

Icon's
Breaking
Through

e-NEWSLETTER JUNE 2011

Looking Over Icon's Next Horizon

Time to evaluate the
potential in Icon's new
tenement acquisitions



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ICON ENERGY LIMITED



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Shale Gas: The Next Gas Boom

It wasn't that long ago (in the context of the international oil and gas industry) that coal seam gas (**CSG**) was considered an unconventional hopeful.

These days however, the CSG industry in Queensland is underpinning multi-billion dollar LNG developments - securing the focus of international majors such as Shell, ConocoPhillips, Petronas, Total, and the BG Group.

What was once unconventional, has rapidly been transformed into a mainstream industry, and one that has in many regards thrown a lifeline to Queensland's and Australia's oil and gas sector, opening up exciting LNG markets for Australian gas.

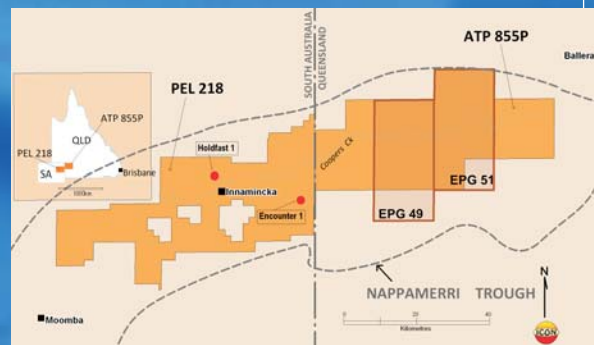
The potential for shale gas to hold a major position for the supply of domestic and international energy needs is similar to that of CSG 15 or so years ago. The only difference, is that there have been enormous technological in-roads (developed principally in the US) which will lead to shale gas emerging as a more immediate source of supply.

Icon Energy's Shale Gas Position

Icon Energy holds an enviable shale gas position in Australia.

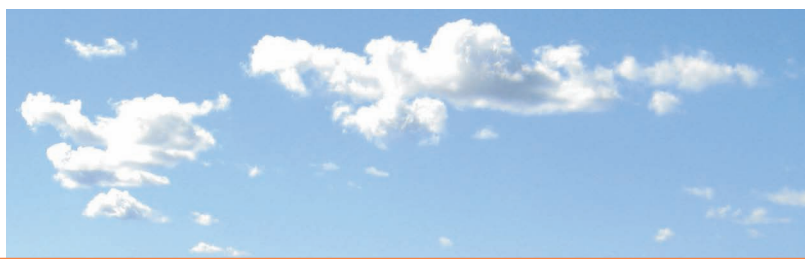
The Company has an 80% interest in the highly prospective ATP855P tenement, located on the Queensland side of the gas-rich Nappamerri Trough (refer to map below).

Adjacent to ATP855P is the South Australian PEL218 tenement, in which Beach Energy Ltd (**Beach**) has drilled the Encounter-1 well (in December 2010) and the Holdfast-1 well (April 2011) - both of which are aimed at testing the shale gas potential of the South Australian side of the Nappamerri Trough.



The ATP855P tenement comprises approximately 1,673 square kilometres and also has two geothermal tenements (EPG49 & EPG51) overlying it, both of which are 100% Icon Energy owned.

The Nappamerri Trough is therefore an extremely prospective potential energy hub and has the potential to meet Icon Energy's LNG and Gas Sales commitments for many years to come.



Shale Gas: The Next Gas Boom

Why the focus on ATP855P?

The potential volumes of recoverable gas is driving the focus.

Industry estimates place the Nappamerri Trough as a significant hydrocarbon province, with estimates that the trough alone could hold upwards of 200 trillion cubic feet (TCF) of gas in place.

Compare that to Moomba's Cooper-Eromanga Basin which has already supplied 492 TCF of gas to the Australian domestic market including South Australia, Queensland and New South Wales since 1970. Current estimates suggest that the Cooper-Eromanga Basin still has 500 TCF in reserves.

The potential of ATP855P is therefore extremely exciting.

The ATP855P Dispute

You would be aware that Beach is claiming that it has a right to farmin up to a 40% interest in ATP855P and has issued proceedings against Icon Energy in the Federal Court in an attempt to secure that claim.

Icon Energy has consistently maintained that any arrangement between the parties was subject to the negotiation and completion of formal farmin, joint venture operating and share subscription agreements.

