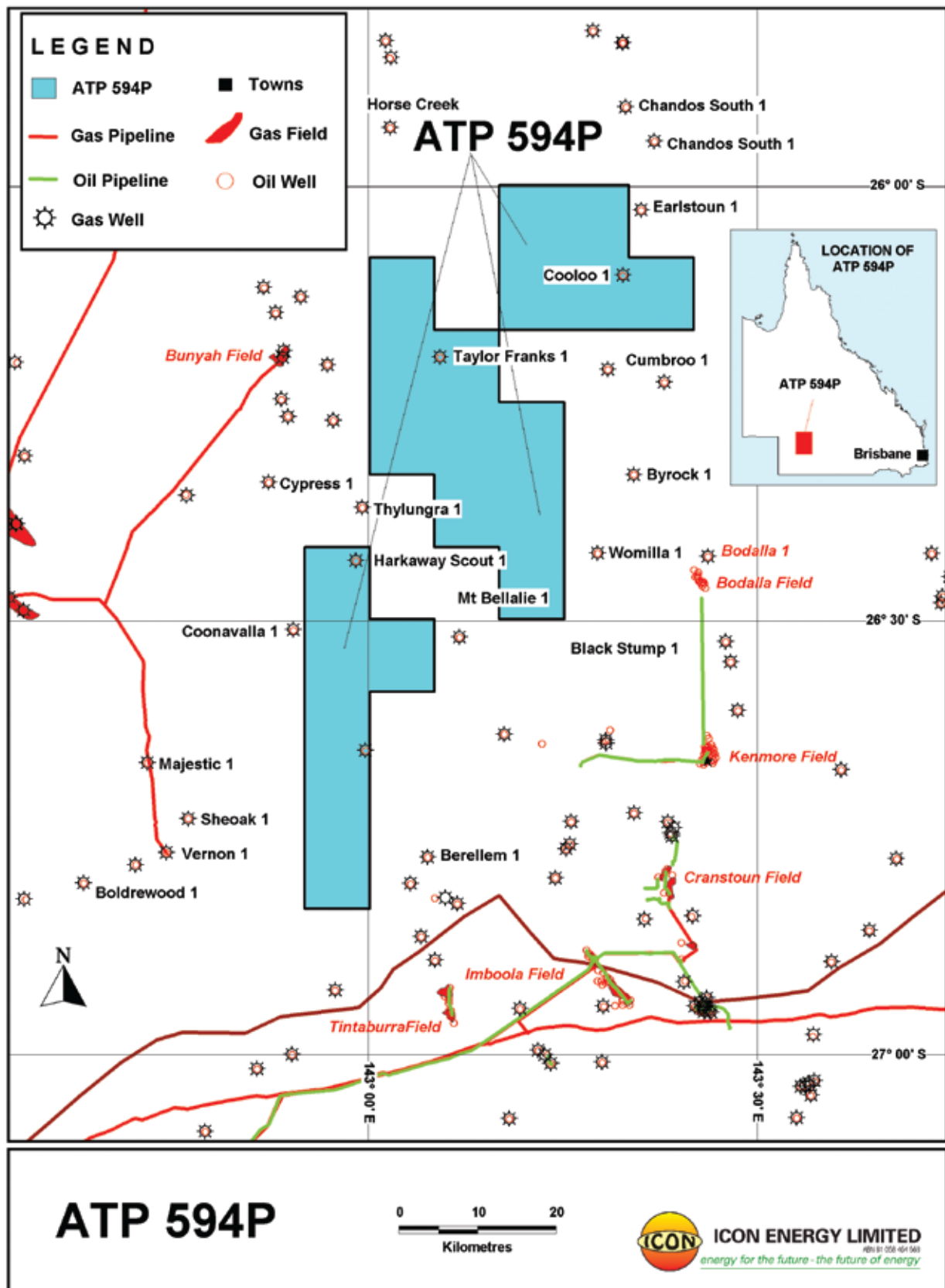
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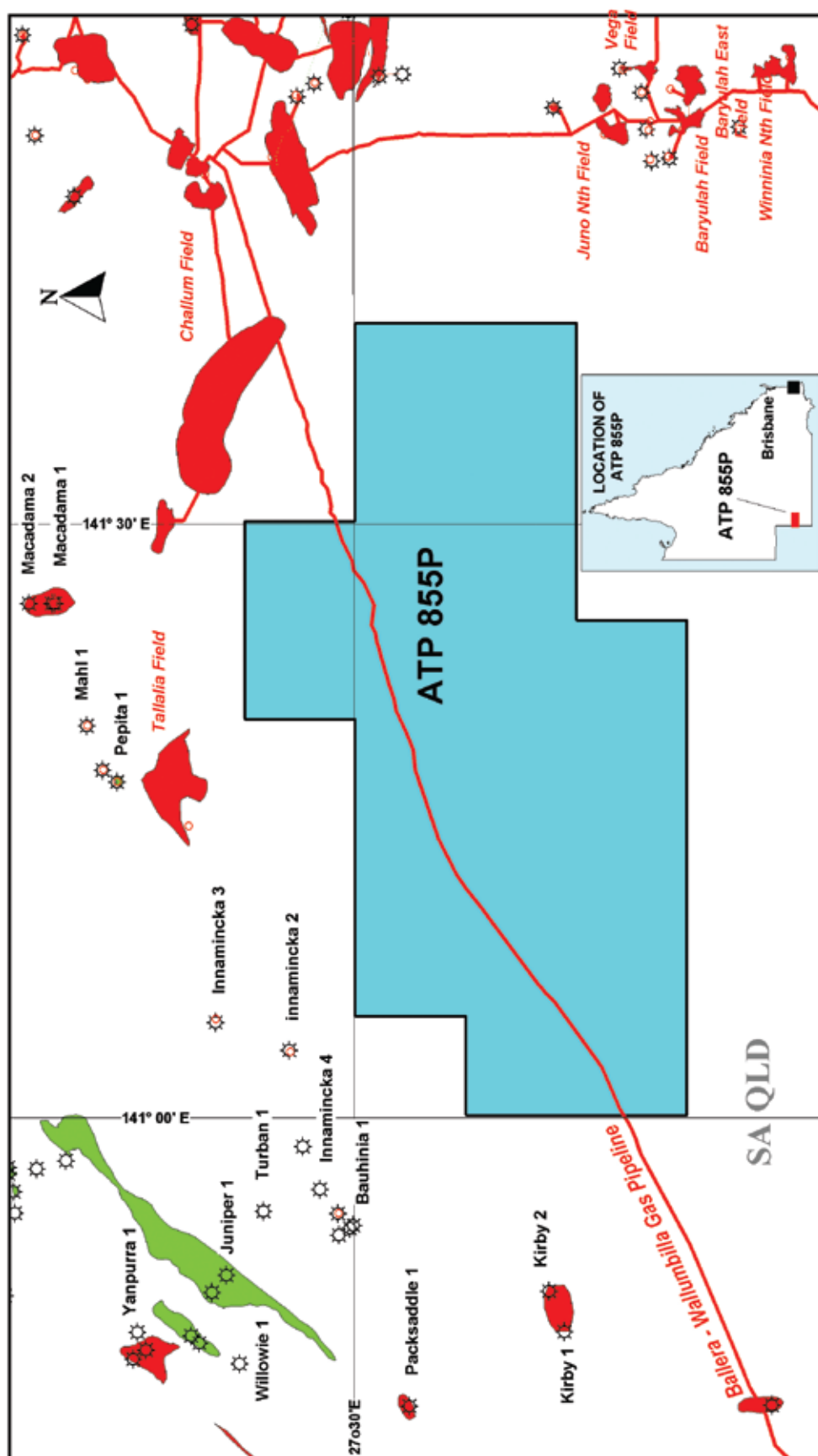
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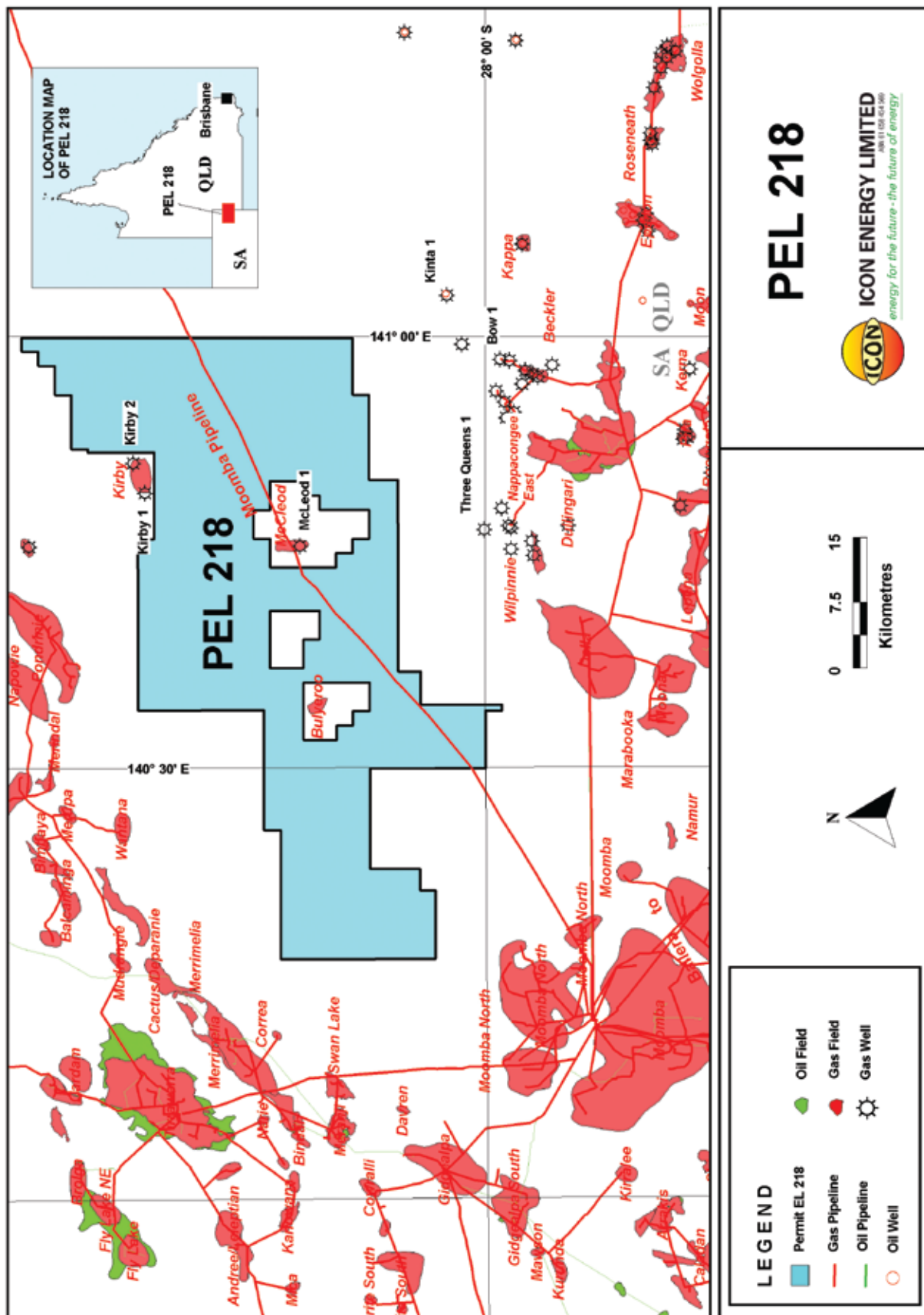


