



18 October 2013

**2013 ANNUAL GENERAL MEETING**

Icon Energy Limited (ASX: ICN) advises that the Company's **Annual General Meeting** will be held on **Monday 25 November 2013**, at the Southport Yacht Club, MacArthur Parade, Main Beach, Gold Coast, Queensland commencing at 11:00 am (Queensland time).

The Company's Notice of Annual General Meeting, Explanatory Statement and Proxy Form were dispatched to Shareholders today.

Attached are copies of the **2013 Notice of Annual General Meeting, Explanatory Statement** and **2013 Proxy Form**.

Copies of these documents are available on the Company's website at <http://www.iconenergy.com/investor-information/annual-general-meeting.html>

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**Company Secretary**

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# **NOTICE OF ANNUAL GENERAL MEETING 2013**

**MONDAY, 25 NOVEMBER 2013  
11:00am**

**SOUTHPORT YACHT CLUB  
MACARTHUR PARADE  
MAIN BEACH  
QUEENSLAND**



**Icon Energy Limited  
ABN 61 058 454 569**



# NOTICE OF MEETING

Notice is given that Icon Energy Limited (**Icon Energy**) or (**Company**) will hold its Annual General Meeting (**AGM**) at 11:00am (Queensland time) on Monday, 25 November 2013 at the Southport Yacht Club, Macarthur Parade, Main Beach, Queensland.

## ORDINARY BUSINESS

### Consideration of Financial Statements and Reports

To receive and consider the Financial Statements and Reports of the Directors and the Auditors for the financial year ended 30 June 2013 (Financial Period).

### Resolution 1 – Adoption of Remuneration Report

To consider and, if thought fit, pass the following as a non-binding resolution:

*“That the Company’s Remuneration Report for the financial year ended 30 June 2013 be adopted.”*

#### Advisory Vote

The vote on this Resolution 1 is advisory only and does not bind the Directors of the Company.

### Resolution 2 – Re-election of Dr Keith Hilless AM as a Director

To consider and, if thought fit, pass the following as an ordinary resolution:

*“That Dr Keith Hilless AM is re-elected, in accordance with ASX Listing Rule 14.4 and Article 94 of the Company’s Constitution, as a Director of the Company.”*

## SPECIAL BUSINESS

The Icon Energy Performance Rights Plan (**Plan**) provides Company executives and employees with incentives in the form of performance rights for outstanding performance. **Performance rights will only vest if pre-determined performance criteria are met.** Shareholder approval is required for executive directors to be issued Performance Rights under the Plan.

### Resolution 3 – Approval of the Participation of Mr Ray James, Managing Director, in the Icon Energy 2013 - 2014 Short Term Incentive Offer

To consider, and if thought fit, pass the following resolution as an ordinary resolution:

*“That for the purposes of Listing Rule 10.14 and for all other purposes, approval is given for the issue to the Managing Director, Mr Ray James, of Performance Rights, under the Icon Energy Limited 2013 - 2014 Short Term Incentive offer upon the terms set out in the Explanatory Statement.”*

### Resolution 4 – Approval of the Participation of Dr Kevin Jih, Chief Financial Officer and Executive Director, in the Icon Energy 2013 - 2014 Short Term Incentive Offer

To consider, and if thought fit, pass the following resolution as an ordinary resolution:

*“That for the purposes of Listing Rule 10.14 and for all other purposes, approval is given for the issue to the Chief Financial Officer and Executive Director, Dr Kevin Jih, of Performance Rights under the Icon Energy Limited 2013 - 2014 Short Term Incentive offer upon the terms set out in the Explanatory Statement.”*

### Resolution 5 – Approval of the Participation of Mr Ray James, Managing Director, in the Icon Energy 2013 - 2014 Long Term Incentive Offer

To consider, and if thought fit, pass the following resolution as an ordinary resolution:

*“That for the purposes of Listing Rule 10.14 and for all other purposes, approval is given for the issue to the Managing Director, Mr Ray James, of Performance Rights under the Icon Energy Limited 2013 Long Term Incentive offer upon the terms set out in the Explanatory Statement.”*

### Resolution 6 – Approval of the Participation of Dr Kevin Jih, Chief Financial Officer and Executive Director, in the Icon Energy 2013 - 2014 Long Term Incentive Offer

To consider, and if thought fit, pass the following resolution as an ordinary resolution:

*“That for the purposes of Listing Rule 10.14 and for all other purposes, approval is given for the issue to the Chief Financial Officer and Executive Director, Dr Kevin Jih, of Performance Rights under the Icon Energy Limited 2013 - 2014 Long Term Incentive offer upon the terms set out in the Explanatory Statement.”*

### Resolution 7 – Approval to issue an additional 10% of the issued capital of the Company over a 12 month period pursuant to Listing Rule 7.1A

To consider and, if thought fit, pass the following resolution with or without amendment, as a Special Resolution:

*“That, pursuant to and in accordance with ASX Listing Rule 7.1A, and for all other purposes, the Shareholders approve the issue of Equity Securities of up to 10% of the issued capital of the Company (at the time of issue) calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2, over a 12 month period from the date of the Meeting, at a price not less than that determined pursuant to Listing Rule 7.1A.3 and otherwise on the terms and conditions in the Explanatory Memorandum (Placement Securities).”*

## Resolution 8 – Renewal of Articles 43 to 46 of the Constitution: Proportional Takeover Approval Provisions

To consider and, if thought fit, pass the following resolution as a Special Resolution:

*“That in accordance with the Corporations Act and Article 46 of the Company’s Constitution the existing proportional takeover approval provisions in Articles 43 to 46 the Company’s Constitution be renewed for a period of three years commencing on the date of this Meeting.”*

## VOTING RESTRICTIONS AND EXCLUSION STATEMENTS

### Resolution 1

#### Voting Restriction pursuant to Section 250R(4) of the Corporations Act 2001 (Cth) (Corporations Act)

A vote on Resolution 1 must not be cast (in any capacity) by or on behalf of either of the following persons:

- (a) by or on behalf (including by proxy) of a member of the ‘key management personnel’<sup>1</sup> (**KMP**) named in the Remuneration Report; or
- (b) by or on behalf of (including by proxy) a closely related party<sup>2</sup> (such as close family members and any controlled companies) of a KMP named in the Remuneration Report.

However, the above persons may cast a vote on Resolution 1 as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on the resolution; or
- (b) the voter is the Chairman and the appointment of the Chairman as proxy:
  - (i) does not specify the way the proxy is to vote on the resolution; and
  - (ii) expressly authorises the Chairman to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the KMP.

### Resolutions 3, 4, 5 and 6

In accordance with the ASX Listing Rules, the Company will disregard any votes cast on each of resolutions 3, 4, 5 and 6 by or on behalf of Mr Ray James and Dr Kevin Jih and any of their

<sup>1</sup> ‘key management personnel’ has the meaning as defined in Section 9 of the Corporations Act 2001.

<sup>2</sup> ‘closely related party’ has the meaning as defined in Section 9 of the Corporations Act 2001.

associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or is cast by a person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides. In accordance with Section 250BD of the Corporations Act, the Company will disregard any votes cast on each of resolutions 3, 4, 5 and 6 by a member of the KMP or their Closely Related Parties who has been appointed **as a proxy** unless:

- (a) the voter does so as a proxy for a person who is permitted to vote in accordance with a direction on the proxy form; or
- (b) the voter is the Chairman and the appointment of the Chairman as proxy:
  - (i) does not specify the way the proxy is to vote on the resolution; and
  - (ii) expressly authorises the Chairman to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the KMP.

### Resolution 7

In accordance with the ASX Listing Rules, the Company will disregard any votes cast on this Special Resolution by a person and any associates of that person who:

- (a) may participate in the issue of the Placement Securities; or
- (b) might obtain a benefit, except a benefit solely in their capacity as a holder of shares if the resolution is passed.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

**The Chairman of the Meeting intends to vote all available proxies in favour of each resolution.**

### By Order of the Board

Signed for and on behalf of Icon Energy Limited by:



Ross Mallett  
Company Secretary  
7 October 2013



# NOTICE OF MEETING

## NOTES

### 1. Shareholders Eligible to Vote

In accordance with the Company's Constitution and Reg 7.11.37 of the *Corporations Regulations* 2001 (Cth), the Board has determined that persons who are registered holders of shares of Icon Energy as at 7:00 pm (Sydney time) on 23 November 2013 will be entitled to attend and vote at the AGM as a shareholder of Icon Energy (**Shareholder**).

