
ASX / MEDIA RELEASE



26 October 2012

2012 ANNUAL GENERAL MEETING

Icon Energy Limited (ASX: ICN) advises that the Company's **Annual General Meeting** will be held on **Thursday 29 November 2012**, 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.

We attach a copy of the **Notice of Annual General Meeting, Explanatory Statement** and **Proxy Form**.

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

Yours Sincerely

Ross Mallett
Company Secretary
Icon Energy Limited

ENDS



NOTICE OF ANNUAL GENERAL MEETING 2012

THURSDAY, 29 NOVEMBER 2012
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 Thursday, 29 November 2012 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 2012 (**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 2012 be adopted."

Resolution 2. Spill Resolution

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

"That, subject to and conditional on at least 25% of the votes cast on Resolution 1, the adoption of the Remuneration Report, being cast against it:

(1) the Company convene an extraordinary general meeting of the Company (the 'Spill Meeting') within 90 days of the passing of this resolution;

(2) all of the Directors in office at the time of the Spill Meeting who:

- (a) were in office when the Directors resolution was passed to make the Directors Report for the financial year ended 30 June 2012 considered at the Company's 2012 Annual General Meeting; and*
- (b) are not a Managing Director of the Company, who in accordance with the ASX Listing Rules, may continue to hold office indefinitely without being re-elected to the office*

shall cease to hold office immediately before the end of the Spill Meeting (Vacating Directors); and

(3) at the Spill Meeting the Company will put resolutions to the shareholders to appoint persons to offices that will be vacated immediately before the

end of the Spill Meeting; and

(4) in accordance with Section 250W of the Corporations Act, where there are no Vacating Directors, the Company need not hold the Spill Meeting."

A voting exclusion statement in relation to this resolution is set out below, in the "Explanatory Notes" section.

Resolution 3. Election of Dr Kevin Jih as a Director

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

"That Dr Kevin Jih is elected, in accordance with Article 68 of the Company's Constitution, as a Director of the Company."

Resolution 4. Re-election of Mr Stephen Barry as a Director

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

"That Mr Stephen Barry, who retires by rotation in accordance with Article 70 of the Company's Constitution, is re-elected as a Director of the Company."

SPECIAL BUSINESS

The Icon Energy Performance Rights 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 5. Approval of the Participation of Mr Raymond James, Managing Director, in the Icon Energy 2012 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 Raymond James, of Performance Rights, under the Icon Energy Limited

2012 Short Term Incentive offer upon the terms set out in the Explanatory Statement and for the issue of shares upon exercise of those Performance Rights.”

Resolution 6. Approval of the participation of Dr Kevin Jih, Chief Financial Officer and Executive Director, in the Icon Energy 2012 Short Term Incentive Offer

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

“Subject to the passing of resolution 3, 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 2012 Short Term Incentive offer upon the terms set out in the Explanatory Statement.”

Resolution 7. Approval of the participation of Mr Raymond James, Managing Director, in the Icon Energy 2012 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 Raymond James, of Performance Rights under the Icon Energy Limited 2012 Long Term Incentive offer upon the terms set out in the Explanatory Statement.”

Resolution 8. Approval of the participation of Dr Kevin Jih, CFO and Executive Director, in the Icon Energy 2012 Long Term Incentive Offer

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

“Subject to the passing of resolution 3, 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 2012 Long Term Incentive offer upon the terms set out in the Explanatory Statement.”

Resolution 9. 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).”

VOTING EXCLUSION STATEMENT

In accordance with the ASX Listing Rules and Corporations Act, the Company will disregard any votes cast on each resolution (as applicable):

Resolutions 1 and 2

- (a) by or on behalf of a member of the ‘key management personnel’¹ (KMP) named in the Remuneration Report;
 - (b) by or on behalf of a ‘closely related party’² (such as close family members and any controlled companies) of a KMP named in the Remuneration Report; or
 - (c) a proxy of any of the above
- unless:

- the vote is cast as proxy for a person entitled to vote on Resolutions 1 or 2 in accordance with a direction on the proxy form; or
- the vote is cast as proxy by the Chairman where he has been expressly authorised to exercise the proxy (even though the resolution is connected directly or indirectly with the remuneration of a member of the KMP).