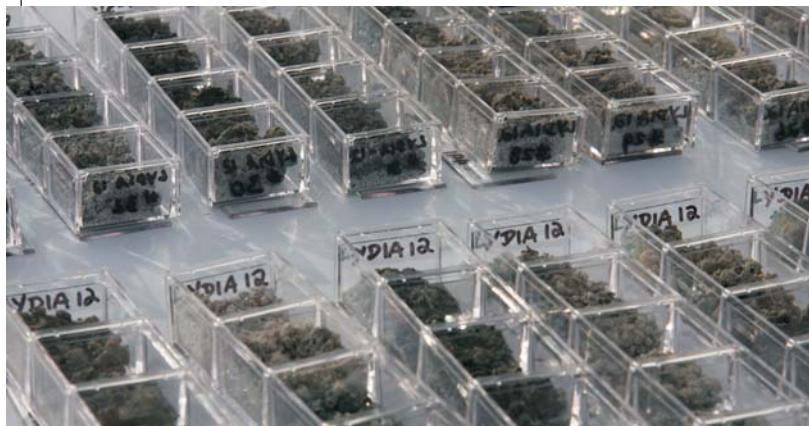
Icon Energy denies that Beach has any right to farmin to ATP855P and is defending the proceedings which are currently listed for trial on 18 July 2011.





Reserve Certification Update

Icon Energy has been working in earnest with Netherland, Sewell & Associates, Inc. (NSAI) to establish solid, reliable figures on Icon's resources assets. Here's a brief



All about the data: collecting, compiling and evaluating

Industry reports on the Nappamerri Trough in the Cooper Basin (which spans the Queensland and South Australian borders) have indicated significant potential in the region, particularly with respect to that of shale gas, with industry figures estimating a potential resource of in excess of 200TCF of gas in place. With the potential of the trough being considered so prospective, Icon Energy was naturally interested in obtaining a third party viewpoint.

The particular area on which NSAI has been engaged by Icon Energy to focus has been in the area of the ATP855P tenement, which overlies a substantial portion of the Nappamerri Trough. Here is what the traditionally conservative, US-based independent certifier stated in their recent report to Icon Energy on the data currently available for the ATP855P tenement:

"There is significant gas potential in the Nappamerri Trough of the Cooper Basin on exploration permits held by Icon, as indicated by the gas shows and production tests."

To date however no shale gas-focussed exploration has occurred in ATP 855P, so the basin currently "lacks the type of core data and laboratory analysis associated with well understood and successful shale gas plays in North America". Nonetheless, early indications of the potential appear extremely promising for shale gas in the region.

Shale gas targeted exploration is certainly warranted to enable Icon Energy to participate in the boom period ahead. The performance of US shale gas sector points to further promising signs. It is more established than that which exists here for the time being, and there is good news to take from that: there is a pre-existing knowledge-base of experience and expertise upon which we can draw about science and industrial techniques to apply in Australia.

Utah University's Energy and Geoscience Institute (EGI) is home to the largest industry share-cost program of any university in the world, with more than 60 international petroleum corporations supporting EGI's research. Icon is not only an EGI corporate associate, but Icon Energy Managing Director, Ray James has recently been appointed to the EGI Advisory Board as a representative of Australia's interests. So while it is early days yet for Australian shale gas, Icon Energy is focussed on positioning itself well to be a part of the next global energy boom.



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Terrex eco-vibes for a "green" program

New Seismic Program set to begin

New territory is about to be explored to maximise the value of one of Icon Energy's newest tenement assets, ATP 849P.

Ultimately the core value of a company like Icon Energy is in the value of its exploration tenement asset base. To maximise that value for shareholders, and to the market place, we aim to demonstrate the potential of our 80% held and operated interest in ATP849P. Reliable seismic and the other exploration activities which follow go a long way towards that end.

ATP 849P is in the Surat Basin, spanning approximately 1 million acres. Drilling, which has occurred on adjacent blocks, is indicative of the CSG potential of the block. One of Icon Energy's most recent acquisitions, the block is at the early stages of exploration. Indeed historically there have been only two wells drilled which pre-date Icon Energy's involvement, with both having been drilled in the 1960's.