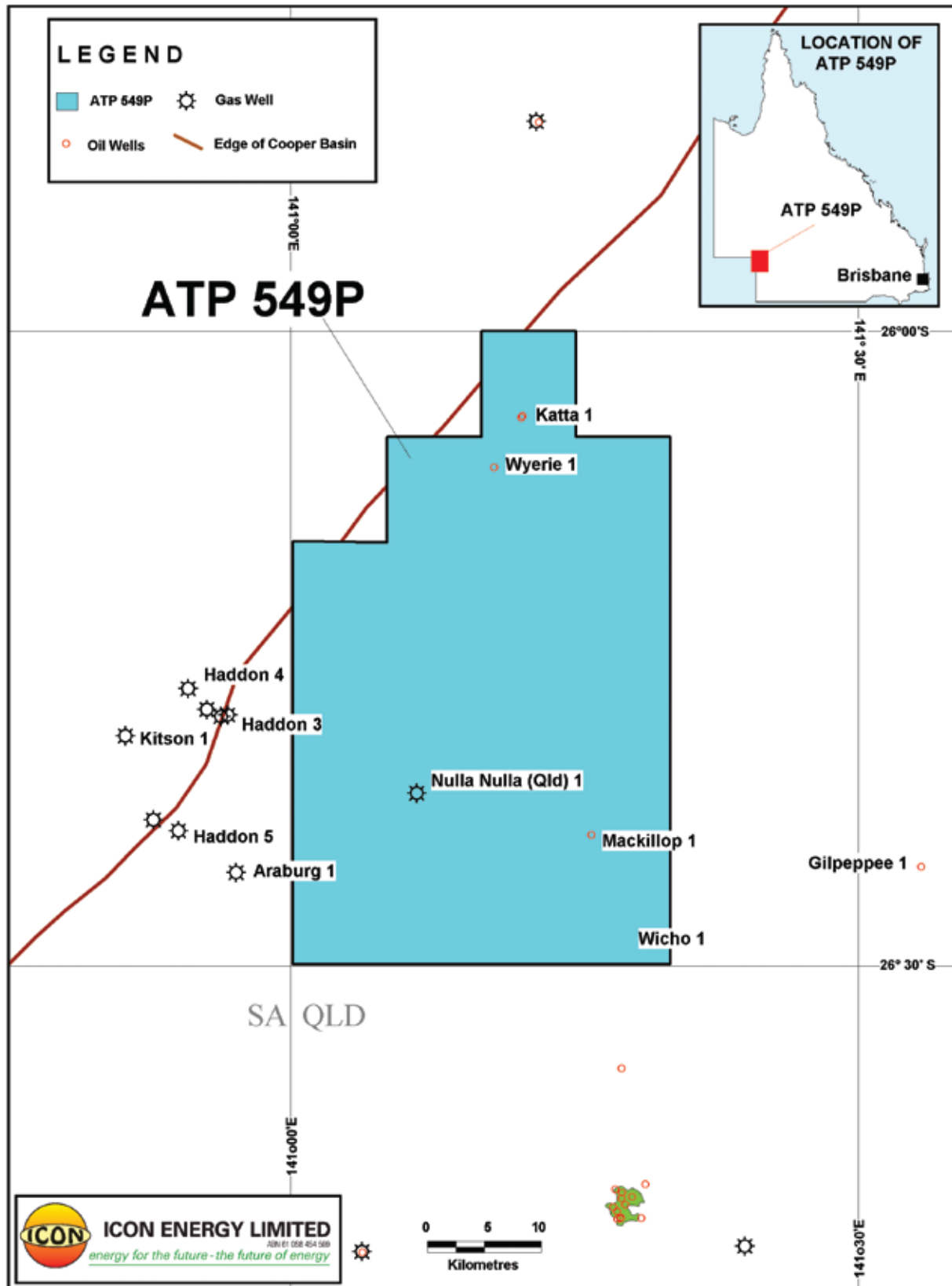


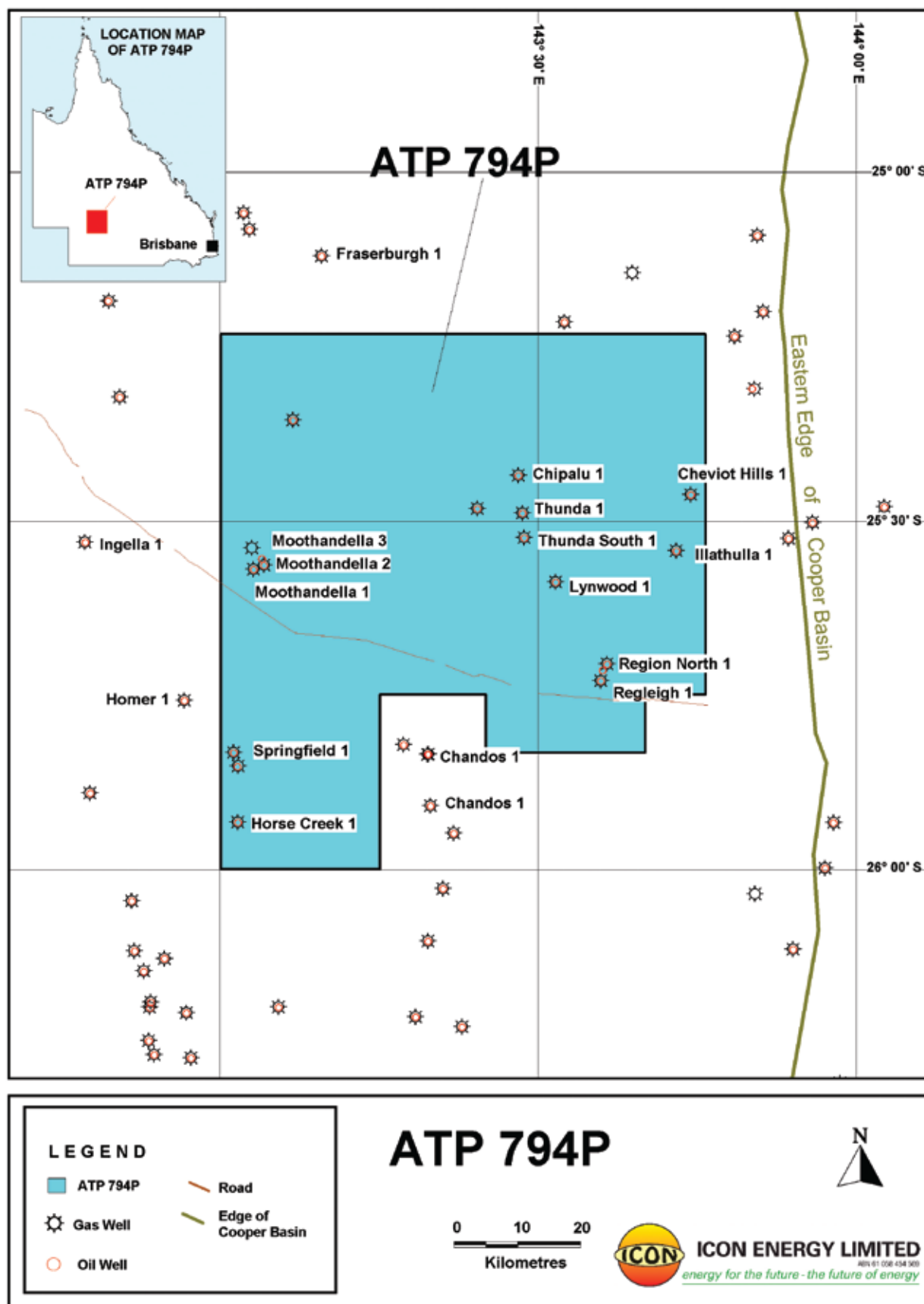


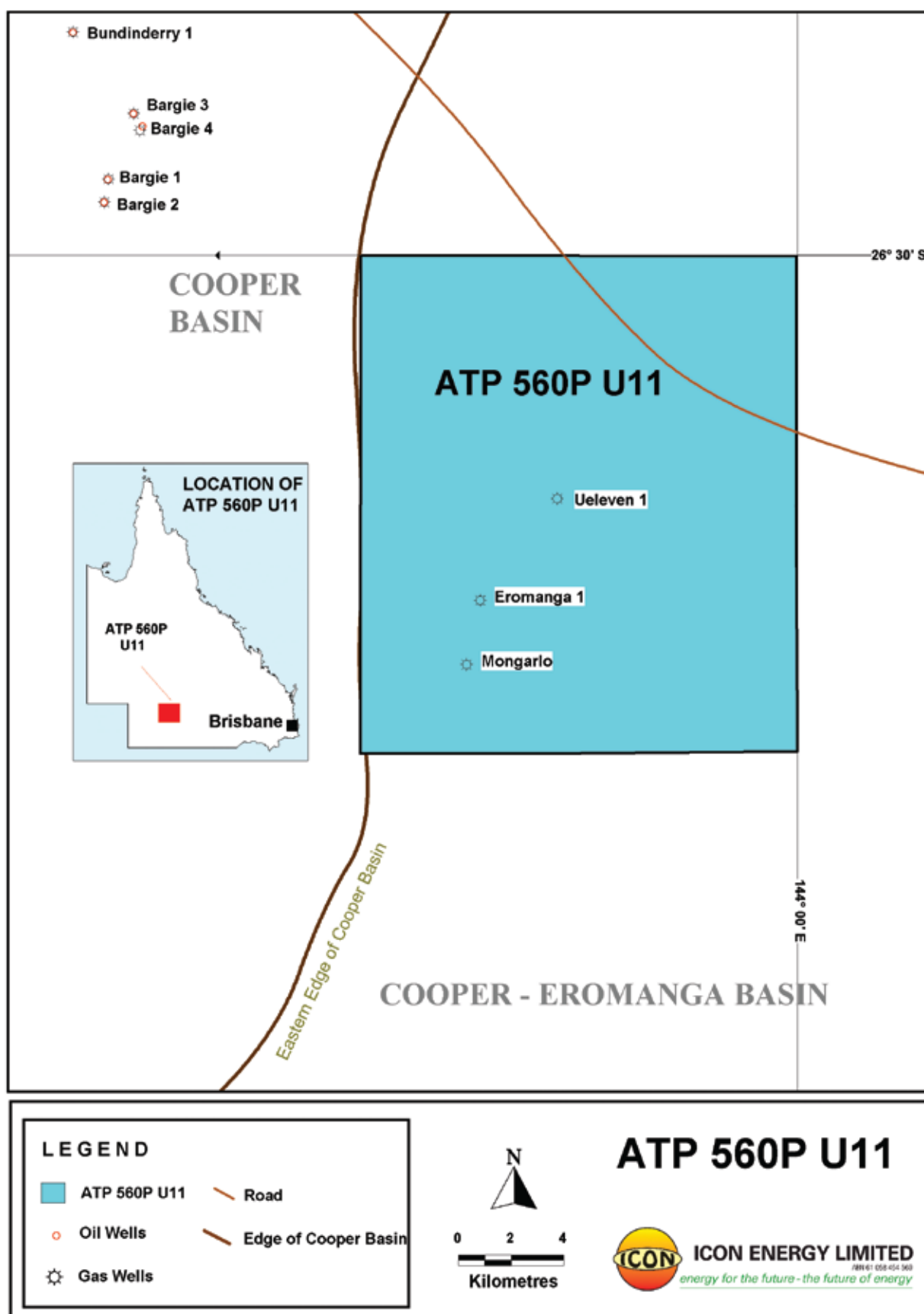


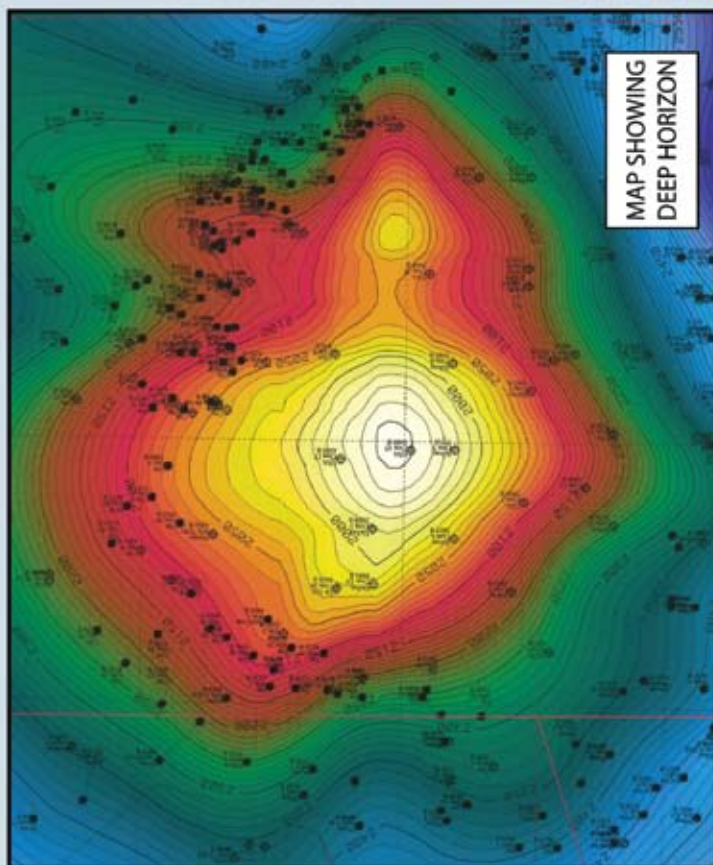












GEOLOGY & WELL LOCATION MAP BAYOU CHOCTAW





Directors' Report

Your directors present their report together with the financial statements of Icon Energy Limited ("the Company") and of the consolidated entity being the company and the entities it controlled at the end of, or during, the year ended 31 December 2007.

DIRECTORS

The directors of the Company who held office during or since the end of the year are set out below:

Names of Non-Executive Director	Period of Directorship
Martin Pyecroft (Chairman)	Director since 24/01/1997
Stephen Michael Barry	Director since 05/01/1993
Name of Executive Directors	
Raymond Swinburn James (Managing Director)	Director since 01/02/1993
Raymond Patrick McNamara (Company Secretary)	Director since 27/04/2007

COMPANY SECRETARY

STEPHEN MICHAEL BARRY

Qualifications:

LLB University of Sydney

Stephen Barry is a solicitor. He acted as company secretary following the death of John Cummins in December 2006. His duties during this period were limited to the statutory reporting requirements of ASIC and the ASX.