Resolutions 5, 6, 7 and 8

- (a) by or on behalf of Mr Raymond James or Dr Kevin Jih or any of their 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

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

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

NOTICE OF MEETING >>>

to vote, in accordance with the directions on the proxy form, or 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.

(b) by or on behalf of a member of the KMP and their closely related parties unless that person does so as a proxy for a person who is permitted to vote, in accordance with a direction on the proxy form.

Resolution 9

The Company will disregard any votes cast on this Special Resolution by a person and any associates of that person who:

- may participate in the issue of the Placement Securities; or
- might obtain a benefit if this Special Resolution is passed, 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:

- 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
- 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 except Resolution 2 where the Chairman intends to vote undirected proxies against the resolution.

By Order of the Board

Signed for and on behalf of Icon Energy Limited by:

Ross Mallett
Company Secretary
8 October 2012

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 27 November 2012 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.

A proxy 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* 2001 (Cth) (**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 not to 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 except Resolution 2 where the Chairman intends to vote undirected proxies against the resolution. If you wish to appoint the Chairman as your proxy with a direction to vote which is different from the direction

the Chairman has indicated he will vote then you should direct your proxy how to vote by marking the appropriate boxes on the proxy 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 must be received at the share registry of Icon Energy, in the manner stipulated, no later than 11:00am (Queensland time) on 27 November 2012, being 48 hours before the AGM. Proxies must be received before 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 using the
secure access information shown on your
proxy form.

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

4. Voting by Attorney

Where a Shareholder appoints one 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 27 November 2012 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 (**Shareholders**) in relation to the business to be conducted at Icon Energy's 2012 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 Reports is not a resolution and will not be voted on. Resolution 1 is an advisory resolution and is non-binding. Resolution 2 is a conditional ordinary resolution which will only become effective if votes cast against Resolution 1 exceed 25% of total votes cast. Resolutions 3, 4, 5, 6, 7 and 8 are ordinary resolutions, requiring a simple majority of votes cast by Shareholders entitled to vote on each resolution. Resolution 9 is a special resolution requiring a 75% majority of votes cast by Shareholders entitled to vote on the resolution.

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; and other Icon Energy employees. The Remuneration Report is set out on pages 31 to 36 in the Company's 2012 Annual Report.

The Report can also be viewed in the "Investor Centre" section of the Company's website (**www.iconenergy.com**). An extract of the report is included in the 2012 Annual Report Highlights brochure mailed to shareholders with this Notice of Meeting.

The "Two Strikes Rule"

Last year, the "Two Strikes Rule" was introduced by the Corporations Legislation (*Improving Accountability on Director and Executive Remuneration*) Act 2011 and commenced on 1 July 2011.

Under the "Two Strikes Rule" if the Remuneration Report Resolution receives a "no" vote of 25% or more (a **Strike**) at two consecutive AGMs, a resolution to spill the board in accordance with Part 2G.2, Division 9 of the *Corporations Act* (**Spill Resolution**) must be put to Shareholders to vote on.

If the Spill Resolution is passed as an ordinary resolution:

1. the Company will convene an extraordinary general meeting (the **Spill Meeting**) which must be held within 90 days of the passing of the Spill Resolution subject to (4) below;
2. all of the Directors in office at the time of the Spill Meeting who:
 - a. were in office when the Directors' resolution was passed to make the Directors' Report for the financial year ended 30 June 2012 (which includes the 2012 Remuneration Report) considered at the Company's 2012 AGM; and
 - b. are not a Managing Director of the Company who, in accordance with the Listing Rules, may continue to hold office indefinitely without being re-elected to the office;shall cease to hold office immediately before the end of the Spill Meeting (**Vacating Directors**);
3. at the Spill Meeting the Company will put resolutions to Shareholders to vote to appoint persons to the offices that will be vacated immediately before the end of the Spill Meeting under paragraph (b) above. The Vacating Directors, if they choose, may stand for re-election at the Spill Meeting;
4. in accordance with section 250W of the *Corporations Act*, where there are no Vacating Directors, the Company need not hold the Spill Meeting; and

5. if the Company does not hold the Spill Meeting within 90 days after the Spill Resolution is passed, each person who is a Director of the Company at the end of that 90 day period commits an offence, even if the person was not a Director when the Spill Resolution was passed.