If more than one joint holder of shares is present at the AGM (whether personally, by proxy, by attorney or by representative) and tenders a vote, only the vote of the joint holder whose name appears first on the register will be counted.

### 2. Voting by Proxy

If you are a Shareholder entitled to attend and vote you may appoint an individual or a body corporate as a proxy. A proxy need not be a Shareholder of Icon Energy.

Shareholders should be aware of the voting restrictions and exclusions specified above when appointing a person as a proxy.

A proxy appointment form must be signed by the Shareholder or his/her attorney or, in the case of a body corporate, executed in accordance with section 127 of the Corporations Act or signed by an authorised officer or attorney. If the proxy form is signed by an attorney or by the authorised officer of a body corporate, the power of attorney or other authority (or a certified copy) must accompany the form unless it has previously been provided to the Company. If the proxy form is sent by facsimile, then any accompanying power of attorney or other authority must be certified.

A Shareholder may appoint up to two proxies and specify the proportion or number of votes each proxy may exercise. If the Shareholder does not specify the proportion or number of votes to be exercised, each proxy may exercise half of the Shareholder's votes.

If you wish to indicate how your proxy should vote, please mark the appropriate boxes on the proxy form. If in respect of any of the items of business you do not direct your proxy how to vote, you are directing your proxy to vote as he or she decides.

If you mark the abstain box for a particular item you are directing your proxy to not vote on your behalf and your shares will not be counted in computing the required majority on a poll.

For proxies without voting instructions that are exercisable by the Chairman, the Chairman intends to vote undirected proxies in favour of each resolution. If you wish to appoint the Chairman as your proxy with a direction to vote against, or to abstain from voting on an item of business, you should specify this by

completing the appropriate 'Against' or 'Abstain' box on the proxy appointment form.

The Chairman is deemed to be appointed where a signed proxy form is returned which does not contain the name of the proxy or where the person appointed on the form is absent.

### 3. Proxy Delivery

To be effective, the proxy appointment must be received at the share registry of Icon Energy, in the manner stipulated, no later than 11:00am (Queensland time) on 23 November 2013, being 48 hours before the AGM. Proxies must be received by that time by one of the following methods:

Post: Icon Energy's Share Registry  
Computershare Investor Services Pty  
Limited, as shown on the enclosed  
pre-addressed envelope.

Facsimile: (within Australia) 1800 783 447  
(outside Australia) +61 3 9473 2555

Delivery: Computershare Investor Services Pty Limited  
117 Victoria Street, West End  
Brisbane Qld 4101

Online: At [www.investorvote.com.au](http://www.investorvote.com.au) using the  
secure access information shown on your  
proxy form.

To be valid, a proxy appointment must be received by the Company in the manner stipulated above. The Company reserves the right to declare invalid any purported proxy appointment not received in this manner.

### 4. Voting by Attorney

Where a Shareholder appoints an attorney to act on his/her behalf at the AGM, such appointment must be made by a duly exercised power of attorney.

A proxy form and the original power of attorney (if any) under which the proxy form is signed (or a certified copy of that power of attorney or other authority) must be received by Icon Energy, in the manner stipulated in Note 3 above, by no later than 11:00am (Queensland time) on 23 November 2013 being 48 hours before the AGM.

### 5. Corporate Representatives

A body corporate which is a Shareholder, or which has been appointed as a proxy, is entitled to appoint any person to act as its representative at the AGM. The appointment of the representative must comply with the requirements under section 250D of the Corporations Act. The representative should bring to the AGM a properly executed letter or other document confirming its authority to act as a body corporate's representative.

### 6. Polls

On a poll, every Shareholder has one vote for every fully paid ordinary share held.

# EXPLANATORY NOTES

These Explanatory Notes have been prepared for the information of Icon Energy's Shareholders in relation to the business to be conducted at Icon Energy's 2013 AGM.

The purpose of the Explanatory Notes is to provide Shareholders with information that is reasonably required to decide how to vote upon the resolutions. The Directors of Icon Energy (**Directors**) recommend that Shareholders read the Explanatory Notes before determining whether or not to support the resolutions.

Consideration of Financial Statements and Report is not a resolution and will not be voted on.

Resolution 1 is an advisory resolution and is non-binding. Resolutions 2, 3, 4, 5 and 6 are ordinary resolutions, requiring a simple majority of votes cast by Shareholders entitled to vote on each resolution. Resolutions 7 and 8 are special resolutions requiring a 75% majority of votes cast by Shareholders entitled to vote on the resolutions.

## Consideration of Reports

The Financial Statements, Directors' Report and Independent Audit Report of Icon Energy for the Financial Year will be put before the meeting.

Following the consideration of the Reports, Shareholders will be provided with the opportunity to ask questions about or comment on the Reports.

The Company has invited Shareholders to submit written questions for discussion at the AGM. A summarised list of written questions, if any, submitted by Shareholders to the Company and the Auditor will be made available at the start of the AGM and any written answer tabled by the Auditor at the AGM will be made available as soon as practicable after the AGM.

## Resolution 1: Remuneration Report

Section 250R of the Corporations Act requires the Shareholders to vote on a non-binding advisory resolution that the Remuneration Report (**Remuneration Report Resolution**) be adopted.

The Remuneration Report details the remuneration policy for the Company and reports the remuneration arrangements for KMP's and other Icon Energy employees. The Remuneration Report is set out on pages 33 to 43 in the Company's 2013 Annual Report. The Report can also be viewed in the "Investor Centre" section of the Company's website ([www.iconenergy.com](http://www.iconenergy.com)). An extract of the report is included in the 2013 Annual Report Highlights brochure mailed to shareholders with this Notice of Meeting.

## Review of Remuneration Structure

Following the 2011 AGM, the Company undertook a comprehensive review of the remuneration strategy

and framework for the Managing Director and senior executives and the new remuneration arrangements implemented in 2012 and 2013 take into account the views of shareholders and other stakeholders.

Important changes to remuneration included:

- Bonuses were paid to executives and employees following achievement of KPI's set under the 2012-2013 STI Performance Rights Plan approved by shareholders at the 2010 and 2012 AGMs;
- Executive and employee salary increases for the year were restricted to CPI increases;
- Non-executive Directors elected to forgo a fee increase. This means that there have not been any increases in Non-executive Director fees since 2009;
- The Short-Term Incentive (**STI**) and Long-term Incentive (**LTI**) Plans implemented during 2012/2013 were restructured to improve the linkage between KMP remuneration and company performance and incorporate rigorous performance hurdles that are consistent with market practice and that will drive company performance. Further detail on the Company's STI and LTI plans is included in the Explanatory Notes to Resolutions 3 to 6.

The Board believes that the Company's remuneration arrangements, as set out in the 2013 Remuneration Report, are fair, reasonable and appropriate and support the strategic direction of the Company.

The voting exclusion statement for this resolution is set out on page 3 of this Notice of Meeting.

## Board Recommendation

The Directors recommend Shareholders vote in favour of this advisory resolution.

## Resolution 2: Re-election of Dr Keith Hilless AM

Article 70(1)(b) of the Company's Constitution requires that one third of the Directors retire from office and are eligible for re-election. Article 70(3) further states that any Director retiring is eligible for re-election without needing to give any prior notice of an intention to resubmit for re-election and holds office until the end of the meeting at which he retires.

Similarly, ASX Listing Rule 14.4 requires that a Director (except the Managing Director) must not hold office (without re-election) past the third Annual General Meeting following the Director's appointment, or three years, whichever is longer.

To this end, ASX Listing Rule 14.5 requires that an entity with Directors hold an election of Directors each year.



# EXPLANATORY NOTES

In accordance with the Listing Rules and the Company's Constitution, Dr Hilless retires and, being eligible, offers himself for re-election as a Director.

Dr Keith Hilless was appointed to the Board on 3 April 2009 as a Non-Executive Director of Icon Energy Limited. Keith is the Chairman of the Board's Audit and Risk Management Committee. Keith has extensive experience in the energy industry including as Electricity Commissioner of the Queensland Electricity Commission and CEO of the Queensland Transmission and Supply Corporation (QTSC), responsible for high voltage supply throughout Queensland and for forecasting changes in electricity demand and expanding Queensland's electricity network.

In addition to his corporate experience, Keith is a Doctor of the University QUT. He was also Deputy Chancellor of Queensland University of Technology for a time, is a Member in the General Division - Order of Australia, and is a Fellow of the Institution of Engineers Australia, The Australian Institute of Management and the Australian Institute of Company Directors.

## Board Recommendation

The Directors, with Dr Hilless abstaining, recommend Shareholders vote in favour of this Resolution.