Resigned:

3/5/07

RAYMOND PATRICK MCNAMARA

Qualifications:

B.Bus (QUT), MBA (UQ), Ph.D (UQ) CPA

Experience:

Dr. Ray McNamara is an Associate Professor of Accounting at Bond University. He is the director of the School of Business Centre for Corporate Governance and deputy chairman of the Senate of Bond University. He has more than twenty years of experience in the private and public sectors specialising in financial accounting, corporate control systems and security appraisal and valuation.

Appointed:

3/5/07

PRINCIPAL ACTIVITIES

The principal activities of Icon Energy Limited during the year included the exploration, appraisal and development of oil and gas properties and the acquisition of additional oil and gas prospects. There were no significant changes in the nature of these activities during the year.

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 (2006: Nil).

OPERATING RESULTS

The consolidated net profit for the year of the consolidated entity after providing for income tax amounted to \$3,198,544 (2006: loss of \$1,450,926).



Directors' Report (continued)

REVIEW OF OPERATIONS AND RESULTS

USA Operations

In February 2007, the operators of the Bayou Choctaw Leases (CLK Energy Inc.) advised of their decision to suspend the Australian Mineral Interest No. 1 well. Production continues from the Morley Cyprus and Wilbert's leases.

The effects of hurricanes Katrina and Rita, while diminishing, continue to cause disruptions to the CLK's operations primarily through the difficulty in obtaining competent staff and drilling equipment. The long anticipated deep drilling program in Bayou Choctaw has been suspended pending a restructure of CLK.

Oil prices are as high as \$US100.00 per barrel and gas prices in Louisiana are over \$US 8.00 per MCF. While some softening of oil prices is expected, especially if the US economy recovers, there is reason to believe that prices will continue above US\$75 per barrel in the foreseeable future. When Icon negotiated the Bayou Choctaw lease, oil was priced at \$US12.00 per barrel and gas at \$1.90. The potential of this field still presents excellent value opportunities for Icon Energy Ltd with the new farmin negotiations centred on three to four wells to be drilled on the brightest prospects. Subject to the completion of these negotiations, drilling is not expected to commence before 2009.

We are advised that our joint venture partner has advance negotiations for the refinancing and restructuring of their operations. The directors believe the Bayou Choctaw leases provide excellent opportunities for value for the shareholders. However, until the joint venture partner resolves its restructuring and finance issues it is unclear when exploration will recommence. The company has advised our joint venture partners of our willingness to participate in all exploration operations necessary to continue production from our existing wells.

Australian Operations

The Company has refocused its Australian operations in accordance with the mission and strategic objectives of the company. The strategic objectives are:

- Having successful exploration and appraisal activities to provide a solid foundation for future growth through achieving substantial coal seam gas reserves to meet the Australian and global demand for clean, efficient energy;
- Add annually, one to two exploration blocks to our portfolio of exploration blocks to achieve a minimum of 12 explorations blocks;
- Undertake pilot studies to prove gas reserves from "Prospective" to the "1P" and "2P" categories as a priority;
- To obtain farmin partners with the capital and capabilities to bring the company's reserves through to full-scale gas and oil production;
- To maintain operating control of exploration fields until reserves are proven so as to maximize the value of the fields to shareholders;
- Develop the business case for each tenement to bring proven reserves into commercial production;
- To undertake exploration and development activities that have the highest probability of success in both gas and oil plays;
- To provide employees with a working environment that incentivises employees and encourages innovation and initiative so that employees become self motivated in achieving the company's objectives;
- Achieve responsible development where the environment is returned to its original/natural setting post exploration and development.

Icon Energy Limited sold to Santos Ltd its remaining interests in ATP 765P and 766P for a consideration of \$4,500,000 plus interest. This funding was used to advance the Company's exploration and acquisition program during 2007.



Directors' Report (continued)

ATP 626P

ATP 626P is Icon's Energy's prime asset located in the Surat Basin in Queensland. Having completed three (3) gas-exploration wells on ATP 626P, Icon Energy has prospective reserves of 0.9 to 1.25 TCF of recoverable gas. This is the energy equivalent in oil of 160 to 225 million barrels of oil. The testing program, for the three wells drilled in 2007, is expected to commence in May/June 2008 following delivery of pumping equipment from the USA and Canada. We are actively negotiating a farmin arrangement for a staged exploration and appraisal drilling program to bring our indicated reserves to proven commercial status.

Icon's working interest in ATP 626P is 100%



On location at ATP 626P - Natasha 1 gas show.

EP 218

Icon farmed into this permit in October 2007 to earn a 33.3% working interest in the Mesozoic sedimentary section. Icon's obligation under this program is to fund 50% of 100 kms of seismic data and drill one well to test the hydrocarbon potential of the Jurassic and Triassic sediments. Seven structures/leads have been identified for drilling and there is a large structure in the western side of the block where there is potential to fund up to twenty million barrels of oil recoverable.

The block covers the South Australian side of the Nappameri Trough that is the source "kitchen" for oil that is producing in the fields North and South of the block. Three petroleum licenses lie within the block and are not part of our interest. The Ballera to Moomba gas pipeline traverses the centre of the block.

Icon originally bid on this block when it was gazetted and the tender was awarded to Adelaide Energy, the present holder.

Icon's interest is 33.3% in the Mesozoic sedimentary section only.

ATP 849P

This permit was won in the 2006 Queensland Government tender process and will be granted to Icon and its joint venture partners as soon as the Environmental Authority is issued. The area is prospective for a coal seam gas reservoir in the Walloon Coal Measures (WCM). These coals are found at shallow depths (up to 400m) over most of this very large permit (3,853 sq kms or approximately 1 million acres).

The area will be awarded for twelve years with \$5.2 million obligatory expenditure in the first four years. One third of the area must be relinquished at the end of each four years unless a production license is granted to produce gas. Icon is at an advanced stage for a farmin agreement for this prospect.

Icon's interest in this permit is 80%.

ATP 855P

This block is subject to Native Title claims. A four month advertising campaign commenced in November 2007. If no claimants come forward and register their claim within the advertising period then the permit will be awarded without Native Title Agreement. Otherwise, negotiations will commence with the claimants as a Right to Negotiate (RTN) process.



Directors' Report (continued)

FINANCIAL POSITION

The company has expanded its operations with an increase in the executive and operational staff. Executive staff are employed on a contractual basis. The company's outlook for 2008 see the company in its strongest financial position for many years. The cash and cash equivalents balance at 31 December 2007 was \$1,462,259 (2006, \$115,100). A farmin agreement on 626 that ensures the Company's cash position for the foreseeable future is expected to be finalised by the Annual General Meeting. In addition, further capital raisings will also be considered during 2008.

The Company will continue to pursue its strategic objectives for the purpose of increasing the value of the shareholders' investment. Further information about likely developments in the operations of the Company and the expected results of those operations in future financial years has not been included in this report because disclosure of the information would be likely to result in unreasonable prejudice to the Company.

REVIEW OF PRINCIPAL OPERATIONS

The following is a list of active mining tenements held by Icon Energy and its subsidiaries.

		Interest % 2007	Interest % 2006
ATP 549P	Cooper Eromanga	33.33%	33.33%
ATP 594P	Cooper Eromanga	50.00%	50.00%
ATP 794P	Cooper Eromanga Regleigh & Springfield Areas	60.00%	60.00%
ATP 794P	Cooper Eromanga Brightspot area	75.00%	75.00%
ATP 626P	Surat	100.00%	50.00%
ATP 765	Cooper Eromanga	-	27.75%
ATP 766	Cooper Eromanga	-	27.75%
ATP 849P	Surat	80.00%	80.00%
ATP 855P	Cooper Eromanga	80.00%	80.00%
PEL 218	Cooper Eromanga	33.30%	-
ATP 560	Cooper Eromanga	50.50%	50.50%
Lease interests held in Bayou Choctaw area Louisiana USA			
Victory	Louisiana	38.50%	38.50%
Victory	Louisiana	19.00%	19.00%
Wilbert's	Louisiana	13.20%	13.20%
Zig Zag	Louisiana	-	13.20%

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

There were no significant changes in the state of affairs of the consolidated entity during the financial year.

ENVIRONMENTAL REGULATION

The consolidated entity's operations are subject to various environmental regulations. The Directors are not aware of any breaches of the legislation during the financial year which are material in nature.



Directors' Report (continued)

AFTER BALANCE DATE EVENTS

Since the end of the financial year the company has received full settlement on the sale of ATP 765 and ATP 766. A dispute with a drilling contractor over a claim for \$120,000 was settled for \$20,000. A dispute with our joint venture partner was also settled for US\$48,000 less than the outstanding liability in the financial report. No other disputes exist which significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations or the state of affairs of the consolidated entity in subsequent financial years.

FUTURE DEVELOPMENTS

The Directors intend to raise additional funding through farmin agreements and through the issue of additional shares.

At the writing of this report, negotiations have commenced for a significant farmin operation for ATP 626 and for farmin to other tenements.

Further information about likely developments in the operations of the company and the expected results of those operations in future financial years has not been included in this report because disclosure of the information would be likely to result in unreasonable prejudice to the Company and consolidated entity.



On location at ATP 626P.

CAPITAL RAISING

In January 2007 the Company issued 10,000,000 fully paid ordinary shares at 5 cents per share in placements to a sophisticated investor.

In April 2007 the Company issued 2,650,000 fully paid ordinary shares at 6 cents per share in placement to a sophisticated investor.

INFORMATION ON DIRECTORS



MARTIN PYECROFT (CHAIRMAN)

Qualifications:	BSc (Geology) (Hons) University of Leeds MAAPG, MAICD.
Experience:	Has been involved in the petroleum industry for 50 years in Australia, Canada, USA and SE Asia. He came to Australia in 1969 as General Manager of the Crusader Group of Companies. He was Director of Crusader Limited from 1988-96, a Director of Allied Queensland Coalfields from 1986-1996 and Chairman from 1994-1996. He was president of Ausquacan Energy Limited, Canada from 1987-96, and CEO of Koala Smokeless Fuels, Ireland from 1992-96.
Special Duties:	As well as being Chairman of the company, Martin is also Chairman of the Board's Remuneration Committee, and a member of the Audit and Risk Management Committee.
Interest in Shares:	2,000,000 ordinary shares
Director:	Since 24/01/1997



Directors' Report (continued)



RAYMOND SWINBURN JAMES (MANAGING DIRECTOR)

Qualifications: BSc (Physics Geology) University of NSW. FAICD
Experience: Has 37 years experience in the petroleum industry in Australia, USA, Indonesia, SE Asia, M.East and Russia. He worked with Chevron Perth and Houston from 1969-74 and with Gulf Oil from 1974-80. He was the Managing Director of Australian Hydrocarbons from 1980-81 and the Managing Director of Omega Oil from 1987-91. He was a Director of Australian Petroleum Production & Exploration Association (APPEA) from 1999-2007 and Vice Chairman of APPEA from 2003-2005. He is the Managing Director of Icon Energy and its subsidiaries since 1993. He is the President of Icon Oil US LLC since 1999.

Interest in Shares: 23,775,235 ordinary shares

Director: Since 01/02/1993



STEPHEN MICHAEL BARRY

Qualifications: LLB University of Sydney
Experience: Admitted to practice as a solicitor in 1983 and is a partner in the law firm CKB Partners who provide commercial advice and litigation, insurance, corporate advice and commercial leasing along with other general practice areas.
Special Duties: Stephen is Chairman of the Board's Audit and Risk Management Committee and is a member of the Remuneration Committee.

Interest in Shares: 1,567,566 ordinary shares

Director: Since 05/01/1993



RAYMOND PATRICK MCNAMARA

Qualifications: B.Bus (QUT), MBA (UQ), Ph.D (UQ) CPA
Experience: Dr. Ray McNamara has more than twenty years of experience in the private and public sectors specialising in financial accounting, corporate control systems and security appraisal and valuation. He is currently an Associate Professor of Accounting at Bond University. He also holds the position of director of the School of Business Centre for Corporate Governance and is deputy chairman of the Senate of Bond University. Dr. McNamara is also on board of not-for-profit organisations and a number of private companies.

Interest in Shares: 50,000 ordinary shares

Director: Since 26/04/2007

REMUNERATION REPORT

The Remuneration Committee is responsible for remuneration policies recommended to the Board. The remuneration committee, where necessary, obtains independent advice on the remuneration packages offered to potential employees.

The company has no discretionary short term bonus scheme, however a long term incentive was provided by the issue of options under the terms of the Staff Share Incentive Plan ("SISOP"). As the Company is moving into the development of its gas reserves it is currently reviewing the SISOP plan and is examining the introduction of an Executive Performance Rights Plan.



Directors' Report (continued)

Fixed remuneration

Fixed remuneration consists of the base remuneration calculated on a total cost basis and including FBT charges on employee benefits as well as contributions to superannuation funds. Remuneration levels are reviewed annually.

Service Agreements

The Company has a policy that service agreements with senior executives are unlimited in term and include termination clauses between one and six months.