First Strike

At last year's AGM, around 29.2% of the votes cast in respect of the Remuneration Report Resolution to adopt Icon Energy's 2011 Remuneration Report were voted against that resolution. Accordingly, the Company received a "first strike".

Second Strike

If the votes cast against this year's resolution to adopt the 2012 Remuneration Report again exceed 25% or more of the total votes cast, the Company will receive a "second Strike". If the Company receives a "Second Strike" it must convene a general meeting within 90 days of the AGM to put the Spill Resolution to Shareholders at the Spill Meeting.

Accordingly, this Notice of Meeting includes a "conditional" resolution (Resolution 2). This resolution will be put to the meeting, but even if it is passed, it will only become effective if, on the basis of the formal results of the poll, it is evident that the Company has received a second consecutive strike. Further details of the Spill Resolution are included in the Explanatory Notes to Resolution 2.

Review of Remuneration Structure

Following last year's AGM, the Company has undertaken a comprehensive review of the remuneration strategy and framework for the Managing Director and senior executives and our new remuneration arrangements take into account the views of Shareholders and other stakeholders.

Important Changes to Remuneration include:

- No bonuses were paid to executives and employees for performance for the financial year ended 30 June 2012;
- Executive and employee salary increases for the year were restricted to CPI increases (except for the CFO);
- 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 and Long-term Incentive Plans have been restructured to improve the linkage between KMP remuneration and company performance and will incorporate rigorous performance hurdles that are consistent with market practice and that will drive company performance. Further detail on the Company's Short Term and Long Term incentive plan is included in the Explanatory Notes to Resolutions 5 to 8.

The Board believes that the Company's remuneration arrangements, as set out in the 2012 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: Spill Resolution

The Spill Resolution will only be effective if there is a "No" vote of 25% or more of the votes cast against Resolution 1 Adoption of Remuneration Report.

The Spill Resolution is a resolution to determine whether the Directors (apart from the Managing Director) will need to stand for re-election at a separate, subsequent meeting called the Spill Meeting. The Spill Meeting must be held within 90 days of the Spill Resolution unless all the Directors have been replaced by new Directors within that time.

This resolution will be put to the meeting in the usual manner. However, even if it is passed, it will only become effective if, based on the formal results of the poll, it is clear that more than 25% of the votes cast on Resolution 1 are against the adoption of the 2012 Remuneration Report and, accordingly, that the Company has received a "second strike".

If this Spill Resolution is passed, and becomes effective based upon the results of the poll on Resolution 1, then it will be necessary for the Board to convene a Spill Meeting of the Company within 90 days of the AGM in order to consider the composition of the Board.

Under Section 250V of the *Corporations Act*, all Directors, who were Directors "when the resolution to make the Directors' Report [which includes the Remuneration Report] considered at the AGM was passed," will cease to hold office immediately before the

EXPLANATORY NOTES >>>

end of the Spill Meeting and they will then offer themselves for re-election to the Board at the Spill Meeting.

If a Spill Meeting is held, Messrs S Barry, K Jih, K Hillless, H Lu and D Murphy will automatically vacate office as Directors at the conclusion of the Spill Meeting unless they are willing to stand for re-election and are re-elected at that meeting.

The only Director not required to stand for re-election at the Spill Meeting is Mr Raymond James as he is the Managing Director.

Even if Mr Barry and Dr Jih are re-elected at this year's AGM, they will still need to be re-elected at the Spill Meeting to remain in office after the Spill Meeting.

Consequences of Spill Resolution being passed

For the Spill Resolution to pass and for a Spill Meeting to occur, 50% or more of the total votes cast must vote in favour of the Spill Resolution.

The potential consequences of voting in favour of the Spill Resolution are numerous and may adversely affect the performance of the Board of Directors and the Company. These adverse consequences include the additional costs associated with convening and holding a Spill Meeting.

The total cost to the Company of holding a Spill Meeting is expected to be in excess of \$70,000 and would cause significant disruption to the running of the Company as a result of management distraction, the time involved in organising such a meeting and the diversion of resources.

The Explanatory Notes to Resolution 1 contains further information relevant to this item of business.

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 **against** this ordinary resolution.

Resolution 3: Election of Dr Kevin Jih as a Director

Article 68(2) of the Company's Constitution provides that the Directors may at any time appoint any person to be a Director. Article 68(2) further states that the person holds office until the end of the next following general meeting and is eligible for election at that meeting.