### Resolutions 3 and 4: Approval of the Participation of Mr R James, Managing Director and Dr K Jih, Chief Financial Officer and Executive Director in the Icon Energy 2013 - 2014 Short Term Incentive Offer

Resolutions 3 and 4 seek Shareholder approval to issue Short Term Incentives to Mr R James and Dr K Jih under the Company's Performance Rights Plan.

The Icon Energy STI is an annual incentive scheme designed to reward selected Icon Energy group employees for achieving annual performance conditions. The Icon Energy 2013 - 2014 STI offer is to be made under the Icon Energy Performance Rights Plan approved by Shareholders in 2010 (**STI Offer**) and is structured to reward eligible employees (**Eligible Employees**) through a combination of both cash and performance rights.

Under the STI Offer, if performance conditions are met over the 12 months commencing on 1 July 2013 to 30 June 2014 performance period:

- 30% of the vested award will be delivered by way of a cash reward; and
- the other 70% will be delivered by way of a grant of performance rights which vest subject

to achievement of performance conditions (**Performance Rights**).

Further details of the remuneration packages of Mr R James and Dr K Jih are set out in the Remuneration Report on pages 33 to 43 of the Annual Report.

Set out in **Schedule A** is an overview of the key terms of the Performance Rights Plan Rules that apply to both the STI Offer and LTI Offer.

## Overview of Icon Energy's STI Offer

Set out below is a brief overview of the key aspects of the Performance Rights to be issued to Mr R James and Dr K Jih under the STI Offer.

### a. Performance Conditions

The performance conditions are set by the Board and reflect the financial and operational goals of Icon Energy and individual performance objectives over a 12 month period. Corporate key performance indicators include a focus on the following areas:

- Exploration success;
- Health, Safety & Environment Performance;
- Growth in the Company's market capitalisation; and
- New project development.

### b. Are there any restrictions on the trading of the shares once vested?

Any shares issued upon vesting of the Performance Rights will be subject to any restrictions on dealing set out in Icon Energy's Share Trading Policy.

### c. Cessation of employment

Unless otherwise determined by the Board, any Performance Rights granted under the STI offer will generally lapse where Mr R James or Dr K Jih cease their respective employment with the Icon Energy group before their respective Performance Rights have vested.

### d. Fraud or Dishonesty

Where, in the opinion of the Board, a participant acts fraudulently or dishonestly or is in breach of his or her obligations to the Icon group, then the Board may:

- deem all or any awards of the participant which have not vested to have lapsed or been forfeited (as relevant); and/or
- deem all or any awards or shares (allocated in

respect of an award) held by the participant to have lapsed or be forfeited; and/or

- require the participant to repay all or part of any payment made upon the vesting of a cash reward; and/or
- where shares that have been allocated to the participant upon vesting or exercise of an award are subsequently sold, require the participant to repay the net proceeds of such a sale to Icon Energy.

#### **e. Change of Control event**

The Board has discretion in the event of a Change of Control Event (such as a takeover, scheme of arrangement or winding up) to vest some or all of the Performance Rights so that they are converted into Shares.

#### **Board Recommendation**

The Directors (with Mr R James and Dr K Jih abstaining) recommend that Shareholders vote in favour of resolutions 3 and 4.

#### **Regulatory Requirements**

##### **ASX Listing Rule 10.14**

Under ASX Listing Rule 10.14, a Director of Icon Energy may only acquire securities under an employee share plan where such participation is approved by ordinary resolution of the Company in general meeting. Therefore, the grant of Performance Rights (and the issue of Shares upon vesting and conversion) to each of Mr R James and Dr K Jih under the STI Offer is subject to receiving Shareholder approval at this meeting.

Approval is sought from Shareholders for the grant of Performance Rights to Mr R James (Resolution 3) and Dr K Jih (Resolution 4) under the STI Offer on substantially the same terms as offers will be made to other senior executives of Icon Energy. The Directors of Icon Energy believe it would be counterproductive and inconsistent if Executive Directors were not permitted to receive a performance bonus in the form of Performance Rights when other executives and employees are entitled to receive them.

A brief overview of the details of the proposed grant of Performance Rights is set out below.

##### **ASX Listing Rule 10.15**

For the purposes of ASX Listing Rule 10.15 and for all other purposes, the following information is provided with regard to Resolutions 3 and 4:

#### **1. Maximum entitlement under STI Offer**

The Company has been granted a waiver (**Waiver**) by ASX from ASX Listing Rule 10.15.2 to the extent that it need not state in this notice the maximum number of securities to be issued to Mr R James and Dr K Jih. The Waiver was granted on the basis that such number is presently unascertainable as it is based on a formula including a future security price, and the degree of dilution is not expected to be excessive. In accordance with the Waiver, the Company instead provides the following information:

Mr R James is the Managing Director of the Company and Dr. K Jih is an Executive Director of the Company and each will be granted Performance Rights in accordance with the following formula:

**Maximum Rights Entitlement = (Fixed Remuneration x Max STI% x 70%) / Rights Allocation Price**

**Where:**

**Max STI% =**

- 50% for Mr R James; and
- 40% for Dr K Jih

**70%** = this is 70% of the vested STI award which will be delivered by way of a grant of performance rights.

**Rights Allocation Price** = the value of the rights (determined by the Volume Weighted Average Price (**VWAP**) of Icon Energy Shares for the 5 consecutive trading days immediately prior to the AGM date).

Set out below is an example of the calculation of Mr R James STI entitlement, assuming his fixed remuneration of \$536,492 per annum and a five day VWAP of \$0.15

Fixed Remuneration	\$536,492
	x
Maximum STI	50%
	x
	70%
<hr/>	
Rights Allocation Price	\$0.15

Maximum Performance Rights Entitlement = 1,251,815

The Fixed Remuneration amount above is Mr R James' fixed remuneration (including superannuation) for the financial year ended 30 June 2013. In the case of Dr K Jih the Fixed Remuneration amount of \$387,838 will be used being Dr K Jih's fixed remuneration (including superannuation) for the financial year ended 30 June 2013.

Each Performance Right entitles the holder, upon vesting and conversion to ordinary shares in the



# EXPLANATORY NOTES

Company on a one-for-one basis. Any shares issued upon conversion will rank pari passu with all other existing securities on issue.

## 2. Vesting dates

Following the conclusion of the Performance Period (30 June 2014) the Board will make an assessment as to the extent to which the STI performance conditions have been met and the number of Performance Rights that will vest.

Where the Performance Rights vest, they may be exercised at any time up to the 'STI Last Exercise Date', which in respect of the STI Offer, is 30 June 2016.

Any unexercised Performance Rights will lapse following the STI Last Exercise Date, subject to any earlier lapse occurring pursuant to the rules of the Plan.

## 3. Price payable on grant or vesting

The Performance Rights will be granted for nil consideration therefore no amount will be payable in respect of the grant or upon vesting of the Performance Rights.

## 4. Previous Issues

The STI Offer will be made under the STI component of Icon Energy's Performance Rights Plan approved by Shareholders in 2010.

Since Shareholder approval was last obtained under ASX Listing Rule 10.14 at the 2012 AGM, Mr R James and Dr K Jih were issued 834,860 and 482,826 Performance Rights respectively in the 2012 - 2013 STI Performance Rights Plan.

## 5. Eligibility to participate

Eligible Employees of the Company may participate in the Performance Rights Plan and this includes the Company's Executive Directors.

Mr R James and Dr K Jih are the only Directors of the Company eligible to acquire Performance Rights under the Short Term Incentive component of Icon Energy's Performance Rights Plan.

## 6. Voting Exclusion Statement

The voting exclusion statement for this resolution is set out on page 3 of this Notice of Meeting.

## 7. Loan Arrangements

There is no loan attaching to the issue of Performance Rights to Mr R James or Dr K Jih.

## 8. Date of Grant of Performance Rights

Subject to shareholder approval the Performance

Rights offered under the STI Offer will be granted to Mr R James and Dr K Jih no later than 12 months after the date of the 2013 AGM.

## 9. Future Issues

Details of any Performance Rights issued will be published in Icon Energy's future annual remuneration reports which relates to the period in which the Performance Rights have been issued, including that approval for this issue of securities was obtained under ASX Listing Rule 10.14.

Any Director (or Associate of any Director) who becomes entitled to participate in the Performance Rights Plan and who is not named in this Notice of Meeting will not participate in the Performance Rights Plan until approval is obtained under Listing Rule 10.14.