A service agreement exists for the Managing Director Mr. Raymond James. The remunerations committee is preparing a service agreement for the Company Secretary, Raymond McNamara and for the Director of Business Development, Mr. John Quayle.

Mr. James has a service agreement with the Company for a period of five years effective from 1 January 2007. The agreement sets out the duties and obligations of Mr. James.

That agreement may be terminated by either party providing six months notice. The Company may make a payment in lieu of notice of six months remuneration equal to the base amount prescribed in the service agreement. In addition accrued statutory benefits and superannuation benefits are payable. Should the Company be taken over and the contract terminated with a six month period, an amount equal to two years base salary is payable.

Mr. James has no entitlement to termination payments in the event of removal for misconduct.

Non-executive Directors

Non-executive Directors' fees approved by the shareholders on 30 May 1997 are not to exceed \$250,000 per annum.

Non-executive Directors' base fees for the year ended 31 December 2007 were \$81,070. Non-executive Directors do not receive incentive based remuneration. There are no provisions for any retirement benefits other than statutory requirements.

Directors and Key Management Personnel Remuneration

	Short Term			Long Term		Portion of remuneration based on performance
	Salaries & Fees	Non-monetary Benefits	Total	Superannuation	Total	
2007 Directors	\$	\$	\$	\$	\$	\$
M Pyecroft	48,070	-	48,070	2,163	50,233	-
SM Barry	33,000	-	33,000	2,970	35,970	-
RS James	506,270	16,618	522,888	36,289	559,177	-
RP McNamara	83,600	3,890	87,490	7,650	95,140	-
	670,940	20,508	691,448	49,072	740,520	-
2006 Directors						
M Pyecroft	44,000	-	44,000	-	44,000	-
SM Barry	31,500	-	31,500	-	31,500	-
RS James	400,253	38,143	438,396	31,579	469,975	-
Executives						
JB Cummins	112,804	7,704	120,508	8,316	128,824	-
	588,557	45,847	634,404	39,895	674,299	-



Directors' Report (continued)

Directors' Interests

As at the date of this report, the interests of the Directors or entities associated with them in shares and options of Icon Energy Limited were:

	Ordinary shares	Options
M Pyecroft	2,000,000	-
SM Barry	1,567,566	-
RS James	23,775,235	-
RP McNamara	50,000	-

Movements in the Directors' shareholdings during the year are detailed in Note 5(c).

No options were exercised during the year.

SHARE OPTIONS

Options granted to Directors and Key Management Personnel of the Company

No options were issued or granted to Directors and Key Management Personnel of the Company during the year.

Options held by Key Management Personnel

2007

There were no options outstanding at 31 December 2007.

2006	Balance at 1.1.2006	Options exercised	Options granted	Balance at 31.12.2006
RS James	3,900,000	(3,900,000)	-	-
JB Cummins	400,000	(400,000)	-	-
	4,300,000	(4,300,000)	-	-

Unissued shares under options

At the date of this report unissued ordinary shares of the Company under option:

Exercise date	Expiry date	Exercise price	Number of options
31 December 2006	31 December 2008	20% below market average for 5 days prior to exercising	20,000,000

Movements in the options during the year are detailed in Note 15.

MEETINGS OF DIRECTORS

During the financial year, ten meetings of Directors (including committees) were held. Attendances were:

	Directors Meetings		Audit and Risk Management Committee Meetings		Remuneration Committee Meetings	
	A	B	A	B	A	B
M Pyecroft	4	4	2	2	1	1
R S James	4	4	-	-	-	-
S M Barry	4	4	2	2	1	1
R P McNamara	4	4	-	-	-	-

A – Number of meetings attended.

B – Reflects the number of meetings held during the time the Director held office during the year.



Directors' Report (continued)

DIRECTORS AND AUDITORS INDEMNIFICATION

No indemnities have been given, or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the Company or consolidated entity except for premiums paid by the Company to insure each of the Directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct involving a willful breach of duty in relation to the Company. The total premium expense for the period is was \$22,250.

Proceedings on Behalf of the Company

No person has applied for leave of the Court to bring proceedings on behalf of the Company or 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.

Non-audit services

During the year WHK Horwath, the Company's auditor, provided the following services in addition to their statutory duties as set out in Note 3:

Taxation services	\$20,826
-------------------	----------

The Board of Directors has considered the position and, in accordance with advice received from the audit committee, is satisfied that the provision of non-audit services is compatible with the general standard on independence imposed for auditors imposed by the Corporations Act 2001.

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

The lead auditor's independence declaration is set out on page 8 and forms part of the Directors' report for the year ended 31 December 2007. WHK Horwath continues in office in accordance with Section 327 of the Corporations Act 2001.

Signed in accordance with a resolution of the Board of Directors.

Handwritten signature of M Pyecroft in black ink.

M Pyecroft
Chairman

Robina, 31 March 2008

Handwritten signature of R S James in black ink.

R S James
Managing Director

Robina, 31 March 2008



Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of Icon Energy Limited

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2007 there has been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

WHK Horwath

WHK HORWATH

M. R. Cole

RQ COLE
Principal

Brisbane, 1 April 2008.

Liability limited by a scheme approved under Professional Standards Legislation

Total Financial Solutions



Horwath refers to Horwath International Association, a Swiss entity.
Each member of the Association is a separate and independent legal entity.

Member Horwath International

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ICON ENERGY LIMITED Report on the Financial Report

We have audited the accompanying financial report of Icon Energy Limited (the Company), which comprises the balance sheets as at 31 December 2007, and the income statements, statements of changes in equity and cash flow statements for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

As permitted by the Corporations Regulations 2001, the Company has disclosed information about the remuneration of directors and executives ("remuneration disclosures"), as required by Australian Accounting Standard AASB 124 Related Party Disclosures, under the heading Remuneration Report on pages 21 - 22 of the Directors' report and not in the financial report. We have audited the remuneration disclosures on pages 21 - 22 of the Directors' report.

Directors' Responsibility for the Financial Report and the AASB 124 Remuneration Disclosures Contained in the Directors' Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2007. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

The directors of the Company are responsible for the remuneration disclosures contained in the Directors' report.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement. Our responsibility is also to express an opinion on the remuneration disclosures contained in the Directors' report based on our audit.

Total Financial Solutions



Horwath refers to Horwath International Association, a Swiss entity.
Each member of the Association is a separate and independent legal entity.

Member Horwath International
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An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report and the remuneration disclosures contained in the Directors' report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, has been provided to the directors on the same date as the auditor's report.

AUDIT OPINION

In our opinion

1. the financial report of Icon Energy Limited is in accordance with:
 - (a) the financial report of Icon Energy Limited is in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the company's and consolidated entity's financial position as at 31 December 2007 and of their performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.
- the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.
2. the remuneration disclosures that are contained on pages 21 to 22 of the directors' report comply with Australian Accounting Standard AASB 124 *Related Party Disclosures*.

WHK HORWATH

RQ COLE
Principal

Brisbane, 1 April 2008

Liability limited by a scheme approved under Professional Standards Legislation

Total Financial Solutions



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Member Horwath International

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Directors' Declaration

The Directors of the Company declare that:

1. the financial statements and notes, as set out on pages 33 to 59, are in accordance with the Corporations Act 2001 and:
 - (a) comply with Accounting Standards and the Corporations Regulations 2001; and
 - (b) give a true and fair view of the financial position as at 31 December 2007 and of the performance for the year ended on that date of the Company and consolidated entity;
2. The Managing Director and Chief Financial Officer have each declared that:
 - (a) The financial records of the Company for the financial year have been properly maintained in accordance with section 286 of the Corporations Act 2001;
 - (b) The financial statements and notes for the financial year comply with the Accounting Standards; and
 - (c) The financial statements and notes for the financial year 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.

Dated at Brisbane on the 31st day of March 2008.

Signed in accordance with a resolution of the Directors.



CHAIRMAN

M Pyecroft
Chairman

31 March 2008



Corporate Governance Statement

This statement outlines the main Corporate Governance practices that were in place during the financial year.

BOARD OF DIRECTORS

The names of the Directors of the Company in office at the date of this statement, their experience and special duties, are set out in the Directors Report.

The Board of Directors of Icon Energy Limited is responsible for the overall corporate governance of the group and oversees the Company's business and management for the benefit of shareholders and sets out to achieve this objective by establishing:

- corporate governance and ethical standards;
- appointing and removing the chief executive officer and monitoring his performance;
- ratifying the appointment and, where appropriate, the removal of the Chief Financial Officer (or equivalent) and the Company Secretary;
- maximising shareholder value by setting objectives and goals;
- reviewing and ratifying systems of risk management and internal compliance and control, codes of conduct, and legal compliance;
- ensuring appropriate persons form the composition of the Board;
- approving and monitoring the progress of major capital expenditure, capital management and acquisitions and divestitures;
- approving and monitoring financial and other reporting;

BOARD COMPOSITION

The principles applied to the composition of the Board are:

The Board should comprise Directors who have a broad cross section of experience in the petroleum exploration/production industry both in Australia and overseas or should have financial and general management and/or business development experience. Their expertise should encompass the establishment of management strategy and monitoring achievement of these strategies.

Wherever possible, the Chairman of the Board should be a non-executive Director. The Chairman has the casting vote in all Board decisions. The Board has considered the issue of executive Directors and while it recognises the advantages of an executive Chairman, it sees no reason to depart from the current position of having an independent Chairman.

The Board should comprise a majority of non-executive Directors. Currently the Board comprises two non-executive Directors and two executive Directors. As the Chairman has the casting vote in all tied-board decisions the Board has not sought, at this stage, to increase the number of independent Directors. It is expected that as the Company's activities expand with the development of its coal seam gas interests, then the number of independent Directors may increase.

If a Board vacancy exists or where the Board considers that an additional Director is required, that appointment would be made from persons who possess the appropriate expertise and skills determined by the Board.

No Director, except the Managing Director, shall hold office for a period in excess of three years, or until the third annual general meeting following the Director's appointment, whichever is the longer, without submitting himself for re-election. At every annual general meeting one third of the Directors, or if their number is not a multiple of three, then the number nearest to but not exceeding one third retire from office and are eligible for re-election.

In accordance with the Constitution of the Company the Board should comprise of at least three Directors.



Corporate Governance Statement (continued)

INDEPENDENCE OF NON-EXECUTIVE DIRECTORS

The Board considers an independent Director to be a non-executive Director who meets the criteria for independence included in the Australian Stock Exchange Best Practice Recommendations. The Board considers Martin Pyecroft to be independent. Stephen Barry's position has also been considered by the Board. ASX governance guideline state that a Director is not independent if they have, with the last three years been employed by the Company or has within that period been a principal or material advisor to the Company. Mr. Barry fulfilled the role of Company Secretary for the period 23 December 2006 to 3 May 2007 following the death of the then secretary John Cummins. Mr. Barry was not paid for this role and his activities were restricted to addressing the statutory issues associated with the position of Company Secretary. The Board considers him not to have been "employed" during this period and that his independence is maintained. Mr. Barry has also acted for the Company in some general legal matters. For all major legal advice, such as remuneration and performance contracts, the Company engages specialist legal professionals. The Company has also engaged a "Director of Business Development" who, amongst other skills and abilities, is a qualified solicitor. He provides specialist advice on the Company's major contractual matters. Given these factors, the Board considers Mr. Stephen Barry to be an independent Director.

INDEPENDENT PROFESSIONAL ADVICE

The Directors are entitled to seek independent professional advice at the Company's expense if required in the performance of their duties.

The Directors are entitled to direct access to employees and Company advisers as they may require.

BOARD COMMITTEES

Two sub committees of the Board have been formed to consider and make recommendations to the Board in important areas of decision making. Further sub committees will be formed when the Board feels the need for them.

AUDIT AND RISK MANAGEMENT COMMITTEE

At the date of this report the Company had an audit and risk management committee consisting of the following directors:

Martin Pyecroft (Chairman)

Stephen Michael Barry (Non executive Director)

The committee's responsibilities are to:

- oversee the existence and maintenance of internal controls and accounting systems;
- oversee the financial reporting processes;
- nominate external auditors; and
- review the existing audit arrangements.

REMUNERATION COMMITTEE

This committee consists of the non-executive Chairman Mr. M. Pyecroft and non-executive Director Mr. S. M. Barry. The committee meets annually to review the remuneration level for the Managing Director and other senior employees of the Company. It also considers and recommends the appropriate level of Director's fees (subject to shareholder approval), and that each non-executive Director's appointment is consistent with the Company's Constitution and the Corporations Act 2001.



Corporate Governance Statement (continued)

The remuneration committee also reviews and recommends to the Board on the following:

- the Company's recruitment, retention and termination policies and procedures for senior management;
- staff and executive incentive schemes; and
- superannuation arrangements.

BOARD REMUNERATION

Remuneration and terms of employment for the Managing Director was formalised in a new service agreement.

Remuneration of non-executive Directors is currently not to exceed a maximum of \$250,000, which has been approved by shareholders.

Details of Directors' remuneration are contained in the Director's Report.