Dr Jih joined Icon Energy as Deputy Chief Financial Officer in November 2008, was promoted to Chief

Financial Officer in July 2010 and was elected as a Director of Icon Energy and its subsidiaries in December 2011. Dr Jih is a Certified Practising Accountant and has wide experience in the private and public sectors specialising in management accounting, financial accounting and corporate governance.

Dr Jih has held numerous key positions including as the Faculty Manager of Finance and HR, Faculty of Humanities and Social Sciences at Bond University, Australia; Vice President of Hong Yang Lease Finance Co Ltd in Taipei and Business Consultant of Hualien Business Bank in Taiwan.

Dr Jih lives on the Gold Coast, Queensland.

Board Recommendation

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

Resolution 4: Re-election of Mr Stephen Barry

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.

ASX Listing Rule 14.5 requires that an entity with Directors hold an election of Directors each year. In accordance with this rule and the procedure set out in the Company's Constitution, Mr Barry retires and, being eligible, offers himself for re-election as a Director.

Mr Barry was appointed as a non-executive Director of the Company on 5 January 1993, and as Chairman of the Board on 18 December 2008. He is Chairman of the Board's Remuneration, Nominations and Succession Committee and a member of the Board's Audit and Risk Management Committee.

Mr Barry has been a key player in the development of the strategic direction of the company. As a practicing solicitor he has extensive experience in joint venture and farmin agreements together with a wealth of knowledge on commercial law and corporate litigation. Stephen has held no other Australian listed company directorships during the past three financial years.

Board Recommendation

The Directors, with Mr Barry abstaining, recommend Shareholders vote **in favour of** this Resolution.

Resolutions 5 and 6: Approval of the participation of Mr R S James, Managing Director and Dr K Jih, CFO and Executive Director in the Icon Energy 2012 Short Term Incentive Offer

Resolutions 5 and 6 seek Shareholder approval to issue short term incentives (STI) to Mr R. S 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 2012 STI offer 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 month performance period commencing on 1 July 2012 to 30 June 2013:

- 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 James and Dr Jih are set out in the Remuneration Report on pages 31 to 36 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 an brief overview of the key aspects of the Performance Rights to be issued to Mr James and Dr Jih under the STI Offer. A summary of the key terms of the Performance Rights Plan is available upon request from the Company free of charge.

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 and Environment Performance;
- Growth in the Company's market capitalization;
- 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 dealings 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 James or Dr Jih cease employment with the Icon Energy group before the 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 Energy 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. Takeover, scheme of arrangement or winding up

The Board has discretion in the event of a takeover, scheme of arrangement or winding up to vest some or all of the Performance Rights.

Board Recommendation

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

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 to Mr James and Dr Jih under the

EXPLANATORY NOTES >>>

STI Offer is subject to receiving Shareholder approval at this meeting.

Approval is sought from Shareholders for the grant of Performance Rights to Mr James and Dr Jih under the STI Offer on substantially the same terms as offers will be made to other senior executives of Icon Energy.

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 5 and 6:

1. Maximum entitlement under STI Offer

Mr Raymond James is the Managing Director of the Company and Dr. Kevin 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 MaxSTI% x 70% / Rights Allocation Price

Where as:

MaxSTI% =

- 50% for Mr Raymond James; and
- 40% for Dr Kevin Jih

70% = this is 70% of the vested STI award that 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 James STI entitlement, assuming his fixed remuneration of \$524,769 per annum and a five day VWAP of \$0.24

Fixed Remuneration	\$524,769
Maximum STI	50%
	70%
Rights Allocation Price	\$0.24

Maximum Rights Entitlement = 765,288

The Fixed Remuneration amount above is Mr James' fixed remuneration (including superannuation) for the

financial year ended 30 June 2013. In the case of Dr Jih the fixed remuneration amount of \$379,363 will be used being Dr 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 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 2013) 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 2015.

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.

No securities have previously been issued under the 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 James and Dr Jih are the only Executive Directors of the Company eligible to acquire Performance Rights under the Short Term Incentive (STI) component of Icon Energy's Performance Rights Plan.

The Company has been granted a 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 James and Dr Jih.