### Resolutions 5 and 6: Approval of the Participation of Mr R James and Dr K Jih, in the Icon Energy 2013 Long Term Incentive (LTI) Offer

Approval is sought from Shareholders for participation by Mr R James and Dr K Jih in the 2013 - 2014 Long Term Incentive Offer (**LTI Offer**) on substantially the same terms as offers will be made to other senior executives of Icon Energy.

The Board views Icon Energy's LTI Offer and its performance based conditions for vesting of the rights issued under the LTI Offer as an appropriate link between a portion of an executive's remuneration and the generation of long term growth in shareholder value.

The LTI Offer will comprise a grant of Performance Rights (**LTI Performance Rights**).

### Overview of Icon Energy's 2013 - 2014 LTI Offer

A brief overview of the details of the proposed grant LTI Performance Rights is set out below. Further details of the remuneration packages of Mr R James and Dr K Jih are set out in the Remuneration Report on pages 33 to 43 of the Annual Report.

#### a. Performance period

The performance period is three years commencing on 1 July 2013 and ending on 30 June 2016 (**Performance Period**).

#### b. Performance conditions

In order for Performance Rights under the LTI to vest the following two sets of performance criteria must be met:

- (1) The average daily Icon Energy share price must achieve and maintain a level of at least 45 cents per share for at least 30 consecutive days over the 3 years commencing 1 July 2013; and
- (2) The growth of the Icon Energy share price relative to the share price of a comparator group of Australian oil and gas exploration and production companies and other companies appearing in the S&P/ASX 300 Energy list as determined by the Board (expressed as a percentile ranking) over the three years commencing 1 July 2013 must achieve the 40th percentile in order for rights to begin vesting. Performance rights will vest in accordance with the following schedule:

Movement in Share Price as Relative Percentile Ranking Against Comparator Group	Percentage of performance rights to vest
Below 40th percentile	0%
40th percentile	40%
Between 40th and 75th percentile	Pro-rata
75th percentile or above	100%

There will be no re-testing of the performance conditions.

**c. Restrictions on the trading of the shares once exercised**

Any shares issued on the exercise of the Performance Rights will be subject to any restrictions on dealing set out in Icon's Share Trading Policy.

**d. Cessation of employment**

If Mr R James or Dr K Jih cease employment by reason of death, disability, bona fide redundancy or other reason approved by the Board they will be entitled to any LTI Performance Rights that have vested prior to the date of cessation.

The Board has discretion in relation to any LTI Performance Rights that have not vested prior to cessation, including to determine that any unvested rights will be tested as would occur at the end of the performance period and vest on a pro-rata basis to the extent that the performance condition has been satisfied (ie having regard to the part of the performance period which has elapsed and to the degree to which the performance conditions have been achieved).

Any unvested LTI Performance Rights will immediately lapse where a participant ceases employment by reason of resignation, dismissal for cause or for any other reason not approved by the Board.

Any vested LTI Performance Rights will lapse unless they are exercised within 30 days from the date of cessation of employment (however if this occurs during a blackout period under Icon Energy's Share Trading Policy, shares allocated on exercise will be subject to a restriction on trading until the end of that period).

**Board Recommendation**

The Directors (with Mr R James and Dr K Jih abstaining) recommend that Shareholders vote in favour of Resolutions 5 and 6.

**Regulatory Requirements**

**ASX Listing Rule 10.14**

As previously noted, under ASX Listing Rule 10.14, a Director of Icon Energy may only acquire securities under an employee share plan where such participation is approved by ordinary resolution of Icon Energy in General Meeting. Therefore, participation by Mr R James and Dr K Jih in the LTI Offer is subject to receiving Shareholder approval at this meeting. The Directors of Icon Energy believe it would be counterproductive and inconsistent if Executive Directors were not permitted to receive a performance bonus in the form of Performance Rights when other executive and employees are entitled to receive them.

**ASX Listing Rule 10.15**

For the purposes of ASX Listing Rule 10.15 and for all other purposes, the following information is provided with regard to Resolutions 5 and 6:

**1. Maximum entitlement under LTI Offer**

The Company has been granted a Waiver (**Waiver**) by ASX from ASX Listing Rule 10.15.2 to the extent that it need not state in this notice the maximum number of securities to be issued to Mr R James and Dr K Jih. The Waiver was granted on the basis that the maximum number is presently unascertainable as it is based on a formula including a future security price, and the degree of dilution is not expected to be excessive. In accordance with the Waiver, the Company instead provides the following information:

Subject to shareholder approval, the maximum number of LTI Performance Rights that may be



# EXPLANATORY NOTES

granted to Mr R James and Dr K Jih under the LTI Offer will be calculated in accordance with the following formula:

**Maximum Rights Entitlement = Fixed Remuneration x Max LTI% / Rights Allocation Price**

**Whereas:**

**Max LTI% =**

- 50% for Mr Ray James;
- 40% for Dr Kevin Jih.

**Rights Allocation Price** = the value of the Rights (determined by the VWAP for Icon Energy shares for the five consecutive trading days immediately prior to the 2013 AGM date).

Set out below is an example of the calculation of Mr R James' LTI entitlement, assuming his fixed remuneration of \$536,492 per annum and a five day VWAP of \$0.15

Fixed Remuneration	\$536,492
--------------------	-----------

Maximum LTI	50%
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Rights Allocation Price	\$0.15
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Maximum Rights Entitlement = 1,788,307

The Fixed Remuneration amount above is Mr R James' fixed remuneration (including superannuation) for the financial year ended 30 June 2013. In the case of Dr K Jih the Fixed Remuneration amount of \$387,838 will be used being Dr K Jih's fixed remuneration (including superannuation) for the financial year ended 30 June 2013.

Each LTI Performance Right entitles the holder, upon vesting and exercise, to one fully paid ordinary share in Icon Energy. Any ordinary Shares issued upon conversion will rank pari passu with all other existing ordinary shares on issue.

## 2. Vesting and Exercise Period

Following the conclusion of the Performance Period (30 June 2016) the Board will make an assessment as to the extent to which the performance conditions have been met and the number of Performance Rights that will vest.

Where the Performance Rights vest, they may be exercised at any time up to the 'Last Exercise Date',

which in respect of the LTI offer, is 30 June 2018.

Any unexercised Performance Rights will lapse following the Last Exercise Date, subject to any earlier lapse occurring pursuant to the rules of the Plan.

## 3. Price payable on grant or exercise

The LTI Performance Rights will be granted for nil consideration and no amount will be payable in respect of the grant or upon exercise of the Performance Rights.

## 4. Previous Issues

The LTI Offer will be made under the LTI component of Icon Energy's Performance Rights Plan approved by Shareholders in 2010.

Following Shareholder approval at the 2012 AGM, Mr R James and Dr K Jih were issued 1,192,658 and 689,751 LTI Performance Rights respectively in the 2012 - 2013 LTI Performance Rights Plan.

## 5. Eligibility to participate

Eligible employees of the Company may participate in the Performance Rights Plan and this includes the Company's Executive Directors.

Mr R James and Dr K Jih are the only Executive Directors eligible to acquire Performance Rights under the Long Term Incentive (**LTI**) component of Icon Energy's Performance Rights Plan.

## 6. Voting Exclusion Statement

The voting exclusion statement for this resolution is set out on page 3 of this Notice of Meeting.

## 7. Loan Arrangements

There is no loan attaching to the issue of LTI Performance Rights to Mr R James or Dr K Jih.

## 8. Date of grant of LTI Performance Rights

If Shareholder approval is obtained, it is expected that the LTI Performance Rights under the LTI Offer will be granted to Mr R James and Dr K Jih in December 2013, and in any event, no later than twelve months after the date of this AGM.

## 9. Future Issues

Details of any Performance Rights issued will be published in Icon Energy's future annual remuneration reports which relate to the period in which the LTI

Performance Rights have been issued, including that approval for this issue of securities was obtained under ASX Listing Rule 10.14.

Any Director (or Associate) who becomes entitled to participate in the Performance Rights Plan and who is not named in this Notice of Meeting will not participate in the Performance Rights Plan until approval is obtained under Listing Rule 10.14.

### **Legislative Requirements in relation to Resolutions 3, 4, 5 and 6 under Corporations Act**

The Company wishes to advise Shareholders that for the purposes of Section 211(1) of the *Corporations Act* 2001 (Cth), the Board of Directors (with Mr R James and Dr K Jih abstaining) has resolved that the issue of the STI Performance Rights and LTI Performance Rights under the STI Offer and LTI Offer is reasonable remuneration for Mr R James and Dr K Jih based on:

- the responsibilities of management; and
- an internal review of Icon Energy's remuneration arrangements, having regard to both the quantum of STI and LTI payable and the delivery of STI via a mix of cash and equity and the performance and vesting conditions attaching to the securities.