SUCCESSION COMMITTEE

The Board has considered the succession issues relevant to the management of the Company. While there is no immediate concern, the Board considers it prudent to formally constitute a successions committee in 2008.

NOMINATIONS COMMITTEE

The Board considers on a regular basis whether the existing Board comprises persons with the appropriate mix of skills, experience and other qualities and has therefore not formally constituted a nominations committee.

ETHICAL STANDARDS

The aim of the economic entity is to ensure that all Directors, managers and employees act in a manner of integrity and ethical standards so as to ensure a high standard of corporate governance to enhance the reputation and performance of the group.

TRADING IN THE COMPANY'S SECURITIES BY DIRECTORS AND EMPLOYEES

The Board has a formal policy regarding trading in the securities of the Company by Directors and employees. The provisions of the Corporations Act 2001 and the Listing Rules of the Australian Stock Exchange Limited require advice to the ASX of any transactions by the Directors in the securities of the Company.

IDENTIFICATION OF SIGNIFICANT BUSINESS RISK

The Board meets at least every three months and receives monthly comprehensive management and financial reports which enables it to identify emerging risk factors and allows the Board to monitor the management's response as to how it intends to deal with these risks.

DISCLOSURE

The Board has in place procedures to ensure that the obligations of Directors, officers and employees of the Company is to comply with the ASX listing rules to ensure the disclosure of such material that may have an effect on the price or value of the Company's securities.



Corporate Governance Statement (continued)

SHAREHOLDERS

The Board of Directors ensures that shareholders are fully informed as to any developments of the group which is communicated by:

- annual reports to shareholders;
- half-yearly accounts lodged with the ASX;
- quarterly reports.
- continuous disclosure to the Australian Stock Exchange;
- notices of shareholder meeting and explanatory notes;
- complete information on all documents are on the Company's web-site: www.iconenergy.com and;

Shareholders are encouraged to contact the Company's officers and participate in the Annual General Meeting by asking questions as to the performance of the Company.

PRINCIPLES OF CONDUCT

1. Ethical and responsible business practices.
2. Sustainable development considerations/principles integrated into Company decision making.
3. Foster economic growth and business development, generate government revenue, provide commercial returns to the industry and contribute to the wealth generated by Australia's natural resource base.
4. Health, safety, environmental and community risk management strategies that are based on sound science, transparency and effective communication.
5. Continuously seek opportunities to improve health, safety and environmental performance in addressing risks posed by our operations to employees, contractors, the public and the environment.
6. Contribute to the conservation of biodiversity and protection of the environment through responsible management of our operations and their impacts.
7. Foster economic and social development of the communities in which we operate.
8. Respect and protect human rights and dignity at our operations and deal fairly with employees and others.
9. Open and effective engagement and reporting with our communities.
10. The Directors and executives of the Company shall notify the Chairman before trading in the Company shares and shall not trade in the shares from the period when they are made aware of the Company's annual results and the Annual General Meeting of the Company or from the time when they are made aware of the Company's half-yearly results and the release of that information to the market. If, under exceptional circumstance, a Director or executive of the Company is required to trade during those "black-out" periods, then they should disclose to the market the reasons for that trading and the likely affect on the shareholders of the Company.

ASX PRINCIPLES OF CORPORATE GOVERNANCE COUNCIL GUIDELINES

The ASX Corporate Governance Council has recognised that its principles and recommendations do not contain a "one size fits all" solution and Icon is of the opinion that where appropriate the ASX principles and recommendations have been applied.



Income Statement

FOR THE YEAR ENDED 31 DECEMBER 2007

	NOTE	CONSOLIDATED ENTITY		PARENT ENTITY	
		2007	2006	2007	2006
		\$	\$	\$	\$
Revenue	2	386,897	188,149	-	-
Less: Cost of sales		(258,775)	(403,717)	-	-
Profit/ Loss		128,122	(215,568)	-	-
Other income	2	4,620,054	64,033	4,606,958	9,177
Administration expenses		(1,155,516)	(847,070)	(1,122,418)	(803,654)
Depreciation and amortisation		(22,965)	(40,759)	(22,965)	(38,368)
Employee benefits and expenses		(168,101)	(268,779)	(168,101)	(268,779)
Occupancy expenses		(93,239)	(89,682)	(93,239)	(89,682)
Impairment of exploration expenditure		(97,657)	(44,250)	(55,806)	(44,250)
Finance costs		(12,154)	(8,851)	(12,154)	(8,851)
Profit (Loss) before income tax	3	3,198,544	(1,450,926)	3,132,275	(1,244,407)
Income tax expense	4	-	-	-	-
Profit (Loss) for the year		3,198,544	(1,450,926)	3,132,275	(1,244,407)
Basic earnings per share (cents per share)	17	1.14	(0.55)	-	-
Diluted earnings per share (cents per share)	17	1.12	(0.55)	-	-

The accompanying notes form part of these financial statements.



Balance Sheet

FOR THE YEAR ENDED 31 DECEMBER 2007

	NOTE	CONSOLIDATED ENTITY		PARENT ENTITY	
		2007	2006	2007	2006
		\$	\$	\$	\$
CURRENT ASSETS					
Cash and cash equivalents	6	1,462,259	115,100	1,276,099	63,455
Trade and other receivables	7	685,370	-	11,019,798	7,692,197
Other current assets	8	30,223	30,884	18,072	18,457
TOTAL CURRENT ASSETS		2,177,852	145,984	12,313,969	7,774,109
NON-CURRENT ASSETS					
Property, plant, and equipment	9	218,092	83,193	218,092	78,936
Financial assets	10	-	-	-	-
Other non-current assets	11	8,188,848	5,938,512	2,488,524	2,486,487
TOTAL NON-CURRENT ASSETS		8,406,940	6,021,705	2,706,616	2,565,423
TOTAL ASSETS		10,584,792	6,167,689	15,020,585	10,339,532
CURRENT LIABILITIES					
Trade and other payables	12	1,057,367	317,028	806,230	47,297
Short-term borrowings	13	32,619	10,280	32,619	10,280
Short-term provisions	14	153,619	166,126	153,619	166,126
TOTAL CURRENT LIABILITIES		1,243,605	493,434	992,468	223,703
NON-CURRENT LIABILITIES					
Long-term borrowings	13	168,490	55,477	168,490	55,477
Long-term provisions	14	81,284	73,284	81,284	73,284
TOTAL NON-CURRENT LIABILITIES		249,774	128,761	249,774	128,76
TOTAL LIABILITIES		1,493,379	622,195	1,242,242	352,464
NET ASSETS		9,091,413	5,545,494	13,778,343	9,987,068
EQUITY					
Issued capital	15	26,351,737	25,692,737	26,351,737	25,692,737
Reserves	16	(2,841,528)	(2,529,903)	-	-
Accumulated losses		(14,418,796)	(17,617,340)	(12,573,394)	(15,705,669)
TOTAL EQUITY		9,091,413	5,545,494	13,778,343	9,987,068

The accompanying notes form part of these financial statements.



Statement of Changes in Equity

FOR THE YEAR ENDED 31 DECEMBER 2007

	ORDINARY SHARE CAPITAL \$	FOREIGN EXCHANGE RESERVE \$	ACCUMULATED LOSSES \$	TOTAL \$
CONSOLIDATED ENTITY				
Balance at 1 January 2006	24,262,537	(2,271,058)	(16,166,414)	5,825,065
Shares issued	1,430,200	-	-	1,430,200
Profit/(Loss) for the year	-	-	(1,450,926)	(1,450,926)
Restatement of functional currency	-	(258,845)	-	(258,845)
Balance at 31 December 2006	25,692,737	(2,529,903)	(17,617,340)	5,545,494
Shares issued	659,000	-	-	659,000
Profit/(Loss) for the year	-	-	3,198,544	3,198,544
Restatement of functional currency	-	(311,625)	-	(311,625)
Balance at 31 December 2007	26,351,737	(2,841,528)	(14,418,796)	9,091,413
PARENT ENTITY				
Balance at 1 January 2006	24,262,537	-	(14,461,262)	9,801,275
Shares issued	1,430,200	-	-	1,430,200
Profit/(Loss) for the year	-	-	(1,244,407)	(1,244,407)
Balance at 31 December 2006	25,692,737	-	(15,705,669)	9,987,068
Shares issued	659,000	-	-	659,000
Profit/(Loss) for the year	-	-	3,132,275	3,132,275
Balance at 31 December 2007	26,351,737	-	(12,573,394)	13,778,343

The accompanying notes form part of these financial statements.



Cash Flow Statement

FOR THE YEAR ENDED 31 DECEMBER 2007

	NOTE	CONSOLIDATED ENTITY		PARENT ENTITY	
		2007	2006	2007	2006
		\$	\$	\$	\$
		Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash receipts from customers		11,011	243,569	-	7,031
Cash payments to suppliers and employees		(1,608,493)	(1,321,057)	(1,467,237)	(1,090,532)
Interest received		110,243	15,643	107,758	9,177
Finance costs		(12,154)	(8,851)	(12,154)	(8,851)
Net Cash used in operating activities	18a	(1,499,393)	(1,070,696)	(1,371,633)	(1,083,175)
CASH FLOWS FROM INVESTMENT ACTIVITIES					
Payments for property, plant & equipment		(168,473)	(5,679)	(168,473)	(5,679)
Payments for deferred mining and exploration		(1,835,558)	(63,688)	(58,643)	(63,688)
Proceeds from sale of non-current assets		6,231	-	6,000	-
Proceeds from sale of mining leases		4,050,000	-	4,050,000	-
Loans advanced to related parties		-	-	(2,038,959)	-
Net Cash provided by/(used in) investment activities		2,052,200	(69,367)	1,789,925	(69,367)
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from issue of share capital		659,000	1,175,230	659,000	1,175,230
Proceeds from borrowings		141,548	50,000	141,548	50,000
Repayment of borrowings		(6,196)	(119,904)	(6,196)	(131,063)
Net cash from finance activities		794,352	1,105,326	794,352	1,094,167
Net increase (decrease) in cash and cash equivalents		1,347,159	(34,737)	1,212,644	(58,375)
Cash and cash equivalents at beginning of the financial year		115,100	149,837	63,455	121,830
Cash and cash equivalents at the end of the financial year	6	1,462,259	115,100	1,276,099	63,455

The accompanying notes form part of these financial statements.



Notes to the Financial Statements for the year ended 31 December 2007

NOTE 1 – STATEMENT OF ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

The financial report covers Icon Energy Limited as an individual parent entity and Icon Energy Limited and controlled entities as an consolidated entity. Icon Energy Limited is a listed public company, incorporated and domiciled in Australia.

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets and financial assets and financial liabilities for which the fair value bases of accounting is applied.

The financial report of Icon Energy Limited and its controlled entities and Icon Energy Limited as an individual parent entity comply with all Australian equivalents to International Financial Reporting Standards (IFRS) in their entirety, which ensures that the financial report complies with International Financial Reporting Standards.

The financial report was authorised for issue by the Board of Directors on 31 March 2008.

The following is a summary of the material accounting policies adopted by the consolidated entity in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

(a) Principles of Consolidation

A controlled entity is any entity controlled by Icon Energy Limited. Control exists where Icon Energy Limited has the capacity to dominate the decision-making in relation to the financial and operating policies of another entity so that the other entity operates with Icon Energy Limited to achieve the objectives of Icon Energy Limited. A list of controlled entities is contained in Note 21 to the accounts. All controlled entities have a December 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.

(b) Income Tax

The charge for current income tax expense is based on the profit/(loss) for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the balance sheet date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. 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 is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised. Future income tax benefits in relation to tax losses are not brought to account unless there is virtual certainty of realisation of the benefit.



Notes to the Financial Statements for the year ended 31 December 2007

NOTE 1 – STATEMENT OF ACCOUNTING POLICIES (continued)

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the consolidated entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

(c) **Property, Plant, and Equipment**

Property, plant and equipment are brought to account at cost or at independent or Directors' valuation, less, where applicable, any accumulated depreciation or amortisation. 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 assets employment and subsequent disposal.

The depreciable amount of all fixed assets including capitalised lease assets, but excluding freehold land, are 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%

The gain or loss on disposal of all fixed assets, including re-valued assets, 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 of the consolidated entity in the year of disposal. Any realised revaluation increment relating to the disposed asset, which is included in the asset revaluation reserve, is transferred to retained earnings at the time of disposal.

(d) **Leases**

Leases of plant and equipment, under which the Company or its controlled entities assume substantially all the risks and benefits of ownership, but not the legal ownership, are classified as finance leases. Other leases are classified as operating leases.

Finance leases are capitalised. A lease asset and a lease liability equal to the present value of the minimum lease payments are recorded at the inception of the lease. Contingent rentals are written off as an expense of the accounting period in which they are incurred. Capitalised lease assets are amortised on a straight line basis over the term of the relevant lease, or where it is likely the consolidated entity will obtain ownership of the asset, or the life of the asset. Lease liabilities are reduced by repayments of principal. The interest components of the lease payments are charged to the profit and loss account.

Lease payments for operating leases, where substantially all risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

(e) **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 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 reasonable assessment of the existence of economically recoverable reserves.