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 James or Dr 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 James and Dr Jih and no later than 12 months after the date of the 2012 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 7 and 8: Approval of the participation of Mr R S James and Dr K Jih, in the Icon Energy 2012 Long Term Incentive (LTI) Offer

Approval is sought from Shareholders for participation by Mr James and Dr Jih in the 2012 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 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 2012 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 James and Dr Jih are set out in the Remuneration Report on pages 31 to 36 of the Annual Report.

a. Performance period

The performance period is three years commencing on

1 July 2012 and ending on 30 June 2015 (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 40 cents per share for at least 30 consecutive days over the 3 years commencing 1 July 2012; 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 3 years commencing 1 July 2012 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 25th percentile	0%
25th percentile	25%
Between 25th 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

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

The Board has discretion in relation to any Performance Rights that have not vested prior to cessation, including to determine that any unvested rights will be tested at the end of the performance period and vest on a pro-rata basis to

EXPLANATORY NOTES >>>

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 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 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 James and Dr Jih abstaining) recommend that Shareholders vote **in favour of** Resolutions 7 and 8.

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 James and Dr Jih in the LTI Offer is subject to receiving shareholder approval at this meeting.

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 7 and 8:

1. Maximum entitlement under LTI Offer

Subject to Shareholder approval, the maximum number of LTI Performance Rights that may be granted to Mr James and Dr 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 Raymond James;
- 40% for Dr Kevin Jih.

Rights Allocation Price = the value of the Rights (determined by the VWAP for Icon Energy shares for the 5 consecutive trading days immediately prior to the 2012 AGM date).

Set out below is an example of the calculation of Mr James' LTI entitlement, assuming his fixed remuneration of \$524,769 per annum and a five day VWAP of \$0.24

Fixed Remuneration	\$524,769
Maximum LTI	50%
Rights Allocation Price	\$0.24

Maximum Rights Entitlement = 1,093,269

The Fixed Remuneration amount above is Mr James' fixed remuneration (including superannuation) for the financial year ended 30 June 2013. In the case of Dr Jih the Fixed Remuneration amount of \$379,363 will be used being Dr 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 2015) 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 2017.

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.

No securities have previously been issued under the LTI component of Icon Energy's 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 James and Dr 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 James or Dr 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 James and Dr Jih in December 2012, 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 5, 6, 7 and 8 under Corporations Act

For the purposes of Section 211(1) of the *Corporations Act* 2001 (Cwth), the Board of Directors (with Mr James and Dr Jih abstaining) has resolved that the issue of the Performance Rights and LTI Performance Rights under the STI Offer and LTI Offer is reasonable remuneration for Mr James and Dr Jih based on:

- Icon Energy's performance during FY 2011 and FY 2012;

- the responsibilities of management;
- 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 9: 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 9, 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 5 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 which recently came into effect. 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 9.

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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 8 October 2012 the Company's market capitalisation was \$107,939,321 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 to be an Eligible Entity after the Company has already obtained Shareholders' approval pursuant to this Resolution 9, the approval obtained will not lapse and the Company will still be entitled to issue the Placement Securities.

2. Special Resolution

Listing Rule 7.1A requires this Resolution 9 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 9 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 29 November 2013 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 Annual General Meeting may issue or agree to issue, during the 12 month period after the date of the Annual General Meeting, 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.

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. The Company presently has 469,301,394 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 5 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 9 is passed and the Company issues any Placement Securities under Listing Rule 7.1A, the Company will give to ASX:

1. a list of allottees of the Placement Securities and the number of Placement Securities allotted to each (this list will not be released to the market); and
2. the following information required by 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 Rule 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 469,301,394 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 9, 46,930,139 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 5 Trading Days of the date in paragraph (1) 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.

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

As provided by Listing Rule 7.3A.2, if Resolution 9 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 469,301,394 Shares. The Company could issue 46,930,139 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

EXPLANATORY NOTES >>>

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.