### **Resolution 7: Approval to issue an Additional 10% of the issued Capital of the Company over a 12 month period pursuant to Listing Rule 7.1A**

#### **Introduction**

Pursuant to Resolution 7, the Company is seeking Shareholder approval to issue an additional 10% of issued capital over a 12 month period pursuant to Listing Rule 7.1A. If passed, this resolution will allow the Company to allot and issue up to the number of new Equity Securities calculated in accordance with Listing Rule 7.1A.2 (**Placement Securities**) each at an issue price of at least 75% of the volume weighted average price (**VWAP**) for the Company's Equity Securities in that class (calculated over the last 15 days on which trades in the Equity Securities are recorded immediately before the date on which the price at which the Placement Securities are to be issued is agreed, or if the Placement Securities are not issued within five trading days of that date, the date on which the Placement Securities are issued) (**Issue Price**).

This approval is sought pursuant to Listing Rule 7.1A. Under Listing Rule 7.1A small and mid cap listed entities that meet the eligibility threshold and have

obtained the approval of their ordinary Shareholders by special resolution at the Annual General Meeting, are permitted to issue an additional 10% of issued capital over a 12 month period from the date of the Annual General Meeting (**Additional 10% Placement**). The Additional 10% Placement under Listing Rule 7.1A is in addition to the ability of the Company to issue 15% of its issued capital without Shareholder approval over a 12 month period pursuant to Listing Rule 7.1. The Company may issue the Placement Securities to raise funds for the Company and as non-cash consideration (further details of which are set out below).

Funds raised from the issue of Placement Securities, if undertaken, would be applied towards the funding of capital expenditure associated with the Company's work programs, expenses associated with the issue of Placement Securities and/or general working capital.

#### **Board Recommendation**

The Directors recommend that Shareholders vote in favour of Resolution 7.

#### **Regulatory Requirements**

##### **Listing Rule 7.1A**

##### **General**

##### **1. Eligibility**

An entity is eligible to undertake an Additional 10% Placement if at the time of its Annual General Meeting it has a market capitalisation of \$300 million or less and it is not included in the S&P/ASX300 Index.

For illustrative purposes only, on 3 October 2013 the Company's market capitalisation was \$80,318,394 based on the Closing Trading Price on that date. The calculation of market capitalisation will be based on the Closing Price of the Shares, on the last Trading Day on which trades in the Shares were recorded before the date of the AGM, multiplied by the number of Shares on issue (excluding restricted securities and securities quoted on a deferred settlement basis).

The Company is also not included in the S&P/ASX300 Index as at the time of this AGM, however, it should be noted that the S&P/ASX300 Index is rebalanced twice a year in March and September.

The Company is therefore an Eligible Entity and able to undertake an Additional 10% Placement under Listing Rule 7.1A.

In the event that the Company for any reason ceases



# EXPLANATORY NOTES

to be an Eligible Entity after the Company has already obtained Shareholders' approval pursuant to this Resolution 7, the approval obtained will not lapse and the Company will still be entitled to issue the Placement Securities during the 12 month period following this AGM.

## 2. Special Resolution

Listing Rule 7.1A requires this Resolution 7 to be passed as a Special Resolution, which means that it must be passed by at least 75% of the votes cast by members entitled to vote on the Resolution. Pursuant to Listing Rule 7.1A, no Placement Securities will be issued until and unless this Special Resolution is passed at the Meeting.

## 3. Shareholder approval

The ability to issue the Placement Securities is conditional upon the Company obtaining Shareholder approval by way of a Special Resolution at the Meeting.

### 10% Placement Period – Listing Rule 7.1A.1

Assuming Resolution 7 is passed, Shareholder approval of the Additional 10% Placement under Listing Rule 7.1A is valid from the date of the AGM and expires on the earlier to occur of:

- (1) the date that is 12 months after the date of the AGM; or
- (2) the date of the approval by Shareholders of a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

or such longer period if allowed by ASX.

If approval is given for the issue of the Placement Securities then the approval will expire, on 25 November 2014 unless Shareholder approval is granted pursuant to Listing Rules 11.1.2 or 11.2 prior to that date.

### Calculation for Additional 10% Placement – Listing Rule 7.1A.2

Listing Rule 7.1A.2 provides that Eligible Entities which have obtained shareholder approval at an AGM may issue or agree to issue, during the 12 month period after the date of the AGM, a number of Equity Securities calculated in accordance with the following formula:

$$(A \times D) - E$$

**A** is the number of ordinary securities on issue 12 months before the date of issue or agreement:

- (1) plus the number of fully paid ordinary securities issued in the 12 months under an exception in Listing Rule 7.2;
- (2) plus the number of partly paid ordinary securities that became fully paid in the 12 months;
- (3) plus the number of fully paid ordinary securities issued in the 12 months with approval of holders of ordinary securities under Listing Rules 7.1 or 7.4. [Note: This does not include an issue of fully paid ordinary securities under the entity's 15% placement capacity without Shareholder approval];
- (4) less the number of fully paid ordinary securities cancelled in the 12 months.

**D** is 10 percent (10%).

**E** is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of Shareholders under Listing Rules 7.1 or 7.4.

### Listing Rule 7.1A.3

#### 1. Equity Securities

Any Equity Securities issued under the Additional 10% Placement must be in the same class as an existing quoted class of Equity Securities of the Company.

As at the date of this Notice of Meeting, the class of Equity Securities in the Company quoted on the ASX are "ordinary". Accordingly, any Equity Securities issued under Listing Rule 7.1A will be ordinary shares in the Company.

The Company presently has 535,455,958 Shares on issue, as at the date of this Notice of Meeting.

#### 2. Minimum Issue Price

The issue price for the Placement Securities issued under Listing Rule 7.1A must be not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 Trading Days immediately before:

- the date on which the price, at which the relevant Placement Securities are to be issued, is agreed; or
- if the relevant Placement Securities are not issued within five Trading Days of the date in the paragraph above, the date on which the relevant Placement Securities are issued.

#### Information to be given to ASX – Listing Rule 7.1A.4

If Resolution 7 is passed and the Company issues any Placement Securities under Listing Rule 7.1A, the Company will give to the ASX:

- (1) a list of allottees of the Placement Securities and the number of Placement Securities allotted to each placee (this list will not be released to the market); and
- (2) the following information required by ASX Listing Rule 3.10.5A, which will be released to the market on the date of issue:
  - details of the dilution to the existing holders of Ordinary Securities caused by the issue;
  - where the Equity Securities are issued for cash consideration, a statement of the reasons why the Company issued the Equity Securities as a placement under Rule 7.1A and not as (or in addition to) a pro rata issue or other type of issue in which existing Shareholders would have been eligible to participate;
  - details of any underwriting arrangements, including any fees payable to the underwriter; and
  - any other fees or costs incurred in connection with the issue.

#### Listing Rules 7.1 and 7.1A

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1.

At the date of this Notice, the Company has on issue 535,455,958 Shares. The Company will have the capacity to issue the following Shares on the date of the Meeting:

- (1) 70,395,209 Shares under Listing Rule 7.1; and
- (2) subject to Shareholder approval being obtained under Resolution 7, 53,545,596 Shares under Listing Rule 7.1A.

The actual number of Equity Securities that the Company will have the capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (as described above).

#### Specific Information required by Listing Rule 7.3A

##### (1) Minimum Price of securities issued under Listing Rule 7.1A – Listing Rule 7.3A.1

Pursuant to and in accordance with Listing Rule 7.1A.3, the Placement Securities issued pursuant to approval under Listing Rule 7.1A must have an issue price of not less than 75% of the VWAP for the Equity Securities over the 15 Trading Days immediately before:

- the date on which the price at which the Placement Securities are to be issued is agreed; or
- if the Placement Securities are not issued within five trading days of the date in the paragraph above, the date on which the Placement Securities are issued.

The Company will disclose to the ASX the issue price on the date of issue of the Placement Securities.

##### (2) Risk of economic and voting dilution – Listing Rule 7.3A.2

As provided by Listing Rule 7.3A.2, if Resolution 7 is passed and the Company issues the Placement Securities, there is a risk of economic and voting dilution to the existing Shareholders. The Company currently has on issue 535,455,958 Shares. The Company could issue 53,545,596 Shares on the date of the Meeting (however, it is important to note that the exact number of Equity Securities which may be issued will be calculated in accordance with the formula contained in Listing Rule 7.1A.2 details of which are set out above). Any issue of Placement Securities will have a dilutive effect on existing Shareholders.