Notes to the Financial Statements for the year ended 31 December 2007

NOTE 1 – STATEMENT OF ACCOUNTING POLICIES (continued)

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

When commercial production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves. Any costs of site restoration are provided for during the relevant production stages and included in the costs of that stage.

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.

Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of that stage. 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. Such costs have been determined using estimates of future costs, current legal requirements and technology.

Any changes in the estimates for the costs are accounted on a prospective basis. 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.

(f) Investments

Investments are brought to account at cost or at Director's valuation. The carrying amount of investments is reviewed annually by Directors to ensure it is not in excess of the recoverable amount of these investments.

Dividends are brought to account in the profit and loss account when received.

(g) Interests in Joint Ventures

The consolidated entity's share of the assets, liabilities, revenue and expenses of joint venture operations are included in the respective items of the consolidated Balance Sheet and Income Statement.

(h) Trade Creditors

A liability is recorded for the goods and services received prior to balance date, whether invoiced to the company or not. Trade creditors are normally settled within 30 days.

(i) Cash Flow Statement

For the purpose of the Cash Flow Statement, cash includes amounts in banks and investments in money market instruments, net of outstanding bank overdrafts.

(j) Provision for Dividend

A provision is made for dividends payable when dividends are declared by the Company.

(k) Employee Benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

(l) Net Fair Value

The net fair value of financial assets and liabilities approximates their carrying value.

(m) Revenue

Revenue from sale of goods is recognised upon the delivery of goods to customers. Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.



Notes to the Financial Statements for the year ended 31 December 2007

NOTE 1 – STATEMENT OF ACCOUNTING POLICIES (continued)

Revenue from rendering of a service is recognised upon the delivery of the service to the customers. Royalty revenue is recognised as received.

All revenue is stated net of the amount of goods and services tax (GST).

(n) Segment Reporting

A segment is a distinguishable component of the consolidated entity that is engaged either in providing products or services (business segment), or in providing products and services within a particular economic environment (geographical segment), which is subject to the risks and rewards that are different from those in other segments.

(o) Comparative Figures

Where required by Accounting Standards, comparative figures have been adjusted to conform with changes in presentation for the current financial year.

(p) Financial Instruments

Recognition

Financial instruments are initially measured at cost on trade 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 at fair value through profit and loss

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management and within the requirements of AASB 139: Recognition and Measurement of Financial Instruments. Derivatives are also categorised as held for trading unless they are designated as hedges. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the income statement in the period in which they arise.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Held-to-maturity investments

These investments have fixed maturities, and it is the group's intention to hold these investments to maturity. Any held-to-maturity investments held by the group are stated at amortised cost using the effective interest rate method.

Available-for-sale financial assets

Available-for-sale financial assets include any financial assets not included in the above categories. Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to equity.

Financial liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

At each reporting date, the consolidated entity assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the income statement.



Notes to the Financial Statements for the year ended 31 December 2007

NOTE 1 – STATEMENT OF ACCOUNTING POLICIES (continued)

(q) Impairment of Assets

At each reporting date, the consolidated entity reviews the carrying values of its tangible and intangible assets 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 to the income statement.

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.

(r) 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. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the income statement, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity, otherwise the exchange difference is recognised in the income statement.

Group companies

The financial results and position of foreign operations whose functional currency is different from the group's presentation currency are translated as follows:

- assets and liabilities are translated at year-end exchange rates prevailing at that reporting date;
- income and expenses are translated at average exchange rates for the period; and
- retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations are transferred directly to the group's foreign currency translation reserve in the balance sheet. These differences are recognised in the income statement in the period in which the operation is disposed.

(s) Critical accounting estimates and judgments

The Directors evaluate estimates and judgments incorporated into the financial report 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.

Key estimates – Impairment

The consolidated entity assesses impairment at each reporting date by evaluating conditions specific to the entity that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined.



Notes to the Financial Statements for the year ended 31 December 2007

CONSOLIDATED ENTITY		PARENT ENTITY	
2007	2006	2007	2006
\$	\$	\$	\$

NOTE 2 – REVENUE

REVENUE

Sales - Oil	386,897	188,149	-	-
	386,897	188,149	-	-

OTHER INCOME

Interest received				
- Other corporations	110,243	15,643	107,758	9,177
Royalties received	10,611	11,120	-	-
Gain on disposal of mining leases	4,499,200	-	4,499,200	-
Sundry income	-	37,270	-	-
	4,620,054	64,033	4,606,958	9,177
TOTAL REVENUE	5,006,951	252,182	4,606,958	9,177

NOTE 3 – PROFIT/(LOSS) BEFORE INCOME TAX

Profit/(Loss) before income tax has been determined after:

OTHER EXPENSES

Remuneration of parent entity auditors				
- Audit or review of financial report	43,150	24,925	43,150	24,925
- Taxation services	20,826	10,118	10,638	10,118
	63,976	35,043	53,788	35,043

Amounts set aside to provision for:

- Employee entitlements	31,000	79,607	31,000	79,607
Rental expense relating to operating leases				
- Minimum lease payments	93,239	89,682	93,239	89,682
Loss on disposal of non-current assets	4,378	-	352	-
Foreign exchange losses	17,985	-	17,985	-



Notes to the Financial Statements for the year ended 31 December 2007

CONSOLIDATED ENTITY		PARENT ENTITY	
2007	2006	2007	2006
\$	\$	\$	\$

NOTE 4 – INCOME TAX

The prima facie tax payable on Profit/(Loss) before income tax is reconciled to the income tax expense as follows:

Prima facie tax payable on Profit/(Loss) before income tax at 30% (2006: 30%)	959,563	(435,278)	939,683	(373,322)
Increase/(decrease) in income tax expense due to:				
Non Deductible Expenses	18,312	12,728	18,312	26,003
Deductible mining and exploration expenditure	(803,586)		(17,255)	-
Effect of differences in foreign tax rates	(16,216)	-	-	-
Deferred tax benefits not brought to account/ (Recoupment of prior year tax losses not previously brought into account)	(158,073)	422,550	(940,740)	347,319
Income Tax Attributable to Profit/(loss) before tax	-	-	-	-

Deferred Tax Assets not brought to account, the benefits of which will only be realised if the conditions for deductibility of tax losses set out in Note 1 occur based on corporate tax rate of 30% (2006: 30%) for Australian companies and the effective tax rate of 6.47% for foreign controlled entities:

Tax losses	20,795,910	21,355,156	15,242,645	18,356,936
Potential tax benefit	5,790,353	5,957,161	4,572,793	5,507,081
Temporary differences				
Provisions	234,903	256,410	234,903	256,410
Potential tax benefit	70,471	76,923	70,471	76,923
Total deferred tax benefits not brought to account	5,860,824	6,034,084	4,643,264	5,584,004



Notes to the Financial Statements for the year ended 31 December 2007

NOTE 5 – KEY MANAGEMENT PERSONNEL REMUNERATION

(a) Names and positions held of parent entity key management personnel in office at any time during the financial year are:

Directors

M Pyecroft Chairman
 SM Barry Non-executive Director
 Ray McNamara Executive Director/Company Secretary
 RS James Managing Director

(b) Options

Number of Options Held by Key Management Personnel are as follows:

2007	Balance 1.01.2007	Purchases	Options Exercised	Net Change Other	Balance 31.12.2007
Directors:					
M Pyecroft	-	-	-	-	-
SM Barry	-	-	-	-	-
RS James	-	-	-	-	-
Ray McNamara	-	-	-	-	-
Total	-	-	-	-	-
<hr/>					
2006	Balance 1.01.2006	Purchases	Options Exercised	Net Change Other	Balance 31.12.2006
Directors:					
M Pyecroft	-	-	-	-	-
SM Barry	-	-	-	-	-
RS James	3,900,000	-	3,900,000	-	-
Executives:					
JB Cummins	400,000	-	400,000	-	-
Total	4,300,000	-	4,300,000	-	-

(c) Shareholdings

Number of shares held by Key Management Personnel

2007	Balance 1.01.2007	Purchases	Options Exercised	Sold	Balance 31.12.2007
Directors:					
M Pyecroft	1,600,000	400,000	-	-	2,000,000
SM Barry	1,567,566	-	-	-	1,567,566
RS James	23,775,235	-	-	-	23,775,235
Ray McNamara	-	50,000	-	-	50,000
Total	26,942,801	450,000	-	-	27,392,801
<hr/>					
2006	Balance 1.01.2006	Purchases	Options Exercised	Sold	Balance 31.12.2006
Directors:					
M Pyecroft	1,600,000	-	-	-	1,600,000
SM Barry	1,912,566	-	-	(345,000)	1,567,566
RS James	19,875,235	-	3,900,000	-	23,775,235
Executives:					
J Cummins	-	-	400,000	-	400,000
Total	23,387,801	-	4,300,000	(345,000)	27,342,801



Notes to the Financial Statements for the year ended 31 December 2007

NOTE 5 – KEY MANAGEMENT PERSONNEL REMUNERATION (continued)

CONSOLIDATED ENTITY		PARENT ENTITY	
2007	2006	2007	2006
\$	\$	\$	\$

(d) Transactions with Directors and Director Related Entities

Legal fees paid in the ordinary course of business to CKB Partners, a firm with which Mr. S Barry is associated.

24,070	26,040	24,070	26,040
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All services provided by the Director-related entities were at normal commercial terms and conditions.

NOTE 6 – CASH AND CASH EQUIVALENTS

Cash on hand	657	757	450	550
Cash at Bank	1,461,602	114,343	1,275,649	62,905
	1,462,259	115,100	1,276,099	63,455

Reconciliation of cash

Cash at the end of the financial year as shown in the cash flow statement is reconciled to items in the balance sheet as follows:

Cash and cash equivalents	1,462,259	115,100	1,276,099	63,455
Bank overdraft	-	-	-	-
Balance as per Cash Flow Statement	1,462,259	115,100	1,276,099	63,455

NOTE 7 – TRADE AND OTHER RECEIVABLES

Trade receivables	450,000	-	450,000	-
Other receivables	235,370	-	136,324	-
Amounts receivable from wholly owned subsidiaries:				
- Jakabar Pty Ltd	-	-	5,460	5,860
- Icon Drilling Pty Ltd	-	-	2,729,637	-
- Icon Oil US (LLC)	-	-	7,698,377	7,686,337
	685,370	-	11,019,798	7,692,197

The loans to controlled entities are unsecured, interest free and payable on demand.

NOTE 8 – OTHER CURRENT ASSETS

Performance guarantee bonds	30,223	30,499	18,072	18,072
Other current assets	-	385	-	385
	30,223	30,884	18,072	18,457



Notes to the Financial Statements for the year ended 31 December 2007

CONSOLIDATED ENTITY		PARENT ENTITY	
2007	2006	2007	2006
\$	\$	\$	\$

NOTE 9 – PROPERTY, PLANT AND EQUIPMENT

Plant and Equipment - at cost	555,326	440,877	555,326	420,767
less: accumulated depreciation	(337,234)	(357,684)	(337,234)	(341,831)
	218,092	83,193	218,092	78,936
Plant and Equipment - under lease	154,571	154,571	154,571	154,571
less: accumulated amortisation	(154,571)	(154,571)	(154,571)	(154,571)
	-	-	-	-
Total property, plant and equipment at written down value	218,092	83,193	218,092	78,936

Movements in carrying amounts

Movements in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Plant & Equipment at cost	Plant & Equipment under lease	Total
Consolidated Entity			
Balance at the beginning of the year	83,193	-	83,193
Additions	168,473	-	168,473
Disposals	(10,609)	-	(10,609)
Depreciation	(22,965)	-	(22,965)
Balance at the end of the year	218,092	-	218,092

A charge exists over three items of plant and equipment as part of a hire purchase finance arrangement.

The book value of these assets was \$180,152 as at 31 December 2007 (2006: \$49,775)

Parent Entity

Balance at the beginning of the year	78,936	-	78,936
Additions	168,473	-	168,473
Disposals	(6,352)	-	(6,352)
Depreciation	(22,965)	-	(22,965)
Balance at the end of the year	218,092	-	218,092

A charge exists over three items of plant and equipment as part of a hire purchase finance arrangement.