Table 1

Variable A (Issued Share capital)	50% decrease in Market Price \$0.115		Current Market Price \$0.23		100% increase in Market Price \$0.46	
	10 % Voting Dilution	Capital Raised (\$)	10 % Voting Dilution	Capital Raised (\$)	10 % Voting Dilution	Capital Raised (\$)
Present Variable A = 469,301,394 Shares	46,930,139	5,396,966	46,930,139	10,793,932	46,930,139	21,587,864
50% Increase in Variable A = 703,952,091 Shares	70,395,209	8,095,449	70,395,209	16,190,898	70,395,209	32,381,796
100% Increase in Variable A = 938,602,788 Shares	93,860,279	10,793,932	93,860,279	21,587,864	93,860,279	43,175,728

Assumptions and explanations

- The Market Price is \$0.23, based on the closing price of the Shares on ASX on 8 October 2012.
- 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.
- 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 1 October 2012.
- 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 of a share issue under Listing Rule 7.1.

- The table above does not show the potential dilutionary effect to a particular shareholder.

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 29 November 2013. The approval under Resolution 9 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.

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 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.

Shares Issued for Non-cash consideration – Listing Rule 73A.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 71A.3.

Company's Allocation Policy – Listing Rule 73A.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:

1. 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;
2. the effect of the issue of the Placement Securities on the control of the Company;
3. the financial situation and solvency of the Company; and
4. 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.

Company not previously obtained Shareholder approval under Listing Rule 71A

The Company has not previously obtained Shareholder approval under Listing Rule 71A.

Voting Exclusion Statement

A voting exclusion statement is included in the Notice of Meeting at page 4. 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), 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 and there is no reason to exclude their votes.

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.

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
Website: 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

Website

The 2012 Annual Report can be accessed on the Company's website at 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 Employees (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), 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 the 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 issues 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 of the exercised Shares on the ASX within 10 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.

QUESTIONS FROM SHAREHOLDERS >>>



ICON ENERGY LIMITED

ABN 61 058 454 569

energy for the future - the future of energy



Lodge your vote:



Online:

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

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(within Australia) 1300 552 270
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SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Proxy Form



Vote online or view the annual report, 24 hours a day, 7 days a week:

www.investorvote.com.au



Cast your proxy vote



Access the annual report



Review and update your securityholding

Your secure access information is:

Control Number: 999999

SRN/HIN: 1999999999



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 (AEST) Tuesday 27 November 2012

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 Resolutions 1 and 2 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 and 2 (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 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.



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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

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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 in relation to the meeting generally or in relation to a poll on a given resolution, or if no individual or body corporate is named, the Chairman of the meeting, as my/our proxy to act generally at the meeting or in relation to a poll on the given resolution (as applicable) on my/our behalf, including 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 Queensland at 11.00am (AEST) on Thursday 29 November 2012** and at any adjournment 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 except Resolution 2 where the Chairman will be voting against the resolution.

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 in respect of Resolutions 1 and 2 even though those 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 any of the boxes opposite Resolution 1 and 2, the Chairman of the meeting intends to vote my/our proxy in favour of Resolution 1 and against Resolution 2.

Chairman authorised to exercise proxies on Resolutions 5, 6, 7 and 8 (which are subject to ASX vote exclusion): If the Chairman of the Meeting is your proxy and you have not directed the Chairman how to vote on **Resolutions 5 to 8** 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 5 to 8** the Chairman of the Meeting will not cast your votes on **Resolutions 5 to 8** 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 5 to 8.

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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 5 to 8** and that votes cast by the Chairman, other than as proxy holder, will be disregarded because of that interest.

STEP 2

If you want the Chairman to act for you on Resolutions 5 to 8 please mark this box.

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	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Res 2 Spill Resolution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Res 3 Election of Director - Dr K Jih	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Res 4 Re-election of Director - Mr S Barry	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

SPECIAL BUSINESS

	For	Against	Abstain
Res 5 Approval of Participation of Mr R James in 2012 Short Term Incentive Offer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Res 6 Approval of Participation of Dr K Jih in 2012 Short Term Incentive Offer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Res 7 Approval of Participation of Mr R James in 2012 Long Term Incentive Offer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Res 8 Approval of Participation of Dr K Jih in 2012 Long Term Incentive Offer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Res 9 Approval to Issue an additional 10% of the issued capital of the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Board recommendations and undirected proxies: The Board recommends shareholders vote in favour of each resolution except Resolution 2 where the Board recommends shareholders vote against the resolution. The Chairman of the meeting intends to vote undirected proxies in favour of each item of business except Resolution 2 where the Chairman will be voting against the resolution. 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 Shareholder(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

ICN

152754A

Computershare +