There is a specific risk that:

- (1) the Market Price for the Company's Equity Securities may be significantly lower on the date of the issue of any Placement Securities than it is on the date of the Meeting; and
- (2) the Placement Securities may be issued at a price that is at a discount to the Market Price for the Company's Equity Securities on the issue date,

which may have an effect on the amount of funds raised by the issue or the value of the Placement Securities.

As required by Listing Rule 7.3A.2, Table 1 below shows the potential economic and voting dilution effect, in circumstances where Variable A (on the basis that it's the current issued capital) has doubled and the Market Price of the Shares has halved. Table 1 also shows additional scenarios in which the number of issued Shares have increased and the Market Price of the Shares has decreased.



# EXPLANATORY NOTES

Table 1

Variable A (Issued Share capital)	50% decrease in Market Price \$0.075		Current Market Price \$0.15		100% increase in Market Price \$0.30	
	10 % Voting Dilution	Capital Raised (\$)	10 % Voting Dilution	Capital Raised (\$)	10 % Voting Dilution	Capital Raised (\$)
<b>Present Variable A = 535,455,958 Shares</b>	53,545,596	4,015,920	53,545,596	8,031,839	53,545,596	16,063,679
<b>50% Increase in Variable A = 803,183,937 Shares</b>	80,318,394	6,023,880	80,318,394	12,047,759	80,318,394	24,095,518
<b>100% Increase in Variable A = 1,070,911,916 Shares</b>	107,091,192	8,031,839	107,091,192	16,063,679	107,091,192	32,127,357

## Assumptions and explanations

- The Market Price is \$0.15, based on the closing price of the Shares on the ASX on 3 October 2013;
- The above table only shows the dilutionary effect based on the issue of the Placement Securities and not any Shares issued under the 15% under Listing Rule 7.1;
- The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. It shows the number of shares that the Company's share capital will increase by;
- The Company issues the maximum number of Placement Securities;
- The Issued Share Capital has been calculated in accordance with the formula in Listing Rule 7.1A(2) as at 3 October 2013;
- The issue price of the Placement Securities used in the table is the same as the Market Price and does not take into account the discount to the Market Price (if any);
- The Issued Share Capital does not take into account any vesting of any Performance Rights;
- Variable A is the issued capital of the Company;
- The table above does not show the potential dilutionary effect to a particular Shareholder.

### (3) Final date for issue – Listing Rule 7.3A.3

As required by Listing Rule 7.3A.3, the Company will only issue and allot the Placement Securities during the 12 months after the date of this Meeting which the Company anticipates will end on 25 November 2014. The approval under Resolution 7 for the issue of the Placement Securities will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature

or scale of activities of the Company) or Listing Rule 11.2 (the disposal of the main undertaking of the Company) before the anniversary of the AGM.

### (4) Purpose – Listing Rule 7.3A.4

As noted above, the purpose for which the Placement Securities may be issued include to raise funds for the Company and for non-cash consideration (further details of which are set out below). Funds raised from the issue of Placement Securities, if undertaken, would be applied towards the funding of capital expenditure associated with the Company's work programs, expenses associated with the issue of Placement Securities and/or general working capital.

### Shares Issued for Non-cash consideration – Listing Rule 7.3A.4

The Company may issue Placement Securities for non-cash consideration, such as the acquisition of new assets or investments. If the Company issues Placement Securities for non-cash consideration, the Company will release to the market a valuation of the non-cash consideration that demonstrates that the issue price of the Placement Securities complies with Listing Rule 7.1A.3.

### (5) Company's Allocation Policy – Listing Rule 7.3A.5

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue of the Placement Securities. The identity of the allottees of Placement Securities will be determined on a case-by-case basis having regard to a number of factors including but not limited to the following:

- the methods of raising funds that are available to the Company, including but not limited to, rights issue or other issue in which existing Shareholders can participate;
- the effect of the issue of the Placement Securities on the control of the Company;

- the financial situation and solvency of the Company; and
- advice from corporate, financial and broking advisers (if applicable).

The allottees of the Placement Securities have not been determined as at the date of this Notice but may include existing substantial shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company.

Further, if the Company is successful in acquiring new assets or investments for which Placement Securities are issued as consideration, it is likely that the allottees of some of the Placement Securities will be the vendors of the new assets or investments.

#### **(6) Company has previously obtained Shareholder approval under Listing Rule 7.1A**

The Company previously obtained Shareholder approval under Listing Rule 7.1A at the 2012 Annual General Meeting but has not issued shares under this authority.

As the Company has previously obtained Shareholder approval under Listing Rule 7.1A, the following information is provided to Shareholders, in accordance with Listing Rule 7.3A.6, regarding the equity securities issued in the previous 12 months preceding the date of the AGM (that is, since 24 November 2012):

**Listing Rule 7.3A.6(a):** Total equity securities issued in previous 12 months

Number of equity securities on issue at commencement of 12 month period	514,755,940
Equity securities issued in prior 12 month period*	20,700,018
Percentage previous issues represent of total number of equity securities on issue at commencement of 12 month period	4.02%

\* All equity securities were issued pursuant to an exception to Listing Rule 7.1 (or 7.1A) and therefore were not issued under (and did not reduce) the Company's 15% Capacity (or additional 10% Capacity).

**Listing Rule 7.3A.6(b):** Details of equity securities issued in previous 12 months

<b>Date of issue:</b>	<b>30 August 2013</b>
Number issued:	2,064,748
Class/Type of equity security:	Fully paid ordinary shares
Summary of terms:	Shares rank pari passu with all other fully paid ordinary shares on issue in the Company
Names of persons who received securities or basis on which those persons was determined:	Shares were allotted to participants in the Icon Energy STI Performance Rights Plan based on achievement of corporate and personal goals
Price at which equity securities were issued:	Nil
Discount to market price (if any):	Under the Plan rules approved by shareholders shares were issued for no consideration. Closing price of Icon shares on 30/8/13 was \$0.155.
<b>For non-cash issues</b>	
Non-cash consideration paid:	Shares issued following exercise of vested Performance Rights under the 2012-2013 STI Performance Rights Plan.
Current value of that non-cash consideration:	N/A

<b>Date of issue:</b>	<b>7 December 2012</b>
Number issued:	18,635,270
Class/Type of equity security:	Fully paid ordinary shares
Summary of terms:	Shares rank pari passu with all other fully paid ordinary shares on issue in the Company
Names of persons who received securities or basis on which those persons was determined:	Shares were allotted to participating shareholders in the Icon Energy Share Purchase Plan

# EXPLANATORY NOTES

16

Price at which equity securities were issued:	\$0.22
Discount to market price (if any):	Nil
<b>For cash issues</b>	
Total cash consideration received:	\$4,099,760
Amount of cash consideration spent:	\$4,099,760
Use of cash consideration:	Exploration program in ATP 855
Intended use for remaining amount of cash (if any):	N/A

## (7) Voting Exclusion Statement

A voting exclusion statement is included in the Notice of Meeting on page 3. At the date of the Notice of Meeting, the proposed allottees of any Placement Securities are not as yet known or identified. In these circumstances (and in accordance with the note set out in Listing Rule 14.11.1 relating to Listing Rules 7.1 and 7.1A), for a person's vote to be excluded, it must be known that that person will participate in the proposed issue. Where it is not known who will participate in the proposed issue (as is the case in respect of the Placement Securities), there is no reason to exclude their votes and Shareholders must consider the proposal on the basis that they may or may not get a benefit and that it is possible that their holding will be diluted.

### Interpretation

**Equity Securities** has the meaning given to that term in the Listing Rules.

**Market Price** has the meaning given to that term in the Listing Rules.

**Ordinary Securities** has the meaning given to that term in the Listing Rules.

**Special Resolution** means a resolution:

- (a) of which notice has been given as set out in paragraph 249L(1)(c) of the Corporations Act; and
- (b) that has been passed by at least 75% of the votes cast by members entitled to vote on the resolution.

## Resolution 8: Constitution – Proportional Takeover Approval Provisions

### Introduction

The Company's Constitution contains provisions dealing with what is to happen if a proportional takeover bid for the Company's Shares is made in accordance with the Corporations Act (**Proportional Takeover Approval Provisions**). Essentially Shareholder approval will be required for a proportional takeover bid to proceed.

Under Section 648G of the Corporations Act, the Proportional Takeover Approval Provisions in the Company's Constitution must be renewed, by Shareholder approval by special resolution, every three years or they will cease to have effect.