The book value of these assets was \$180,152 as at 31 December 2007 (2006: \$49,775)



Notes to the Financial Statements for the year ended 31 December 2007

CONSOLIDATED ENTITY		PARENT ENTITY	
2007	2006	2007	2006
\$	\$	\$	\$

NOTE 10 – OTHER FINANCIAL ASSETS

Shares in Unlisted Companies - at cost	-	-	976,426	976,426
Provision for diminution in value	-	-	(976,426)	(976,426)
	-	-	-	-

NOTE 11 – OTHER NON-CURRENT ASSETS

Exploration and Evaluation Expenditure at cost	8,188,848	5,938,512	2,488,524	2,486,487
	8,188,848	5,938,512	2,488,524	2,486,487

In assessing the recoverability of exploration and evaluation expenditure in the financial report, the Directors have considered the impacts of relationships with joint venture operators, future funding arrangements and planned future expenditure in relation to mining leases held

NOTE 12 – TRADE AND OTHER PAYABLES

Current

Trade and sundry payables	1,057,367	317,028	806,230	47,297
	1,057,367	317,028	806,230	47,297

NOTE 13 – BORROWINGS

Secured

Current

	32,619	10,280	32,619	10,280
	32,619	10,280	32,619	10,280

Non Current

Hire purchase liability	168,490	55,477	168,490	55,477
	168,490	55,477	168,490	55,477
	201,109	65,757	201,109	65,757

The Hire purchase liabilities are secured by motor vehicles with a book value of \$180,152 as at 31 December, 2007, are subject to interest rates between 7.95% and 8.35% and repayable in monthly instalments of \$4,057.23, including finance charge



Notes to the Financial Statements for the year ended 31 December 2007

CONSOLIDATED ENTITY		PARENT ENTITY	
2007	2006	2007	2006
\$	\$	\$	\$

NOTE 14 – PROVISIONS

Current

Employee entitlements	153,619	166,126	153,619	166,126
	153,619	166,126	153,619	166,126

Non Current

Employee entitlements	81,284	73,284	81,284	73,284
	81,284	73,284	81,284	73,284
	234,903	239,410	234,903	239,410

Number of employees at year end	3	2	3	2
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NOTE 15 – ISSUED CAPITAL

Share Capital

Issued share capital 282,496,906 (31 December 2006: 269,846,906) fully paid, no par value ordinary shares

	31 December 2007		31 December 2006	
	Number of shares	\$	Number of shares	\$
Fully Paid Shares				
Balance at beginning of the year	269,846,906	25,692,737	249,046,906	24,262,537
Shares issued:				
- January 2006 - Options exercised	-	-	4,300,000	364,200
- January 2007 - Shares issued for cash	10,000,000	500,000	-	-
- April 2007 - Shares issued for cash	2,650,000	159,000	-	-
- May 2006 - Shares issued for cash	-	-	6,500,000	390,000
- July 2006 - Shares issued for cash	-	-	10,000,000	676,000
Balance at the end of the year	282,496,906	26,351,737	269,846,906	25,692,737

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings. 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.

	Number of options 31 December 2007	Number of options 31 December 2006
Options		
Balance at beginning of the year	20,000,000	4,330,000
Options lapsed during the year	-	(30,000)
Options exercised during the year	-	(4,300,000)
Options issued during the year	-	20,000,000
Balance at the end of the year	20,000,000	20,000,000

Terms and conditions for the options are as follows:

Exercise date	Expiry date	Exercise price
31 December 2006	31 December 2008	20% below market average for 5 days prior to exercising



Notes to the Financial Statements for the year ended 31 December 2007

NOTE 16 – FOREIGN CURRENCY TRANSLATION RESERVE

The foreign currency translation reserve records exchange differences arising on translation of a foreign controlled subsidiary.

NOTE 17 – EARNINGS PER SHARE

	CONSOLIDATED ENTITY	
	2007	2006
	\$	\$
(a) Reconciliation of Earnings to Net Profit or Loss		
Net Profit/(Loss)	3,198,544	(1,450,926)
Earnings used in the calculation of basis EPS	3,198,544	(1,450,926)
Notional interest on proceeds on converting options	-	-
Earnings used in the calculation of dilutive EPS	3,198,544	(1,450,926)
(b) Weighted average number of ordinary shares outstanding during the year used in the calculation of basic EPS.	281,435,536	261,919,235
Weighted average number of options outstanding	5,333,333	3,901,370
Weighted average number of ordinary shares outstanding during the year used in the calculation of dilutive EPS.	286,768,869	265,820,605

	CONSOLIDATED ENTITY	
	2007	2006
	No	No
(c) Classification of Securities		
The following securities have been classified as potential ordinary shares and are included in determination of dilutive EPS:		
Listed options	20,000,000	20,000,000
(d) Weighted average number of converted and lapsed options included	-	155,151



Notes to the Financial Statements for the year ended 31 December 2007

CONSOLIDATED ENTITY		PARENT ENTITY	
2007	2006	2007	2006
\$	\$	\$	\$

NOTE 18 – CASH FLOW INFORMATION

(a) Reconciliation of net cash from operating activities to Profit/(loss) after income tax

Profit/(loss) after income tax	3,198,544	(1,450,926)	3,132,275	(1,244,407)
Adjustment for non cash items				
Depreciation	22,965	40,759	22,965	38,368
Exploration expenditure written off	97,657	44,250	55,806	44,250
Currency Movements	19,327	11,541	-	-
Profit on sale of assets	(4,494,822)	-	(4,498,848)	-
Adjustment for changes in assets and liabilities				
(Increase)/decrease in:				
Trade debtors	(234,985)	7,031	(20,360)	7,031
Other assets	661	(7,990)	385	(8,227)
Increase/(decrease) in:				
Accounts payable	(104,233)	214,846	(59,349)	10,017
Employee provisions	(4,507)	69,793	(4,507)	69,793
Net cash from operating activities	(1,499,393)	(1,070,696)	(1,371,633)	(1,083,175)

(b) Non-cash financing activities

Directors loan applied against the exercise of options	-	239,520	-	239,520
Executive's Annual leave applied against the exercise of options	-	15,450	-	15,450

NOTE 19 – CAPITAL AND LEASING COMMITMENTS

Finance Lease Commitments

Finance lease commitments payable:

- not later than one year	48,687	15,038	48,687	15,038
- later than one year but not later than five years	182,223	63,010	182,223	63,010
Minimum lease payments	230,910	78,048	230,910	78,048
Less: future finance charges				
- not later than one year	(16,068)	(3,978)	(16,068)	(3,978)
- later than one year but not later than five years	(13,733)	(8,313)	(13,733)	(8,313)
Total Finance Lease Liability	201,109	65,757	201,109	65,757



Notes to the Financial Statements for the year ended 31 December 2007

NOTE 19 – CAPITAL AND LEASING COMMITMENTS (continued)

	CONSOLIDATED ENTITY		PARENT ENTITY	
	2007	2006	2007	2006
	\$	\$	\$	\$
Present value of minimum lease payments				
- not more than one year	32,619	10,280	32,619	10,280
- later than one year	168,490	55,477	168,490	55,477
	201,109	65,757	201,109	65,757
Current liabilities (Note 13)	32,619	10,280	32,619	10,280
Non-current liabilities (Note 13)	168,490	55,477	168,490	55,477
	201,109	65,757	201,109	65,757

The Hire purchase liabilities are secured by motor vehicles with a book value of \$180,152 as at 31 December, 2007, are subject to interest rates between 7.95% and 8.35% and repayable in monthly instalments of \$4,057.23, including finance charges.

Operating Lease Commitments

Non-cancellable operating leases contracted for but not capitalised in the financial statements

- not later than one year	94,550	93,239	94,550	93,239
- later than one year but not later than five years	427,898	-	427,898	-
	522,448	93,239	522,448	93,239

The property lease is a non-cancellable lease with a five year term, payable monthly in advance. Contingent rental provisions require that minimum lease repayments be increased by 5% per annum. There is no option to renew.

NOTE 20 – JOINT VENTURES

The following is a list of active mining tenements held by Icon Energy and its subsidiaries.

Oil and Gas	Basin	Interest % 2007	Interest % 2006
ATP 549P	Cooper Eromanga	33.33%	33.33%
ATP 594P	Cooper Eromanga	50.00%	50.00%
ATP 794 P	Eromanga Regleigh & Springfield Areas	60.00%	60.00%
ATP 794 P	Eromanga Brightspot area	75.00%	75.00%
ATP 626P	Surat	100.00%	50.00%
ATP765	Cooper Eromanga	-	27.75%
ATP766	Cooper Eromanga	0.00%	27.75%
ATP 849P	Surat	80.00%	80.00%
ATP 855P	Cooper Eromanga	80.00%	80.00%
PEL 218	Cooper Eromanga	33.30%	-
ATP 560	Cooper Eromanga	50.50%	50.50%
Lease interests held in Bayou Choctaw area Louisiana USA			
Victory Financial (North)Louisiana	38.50%	38.50%	
Victory Financial (South)Louisiana	19.00%	19.00%	
Wilbert's	Louisiana	13.20%	13.20%
Zig Zag	Louisiana	-	13.20%



Notes to the Financial Statements for the year ended 31 December 2007

NOTE 20 – JOINT VENTURES (continued)

The consolidated entity's interest in assets employed in the above joint ventures are included in the balance sheet under the following classifications:

	CONSOLIDATED ENTITY		PARENT ENTITY	
	2007	2006	2007	2006
	\$	\$	\$	\$
NON CURRENT ASSETS				
Exploration and evaluation expenditure at cost	4,396,833	4,760,025	1,317,612	1,308,000
Total Non Current Assets	4,396,833	4,760,025	1,317,612	1,308,000
Share of total assets in joint venture	4,396,833	4,760,025	1,317,612	1,308,000

NOTE 21 – CONTROLLED ENTITIES

	Country of Incorporation	% Owned 2007	% Owned 2006
Parent entity:			
Icon Energy Limited	Australia		
Subsidiaries of Icon Energy Limited:			
Jakabar Pty Ltd	Australia	100	100
Icon Drilling Pty Ltd	Australia	100	100
Icon Oil US (LLC)	USA	100	100

NOTE 22 – SEGMENT INFORMATION

The consolidated entity operates in the oil exploration and petroleum sector, predominantly within Queensland. The majority of its exploration activities are conducted in the Cooper/Eromanga and Surat Basins in Australia and the Bayou Choctaw area in Louisiana USA. Information by geographical segments are as follows:

In presenting the information on the basis of geographical segments, the Australian geographical segments include all corporate head office expenses on the basis that all resources within the corporate head office are applied to these exploration activities.



Notes to the Financial Statements for the year ended 31 December 2007

NOTE 22 – SEGMENT INFORMATION (continued)

	Australia		USA		Consolidated Entity	
	2007	2006	2007	2006	2007	2006
Primary Reporting-Geographical Segments						
REVENUE						
External Sales	-	-	386,497	188,149	386,497	188,149
External - other	4,499,600	-	-	-	4,499,600	-
Royalty sales	-	-	10,611	11,121	10,611	11,121
Total segment revenues	4,499,600	-	397,108	199,270	4,896,708	199,270
Unallocated revenue					110,243	52,912
Total revenue					5,006,951	252,182
RESULT						
Segment Results	3,146,923	(1,229,014)	63,775	(213,061)	3,210,698	(1,442,075)
Finance costs					(12,154)	(8,851)
Loss before income tax					3,198,544	(1,450,926)
Income tax					-	-
Loss after income tax					3,198,544	(1,450,926)
ASSETS						
Segment Assets	7,476,825	2,678,259	3,107,967	3,489,430	10,584,792	6,167,689
Segment Liabilities	1,384,111	367,274	109,268	254,921	1,493,379	622,195
OTHER						
Acquisition of non-current segment assets	2,847,093	63,688	-	-	2,847,093	63,688
Depreciation and amortisation of segment assets	22,965	38,368	-	2,391	22,965	40,759



Notes to the Financial Statements for the year ended 31 December 2007

NOTE 23 – FINANCIAL INSTRUMENTS

The parent and consolidated entity's financial instruments consist mainly of deposits with banks, short-term investments, accounts receivable and payable, loans to and from subsidiaries and finance lease liabilities.

The main purpose of non-derivative financial instruments is to raise finance for the parent and consolidated entity operations.

The parent and consolidated entity do not have any derivative instruments at 31 December 2007.

Significant accounting policies

Details of significant accounting policies and methods adopted, including the criteria for recognition, the basis for measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 1 to the financial statements.

Capital risk management

The parent and consolidated entity manages its capital to ensure that the entity will be able to continue as a going concern through the optimisation of the debt and equity balance.

The capital structure of the parent and consolidated entity consists of cash and cash equivalents, finance lease liabilities and equity comprising issued capital, reserves and retained earnings as disclosed in notes 15 and 16 respectively.

The Board of Directors review 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 parent and consolidated entity's overall strategy remains unchanged from 2006.

Financial Risk Management

The main risks the parent and consolidated entity are exposed to through its financial assets and liabilities are interest rate risk, liquidity risk and credit risk. The parent and 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 parent and consolidated entity, by way of various measures detailed below.

The Board of Directors analyse currency and interest rate exposure on an annual basis.

Risk management is carried out by the Board of Directors, the audit and risk management committee, and key management personnel.

(a) Market Risk

Interest rate risk

The parent and consolidated entity are not exposed to interest rate risk. The Company does not use long-term debt to finance its exploratory activities. Long-term fixed interest debt is used to finance vehicles only. The Company has a policy that when production operations commence in Australia, the interest rate risk will be managed with a mixture of fixed and floating rate debt.

Cash flow sensitivity analysis for variable rate instruments

The sensitivity analyses have been determined based on the exposure of the parent and consolidated entity to interest rates for non-derivative financial instruments at the reporting date at the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period. A 0.5% increase or decrease is used when reporting interest rates internally to the Board of Directors and represents management's assessment of the possible change in interest rates.