The Proportional Takeover Approval Provisions were last renewed at the AGM on 29 November 2010 and will expire on 29 November 2013 unless renewed. Accordingly, the Company is now seeking to renew the Proportional Takeover Approval Provisions.

If Resolution 8 is approved, the existing provisions in the Company's Constitution will have effect for a further three years, from the date the Resolution is passed.

Section 648G(5) of the Corporations Act requires that the following information be provided to Shareholders when they are considering the inclusion of proportional takeover approval provisions in a constitution.

### The reason for having a proportional takeover approval provision

A proportional takeover bid enables a bidder to offer to buy a proportion only of each Shareholder's shares in the Company. This means that control of the Company might pass without Shareholders having the chance to sell all their shares to the bidder. It also means that the bidder might take control of the Company without paying an adequate amount for gaining control.

So as to address such a possibility, the Company is able to provide in its Constitution that:

- (a) in the event of a proportional takeover bid being made for the shares in the Company, Shareholders are required to vote by ordinary resolution and, together, decide whether to accept or reject the offer; and
- (b) the majority decision of the Company's Shareholders will be binding on all individual Shareholders.

The Directors believe that Shareholders should be entitled to vote on whether a proportional takeover bid ought to proceed, given such a bid might otherwise



allow control of the Company to change without Shareholders being given the opportunity to sell all of their shares for a satisfactory price. The Directors also believe that the right to vote on a proportional takeover bid may avoid Shareholders feeling pressure to accept the bid, even if they do not want the bid to succeed.

### **What is required under the Proportional Takeover Approval Provisions**

If a proportional takeover bid is made then, under the Corporations Act, the Directors must ensure that Shareholders vote on a resolution to approve the bid more than 14 days before the bid period closes.

The vote is decided by a simple majority. Each Shareholder who, as at the end of the day on which the first offer under the bid was made, held bid class securities is entitled to vote. However, the bidder and its associates are not permitted to vote.

If the resolution is not passed, transfers which would have resulted from the acceptance of a bid will not be registered and the bid will be taken to have been withdrawn. If the bid is approved (or taken to have been approved), then the transfers must be registered if they comply with the Corporations Act and the Company's Constitution.

The bid will be taken to have been approved if the resolution is not voted on within the deadline specified under the Corporations Act. The Proportional Takeover Approval Provisions do not apply to full takeover bids.

### **Potential advantages and disadvantages to Directors**

There are no material advantages or disadvantages to Directors. While the renewal of the Proportional Takeover provisions will allow the Directors to ascertain the views of Shareholders on a proportional takeover bid, the renewal of such a provision does not otherwise offer any advantage or disadvantage to the Directors who remain free to make their own recommendation as to whether the bid should be accepted.

### **Potential advantages to Shareholders**

The renewal of the Proportional Takeover Approval Provisions will however ensure that all Shareholders have an opportunity to evaluate a proportional takeover bid and vote on the bid at a general meeting. This is likely to ensure that a prospective bidder structures its offer in such a way which is attractive to a majority of Shareholders (including appropriate pricing), rather than merely the (potentially limited) number of Shareholders necessary for the bidder to achieve control of the Company.

Similarly, knowing the view of the majority of Shareholders might assist individual Shareholders to

assess the likely outcome of the proportional takeover bid when determining whether to accept or reject the offer.

### **Potential disadvantages to Shareholders**

It is possible that the inclusion of such a provision in the Constitution might discourage proportional takeover bids and may reduce any speculative element in the market price of the Company's shares arising from the possibility of a proportional takeover bid being made. The inclusion of such a provision might also be viewed as an unnecessary additional restriction of the ability of Shareholders to freely deal with their shares (or a portion of them).

### **The Directors' recommendations**

The Directors have considered each of the above advantages and disadvantages and believe that the prospective advantages for Shareholders for the renewal of a Proportional Takeover Provision outweigh the potential disadvantages.

As at the date of preparing this Notice of Meeting, none of the Directors are aware of any proposal by any person to acquire, or to increase the extent of, a substantial interest in the Company.

The Directors recommend (for the reasons stated above) that the Proportional Takeover Approval Provisions in the Constitution be renewed.

### **Enquiries**

Investors who wish to enquire about any matter relating to their Icon Energy shares are invited to contact the share registry:

#### **Computershare Investor Services Pty Ltd**

GPO Box 2975

Melbourne VIC 3001

Email: [web.queries@computershare.com.au](mailto:web.queries@computershare.com.au)

Website: [www.computershare.com.au](http://www.computershare.com.au)

All other enquiries relating to Icon Energy shares can be directed to:

### **Investor Relations**

Icon Energy Limited

4 Miami Key

Broadbeach Waters

Queensland 4218 Australia

Telephone: +61 7 5554 7111

Facsimile: +61 7 5554 7100

Email: [investor.relations@iconenergy.com](mailto:investor.relations@iconenergy.com)

### **Website**

The 2013 Annual Report can be accessed on the Company's website at [www.iconenergy.com](http://www.iconenergy.com)

# EXPLANATORY NOTES

## SCHEDULE A – SUMMARY OF PERFORMANCE RIGHTS PLAN RULES

### Plan Overview

The Performance Rights Plan (the **Plan**) is to extend to Eligible Employees of the Company as the Board may in its discretion determine.

The Plan provides employees with short, medium and long term incentives aimed at creating a stronger link between the Company's key personnel's performance and reward, whilst increasing Shareholder value in the Company.

### Eligible Employees

Any person (including Executive Directors) employed on either a fulltime or part-time permanent basis by the Group or an Executive Director of the Group or any other person whom the Board determines to be eligible to participate in the Plan.

### Plan limit

The maximum number of Performance Rights that may be issued under the Plan (or any other plan or similar arrangement) will not, when aggregated with the number of Shares on issue, exceed 5% of the issued capital of the Company from time to time.

For the purposes of calculating this 5% limit, ASIC includes:

- all Shares issued (or which might be issued pursuant to the exercise of a Performance Right) in connection with the Plan from time to time;
- the number of Shares in the same class that would be issued if all of the Performance Rights under the Plan were accepted; and
- the number of Shares in the same class issued during the previous five years pursuant to a Performance Rights Plan,

but specifically excludes:

- any offers which are received outside of Australia;
- offers made under a disclosure document;
- offers that do not require disclosure under Section 708 of the Corporations Act; and
- options over Shares where the relevant option has lapsed.

### Acceptance of Invitation to Participate in the Plan

An invitation to participate in the Icon Energy Performance Rights Plan may be accepted by an Eligible Employee to whom the invitation is made), by delivering to the Company written acceptance in the form determined by the Board and stated in the letter of invitation.

### Performance Condition

The Board will determine in its absolute discretion whether any performance hurdles or other conditions (including as to time) will be required to be met (**Performance Conditions**) before the Performance Rights which have been granted under the Plan can vest.

Performance Rights will vest upon the satisfaction of the Performance Conditions.

### Exercise Period

The terms for exercise, including the exercise period, are stated in the Invitation, however the exercise period must not exceed ten years and any Performance Rights must not be exercised during a closed period as prescribed in the Company's Securities Trading Policy.

### Lapse

A Performance Right lapses, to the extent that it has not been exercised, on the earlier to occur of:

- the stated expiry date;
- the date on which the Board makes a determination that the Performance Conditions have not been satisfied;
- the date on which the Board makes a determination that a Participant acts fraudulently or dishonestly or is in material breach of his or her obligations to the Company or Related Body Corporate, or in the event of a Change in Control Event (being a scheme of arrangement, takeover bid, or ability to replace all or a majority of the Directors) (subject to the below), the last day specified in writing in a notice given by the Board to each Participant, that he or she may exercise Vested Performance Rights;
- if a Participant ceases to be employed by the Company or Related Body Corporate unless the Board exercises its discretion to enable the participant to continue holding the Performance Rights.

## Rights and restrictions of Performance Rights

- Performance Rights issued pursuant to the Plan do not include an entitlement to participate in dividends, new issue of shares, or any pro rata issue of shares to Shareholders unless determined otherwise by the Board, and do not provide rights to vote at meetings of the Company until the Performance Rights are exercised;
- Shares acquired upon exercise of the Performance Rights will upon allotment rank *pari passu* in all respects with other Shares;
- If there are certain variations of the share capital of the Company including a capitalisation or rights issue, sub division, consolidation or reduction in share capital, a demerger (in whatever form) or other distribution in specie, the Board may make such adjustments as it considers appropriate in accordance with the Listing Rules;
- Performance Rights will not be quoted on the ASX. The Company will apply for quotation on the ASX of the Shares issued on exercise of the Performance Rights within ten Business Days after the date of allotment of those Shares;
- The Participant must comply with the Company's Securities Trading Policy and the Constitution in respect of any Shares that may be issued under the Plan;
- Subject to law and the Company's Securities Trading Policy, there will be no restrictions on the sale, transfer or disposal of Shares once issued.

## Assignability

Except on the death of a Participant, Performance Rights may not be transferred, assigned or novated except with the approval of the Board.

## Administration

The Plan is administered by the Board, which has an absolute discretion to determine appropriate procedures for its administration and resolve questions of fact or interpretation and formulate special terms and conditions (subject to the Listing Rules, including any waiver granted by ASX) in addition to those set out in the Plan.

## Change of Control

If, in the opinion of the Company a Change in Control Event has occurred or is likely to occur, the Board may

give written notice to Participants of the Control Event and convert all or any of the Participant's Performance Rights to Shares whether or not the Vesting Conditions have been met.

**Control Event** means any of the following:

- (a) an offer is made by a person for the whole of the issued ordinary share capital of Icon Energy (or any part as is not at the time owned by the offeror or any person acting in concert with the offeror) and after announcement of the offer the offeror (being a person who did not Control Icon Energy prior to the offer) acquires Control of Icon Energy; or
- (b) any other event which the Board reasonably considers should be regarded as a Control Event.

## Amendments

Subject to the Listing Rules and the Corporations Act, the Board may amend the Plan at any time, but may not do so in a way which materially reduces the Participants' existing rights without their consent, unless the amendment is to comply with the law, to correct an error or similar.

## Termination and suspension

The Plan may be terminated or suspended at any time by resolution of the Directors without notice to the Participants. The suspension or termination will not affect any existing grants of Performance Rights already made under the Plan and the terms of the Plan will continue to apply to such Performance Rights.



## 20

*info@iconenergy.com*

Icon Energy Limited will not be able to reply to each individual question.

**Address:** \_\_\_\_\_

**Question(s):** \_\_\_\_\_



# ICON ENERGY LIMITED

ABN 61 058 454 569

*energy for the future - the future of energy*

## Lodge your vote:



**Online:**

[www.investorvote.com.au](http://www.investorvote.com.au)



**By Mail:**

Computershare Investor Services Pty Limited  
GPO Box 242 Melbourne  
Victoria 3001 Australia

Alternatively you can fax your form to  
(within Australia) 1800 783 447  
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only  
(custodians) [www.intermediaryonline.com](http://www.intermediaryonline.com)

## For all enquiries call:

(within Australia) 1300 552 270  
(outside Australia) +61 3 9415 4000

ICON 000001 000 ICN

MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030

## Proxy Form



### Vote and view the annual report online

Go to [www.investorvote.com.au](http://www.investorvote.com.au) or scan the QR Code with your mobile device.  
Follow the instructions on the secure website to vote.



### Your access information that you will need to vote:

**Control Number: 999999**

**SRN/HIN: I999999999**

PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

**For your vote to be effective it must be received by 11:00am (Queensland Time) Saturday 23 November 2013**

### How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

#### Appointment of Proxy

**Voting 100% of your holding:** Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote as they choose (except where the Listing Rules dictate otherwise and in relation to Resolution 1 where you have appointed a member of the key management personnel of the company (other than the Chairman) or their closely related parties as your proxy, in which case there are additional restrictions explained below). If you mark more than one box on an item your vote will be invalid on that item.

**Voting a portion of your holding:** Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

**Appointing a second proxy:** You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

#### A proxy need not be a securityholder of the Company.

**Appointing the Chairman as proxy:** If the Chairman of the Meeting is appointed your proxy (or becomes your proxy by default), you authorise the Chairman to exercise your proxy even if he has an interest in the outcome of the resolutions and that votes cast by the Chairman of the Meeting for those resolutions other than as proxy holder will be disregarded because of that interest, subject to the requirements of the Corporations Act 2001 (Cth). If you have directed your proxy how to vote on a Resolution and your named proxy either does not attend the Meeting or attends the Meeting but does not vote on a poll on the Resolution, the Chairman of the meeting will become your proxy in respect of that Resolution.

#### Exercise of undirected proxies by Key Management Personnel

If a member of the Company's key management personnel (other than the Chairman) or their closely related parties is your proxy and you have not directed the proxy how to vote, that person will not vote your shares on Resolutions 1, 3, 4, 5 and 6 (being resolutions which are connected directly or indirectly with the remuneration of members of the Company's key management personnel).

#### Signing Instructions for Postal Forms

**Individual:** Where the holding is in one name, the securityholder must sign.

**Joint Holding:** Where the holding is in more than one name, all of the securityholders should sign.

**Power of Attorney:** If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

#### Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at [www.investorcentre.com](http://www.investorcentre.com) under the information tab, "Downloadable Forms".

**Comments & Questions:** If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**GO ONLINE TO VOTE,  
or turn over to complete the form**



MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030



**Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

## Proxy Form

Please mark ☒ to indicate your directions

### STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Icon Energy Limited hereby appoint

☐

the Chairman  
of the Meeting

OR



**PLEASE NOTE:** Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Icon Energy Limited to be held at **Southport Yacht Club, Macarthur Parade, Main Beach, QLD, 4217 on Monday 25 November 2013 at 11:00 am (Queensland Time)** and at any adjournment or postponement of that Meeting.

**Chairman to vote undirected proxies in favour:** I/We acknowledge that the Chairman of the meeting intends to vote undirected proxies in favour of each item of business.

**Chairman authorised to exercise proxies on remuneration related matters:** If I/we have appointed the Chairman of the meeting as my/our proxy (or the Chairman of the meeting becomes my/our proxy by default), I/we expressly authorise the Chairman of the meeting to exercise my/our proxy respect of resolutions 1, 3, 4, 5 and 6 even though these resolutions are connected directly or indirectly with the remuneration of a member of key management personnel of Icon Energy Limited, which includes the Chairman. I/we acknowledge that if the Chairman of the meeting is my/our proxy and I/we have not marked the box opposite resolutions 1, 3, 4, 5 and 6, the Chairman of the meeting intends to vote my/our proxy in favour of resolutions 1, 3, 4, 5 and 6.

### STEP 2 If you want the Chairman to act for you on Resolutions 3 to 6, where the Chairman has an interest, please mark this box.

☐

I/We acknowledge that the Chairman of the Meeting may exercise my/our proxy even if the Chairman has an interest in the outcome of **Resolutions 3 to 6** and that votes cast by the Chairman, other than as proxy holder, will be disregarded because of that interest.

**Chairman authorised to exercise proxies on Resolutions 3, 4, 5 and 6:** If the Chairman of the Meeting is your proxy and you have not directed the Chairman how to vote on Resolutions 3 to 6 below, please mark the box in this section. If you do not mark this box and you have not otherwise directed your proxy how to vote on Resolutions 3 to 6, if the Chairman has an interest and is excluded from voting on Resolutions 3 to 6, the Chairman of the Meeting will not cast your votes on Resolutions 3 to 6 and your votes will not be counted in computing the required majority if a poll is called on these resolutions. The Chairman of the Meeting intends to vote undirected proxies in favour of Resolutions 3 to 6.

### STEP 3 Items of Business

Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote as they choose. If you mark the Abstain box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

#### Ordinary Business

For Against Abstain

Res 1 Adoption of Remuneration Report

☐☐☐

Res 2 Re-election of Dr K Hillless as a Director

☐☐☐

#### Special Business

Res 3 Approval of participation of Mr R James in 2013-2014 Short Term Incentive Offer

☐☐☐

Res 4 Approval of participation of Dr K Jih in 2013-2014 Short Term Incentive Offer

☐☐☐

Res 5 Approval of participation of Mr R James, in 2013-2014 Long Term Incentive Offer

☐☐☐

Res 6 Approval of participation of Dr K Jih in 2013-2014 Long Term Incentive Offer

For

Against

Abstain

☐☐☐

Res 7 Approval to issue an additional 10% of the issued capital of the Company over a 12 month period

☐☐☐

Res 8 Renewal of Articles 43 to 46 of the Constitution: Proportional Takeover Provisions

☐☐☐

**Board recommendations and undirected proxies:** The Board recommends shareholders vote in favour of each resolution. The Chairman of the meeting intends to vote undirected proxies in favour of each item of business. If you do not wish to authorise the Chairman to vote your proxy in this way, you should direct your proxy in accordance with the instructions in this proxy form.

### STEP 4 Sign

**Signature of Securityholder(s)** *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact  
Name

Contact  
Daytime  
Telephone

Date

/ /

ICON

171497A

Computershare +