Notes to the Financial Statements for the year ended 31 December 2007

NOTE 23 – FINANCIAL RISK MANAGEMENT (continued)

At 31 December 2007, 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 \$4,531 higher / \$2,351 lower, mainly as a result of the consolidated entity's exposure to interest rates on its variable rate cash and cash equivalents.

There has been no change to the consolidated entity's exposure to interest rate risk or the manner in which it manages and measures the risk.

At 31 December 2007, 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 parent entity would have been \$4,531 higher / \$2,351 lower, mainly as a result of the lower/higher interest income earned on cash and cash equivalents.

There has been no change to the parent entity's exposure to interest rate risk or the manner in which it manages and measures the risk.

The following table summarises the sensitivity of the consolidated entity's financial assets and financial liabilities to interest rate risk.

Consolidated Entity 2007	Carrying amount 31/12/07 \$	Carrying amount 31/12/06 \$	-0.5% Profit \$	+0.5% Equity \$	-0.5% Profit \$	+0.5% Equity \$
<i>Financial assets</i>						
Cash and cash equivalents	1,462,259	115,100	(2,351)	(2,351)	4,531	4,531
Trade receivables	450,000	-	-	-	-	-
Other receivables	235,370	-	-	-	-	-
<i>Financial liabilities</i>						
Accounts payable	1,057,367	317,028	-	-	-	-
Borrowings	201,108	65,757	-	-	-	-
Total increase / (decrease)			(2,351)	(2,351)	4,531	4,531

The following table summarises the sensitivity of the parent entity's financial assets and financial liabilities to interest rate risk.

Parent Entity 2007	Carrying amount 31/12/07 \$	Carrying amount 31/12/06 \$	-0.5% Profit \$	+0.5% Equity \$	-0.5% Profit \$	+0.5% Equity \$
<i>Financial assets</i>						
Cash and cash equivalents	1,276,099	63,455	(2,351)	(2,351)	4,531	4,531
Trade receivables	450,000	-	-	-	-	-
Other receivables	136,324	-	-	-	-	-
<i>Financial liabilities</i>						
Accounts payable	806,230	47,297	-	-	-	-
Borrowings	201,108	65,757	-	-	-	-
Total increase / (decrease)			(2,351)	(2,351)	4,531	4,531



Notes to the Financial Statements for the year ended 31 December 2007

NOTE 23 – FINANCIAL RISK MANAGEMENT (continued)

Price risk

The parent and consolidated entity are not exposed to any material commodity price risk.

Foreign currency risk

The parent and consolidated entity do not have any exposures to foreign currencies at the reporting date.

(b) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the parent or consolidated entity. 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 parent and consolidated entity's significant receivable matured in November 2007 and was settled in February 2008 with interest as per the contract.

The parent and consolidated entity do not have any other significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represents the parent and consolidated entity's maximum exposure to credit risk without taking account of the value of any collateral obtained.

(c) Liquidity risk

Ultimate responsibility for liquidity risk rests with the Board of Directors, who have an appropriate liquidity risk management framework for the management of the parent and consolidated entity's short, medium and long-term funding and liquidity requirements.

The parent and consolidated entity manage 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 approved Authority for Expenditure. The parent and consolidated entity have no approved borrowing facilities other than the financial lease commitments detailed in Notes 13 and 19.

The parent and consolidated entity's liquidity risk relating to financial liabilities at 31 December 2007 is limited to the repayment of the finance lease commitments amounting to \$201,109 (per Notes 13 and 19) and trade payables. Trade payables are short-term in nature. The parent and consolidated entity do not finance exploration activities through debt.



Notes to the Financial Statements for the year ended 31 December 2007

NOTE 23 – FINANCIAL RISK MANAGEMENT (continued)

(d) Interest Rate Risk

The parent and 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, is as follows:

	Weighted Average Interest Rate %	Floating Interest \$	Fixed Interest Rate Maturing Within 1 year \$	1 to 5 years \$	Non interest bearing \$	Total \$
Consolidate Entity 2007						
<i>Financial assets</i>						
Cash and cash equivalents	5.8%	1,461,602	-	-	657	1,462,259
Trade receivables	8.0%	-	450,000	-	-	450,000
Other receivables	-	-	-	-	235,370	235,370
		1,461,602	450,000	-	236,027	2,147,629
<i>Financial liabilities</i>						
Accounts payable	-	-	-	-	1,057,367	1,057,367
Borrowings	8.1%	-	32,619	168,490	-	201,109
		-	32,619	168,490	1,057,367	1,258,476
2006						
<i>Financial assets</i>						
Cash and cash equivalents	5.0%	114,343	-	-	757	115,100
		114,343	-	-	757	115,100
<i>Financial liabilities</i>						
Accounts payable	-	-	-	-	317,028	317,028
Borrowings	7.95%	-	10,280	55,477	-	65,757
		-	10,280	55,477	317,028	382,785
Parent Entity 2007						
<i>Financial assets</i>						
Cash and cash equivalents	6.7%	1,275,649	-	-	450	1,276,099
Trade receivables	8.0%	-	450,000	-	-	450,000
Other receivables	-	-	-	-	136,324	136,324
		1,275,649	450,000	-	136,774	1,862,423
<i>Financial liabilities</i>						
Accounts payable	-	-	-	-	806,230	806,230
Borrowings	8.1%	-	32,619	168,490	-	201,109
		-	32,619	168,490	806,230	1,007,339
2006						
<i>Financial assets</i>						
Cash and cash equivalents	5.0%	62,905	-	-	550	63,455
		62,905	-	-	550	63,455
<i>Financial liabilities</i>						
Accounts payable	-	-	-	-	47,297	47,297
Borrowings	7.95%	-	10,280	55,477	-	65,757
		-	10,280	55,477	47,297	113,054



Notes to the Financial Statements for the year ended 31 December 2007

NOTE 23 – FINANCIAL RISK MANAGEMENT (continued)

Fair value estimation

The carrying values less provision for impairment of financial assets and financial liabilities of the parent and consolidated entity, as stated in the Balance Sheet and accompanying explanatory notes at 31 December 2007, are a reasonable approximation of their fair values due to the short-term nature of the instruments.

No financial assets and financial liabilities are traded in active markets.

In the parent entity, financial instruments that are not traded in an active market are stated at cost in accordance with AASB 139: Financial Instruments: Measurement and Recognition.

These instruments represent the parent entity's investment in subsidiaries, as referred to in Note 10. The fair value of these financial instruments cannot be reliably estimated due to the absence of an active market. At the date of this financial report the parent entity has no intention to dispose of any of its interests in subsidiaries.

NOTE 24 – RELATED PARTY TRANSACTIONS

- Interests in subsidiaries are disclosed in note 21.
- Amounts receivable from wholly owned subsidiaries are disclosed in note 7. The loans to controlled entities are unsecured, interest free and payable on demand.
- Transactions with Directors and Director Related Entities are disclosed in note 5. All services provided by the Director-related entities were at normal commercial terms and conditions.
- There were no other related party transactions during the year ended 31 December 2007 or 31 December 2006.

NOTE 25 – CONTINGENT LIABILITIES

At the date of the financial report, the consolidated entity was involved in a dispute with a drilling contractor over an amount payable to them of \$120,000. The dispute was settled in February 2008, for an amount of \$20,000.

NOTE 26 – CHANGES IN ACCOUNTING POLICIES

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2007 reporting periods. The consolidated entity's assessment of the impact of these new standards and interpretations is set out below:

- AASB 2007-3 Amendments to Australian Accounting Standards arising from AASB 8 [AASB5, AASB 6, AASB 102, AASB 107, AASB 119, AASB 127, AASB 134, AASB 136, AASB 1023, AASB 1038]* AASB 2007-3 is applicable to annual reporting periods beginning on or after 1 January 2008. The entity has not adopted the standard early. AASB 2007-3 consequentially amends a number of standards arising from the issue of AASB 8. These amendments result from the change of name to AASB 8. AASB 8 is a disclosure standard and will therefore have no impact on the entity's reported position and performance.
- AASB 2007-8 Amendments to Australian Accounting Standards arising from AASB101.* AASB2007-8 is applicable to annual reporting periods beginning on or after 1 January 2009. The entity has not adopted the standard early. AASB2007-8 consequentially amends a number of standards arising from the revision of AASB101. This Amending Standard also changes the term 'general purpose financial report' to 'general purpose financial statements' and the term 'financial report' to 'financial statements' in application paragraphs, where relevant, of Australian Accounting Standards (including Interpretations) to better align with IFRS terminology. Revised AASB101 introduces as a financial statement (formerly



Notes to the Financial Statements for the year ended 31 December 2007

NOTE 26 – CHANGES IN ACCOUNTING POLICIES (continued)

“primary” statement) the “statement of comprehensive income”. The revised standard does not change the recognition, measurement or disclosure of transactions and events that are required by AASBs. The economic entity has not yet determined the potential effect of the revised standard on the disclosures in the financial report.

- (iii) Revised AASB123 *Borrowing costs* are applicable to annual reporting periods beginning on or after 1 January 2009. The revised statement removes the option to expense borrowing costs and requires that an entity capitalise borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. The revised standard is not expected to have any impact on the entity’s financial report.
- (iv) AASB 8 *Operating Segments* is applicable to annual reporting periods beginning on or after 1 January 2009. The standard introduces the “management approach” to segment reporting and requires the disclosure of segment information based on the internal reports regularly reviewed by the Board of Directors in order to assess each segment’s performance and to allocate resources to them. The standard is a disclosure standard, and is not expected to have any impact on the reported financial position and performance or the disclosures in the financial report. The standard has not been early adopted by the economic entity.

NOTE 27 – EVENTS AFTER BALANCE SHEET DATE

On 25 February 2008, the company received outstanding balance of \$475,250 from Santos. The payment of accumulated interest amounting to \$25,250 was included in the amount received as per the contract of sale.

The Company also settled the disputed claims by a Joint Venture Partner at US\$48,000 less than the outstanding liability in the financial report.



Shareholder Information as at 16 April 2008

The 30 Largest Holders of Ordinary Shares

Name	Units	%
R S JAMES & ASSOCIATES PTY LTD.....	23775235	8.41
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	8261240	2.92
MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LTD	4520573	1.60
MR RONALD WILLIAM BALDWIN & MRS DIANNE BETH BALDWIN	3571955	1.26
DR NITHIANANTHAN JEEVARAJAH.....	2700000	0.96
MR DANIEL JOSEPH RAYMOND O'SULLIVAN	2264900	0.80
LOCHIEL ENTERPRISES PTY LTD	2369000	0.84
ANZ NOMINEES LIMITED	2260500	0.80
TOGA DEVELOPMENTS PTY LTD	2008731	0.71
POTTERCORP PTY LTD	2000000	0.71
MR TERRENCE JOSEPH SHARP	2000000	0.71
MR MARTIN PYECROFT & MRS JOSEPHINE MARGARET PYECROFT	2000000	0.71
MR DIMITRI SCARDANAS	1944000	0.69
WALREEL PTY LTD	1944000	0.69
CITICORP NOMINEES PTY LIMITED	1751000	0.62
MR BRIAN WILLIAM ATKINSON & MR GREGORY PAUL SHEIL	1610000	0.57
REYNOLDS (NOMINEES) PTY LTD	1600000	0.57
WHITE HAT INVESTMENTS PTY LTD	1600000	0.57
MR LIONEL JOHN GOODY	1533377	0.54
BROWNWARD PTY LTD.....	1500000	0.53
MR PHILLIP MICHAEL LYNCH & MRS SUZANNE MARY LOUISE LYNCH	1500000	0.53
FIREWALL HOLDINGS PTY LTD	1400000	0.50
MR GARY ANDREW BRUCE & MRS WENDY LEIGH BRUCE	1330000	0.47
MR DANIEL JOSEPH RAYMOND O'SULLIVAN (INVESTMENT UNIT AC)	1243179	0.44
M & S MAYCOCK PTY LTD	1210000	0.43
TRANCO PTY LTD	1200000	0.42
MR ALEX HUMBLE	1140000	0.40
MR JARED HARDY.....	1122800	0.40
LIFWARD PTY LIMITED	1060000	0.38
MR SAMUEL WILLIAM ILLES.....	1020000	0.36
TOP 30 Holders of FULLY PAID ORDINARY SHARES as at 16 April 2008.....	83440490	29.54

On location at Bayou Choctaw - gas pressure test.



Field Operations Manager Peter Guerin on location at ATP 626P "Stitch".





Company Particulars

Directors

Martin Pyecroft (Chairman)
Raymond S James (Managing Director)
Stephen M Barry
Raymond P McNamara

Company Secretary

Raymond P McNamara

Registered Office

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Auditors

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120 Edward Street
Brisbane Queensland 4000

Legal Advisors

CKB Partners
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Sydney New South Wales 2000

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Allens Arthur Robinson
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ICON ENERGY LIMITED

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energy for the future - the future of energy