200 kilometres of seismic survey is planned to create a sonar like map of the sub-surface structures within the tenement. Such mapping is an invaluable tool in exploration to help determine where and how deep to drill, and even what resource to target. Existing data suggests that there may be potential for conventional gas plays in addition to CSG. The acquisition of seismic data will aid the planning of exploration drilling in that regard.

There are some environmentally sensitive areas in the area and, as you may expect, Icon Energy will do its part and act with appropriate 'eco-integrity', something about which the Icon Energy team is proud to uphold. Icon Energy also plans to utilise the Terrex mini 'eco-vibe' trucks for this exercise. Considerably smaller than their traditional counterparts, these are designed to cause as little environmental harm as possible; back in 2009 Icon Energy and Terrex ran Australia's first carbon-neutral seismic program.





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Sights set on Victoria

Icon Energy's newest tenement in Victoria's Gippsland Basin, PEP170, is the target of the Company's next operational efforts - and, from initial evaluation, it appears also to be a highly prospective opportunity for gas.

Icon Energy successfully acquired a 100% interest in the Gippsland Basin PEP170 exploration tenement after a competitive tender process back in September 2010.

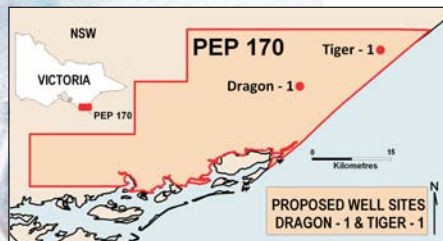
The PEP170 tenement is adjacent to PEP157 in which the Wombat discovery was made in January 2004.

Icon Energy has already submitted its Operations Plan to the Victorian Department of Primary Industries and is now in the final stages of preparing a detailed programme and budget for the drilling of a stage one exploration well to test the gas potential of the tenement.

So far, two prospective well locations have been identified (Tiger-1 and Dragon-1), each of which are proposed to be drilled into the Strzelecki formation. Refer to the map for the proposed well locations.

Subject to completing all necessary landholder, native title and cultural heritage processes, the Company will be seeking to secure a suitable rig so that drilling can commence during Q4 2011.

Coffey International has already been retained to assist with the environmental assessment of PEP170 ahead of the Operations Plan being submitted to the Department of Primary Industries, Victoria.





ATP626P Drilling Program

As the first half of 2011's drilling operations has now drawn to a close, we review the program results



The recent drilling programme in ATP626P suggests the future focus in the ATP626P tenement will be targeted outside of the Lydia farmin block to identify more permeable sections further to the south of Lydia.

Despite a robust four well programme, drilling operations unfortunately revealed lower than necessary permeability to enable proceeding to a second pilot project in the area.

Subject to technical assessment, a subsequent drilling programme is likely to commence in the new budget year beginning 1 July 2011. This programme would be located in the most promising areas of the ATP outside of the Lydia blocks.



The drilling team working throughout the night

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Company Particulars

Directors

Stephen Barry (Chairman)
Raymond James (Managing Director)
Keith Hilless (Non-Executive Director)
Howard Lu (Non-Executive Director)
Derek Murphy (Non-Executive Director)

Company Secretary

Wesley Glanville

Registered Office

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Broadbeach Waters
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Share Registry

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Auditors

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Level 16, WHK Horwath Centre
120 Edward Street
Brisbane Queensland 4000

ICON ENERGY LIMITED

FULLY PAID ORDINARY SHARES (TOTAL) As of 23 Jun 2011

Top Holders Snapshot - Grouped

Composition : ORD

Rank	Name	Units	% of Units
1	MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED	21,796,447	4.64
2	RAY JAMES	21,080,040	4.49
3	MR HOWARD LU	16,000,000	3.41
4	JP MORGAN NOMINEES AUSTRALIA LIMITED <CASH INCOME A/C>	15,106,722	3.22
5	TAIWAN FRUCTOSE CO LTD	9,000,000	1.92
6	MRS DIANNE BETH BALDWIN	6,809,600	1.45
7	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	6,216,290	1.32
8	CITICORP NOMINEES PTY LIMITED	5,522,924	1.18
9	MR CHIEN HUA LEE	4,500,000	0.96
10	MR CHRISTOPHER JOHN MARTIN	3,548,998	0.76
11	MR RONALD WILLIAM BALDWIN + MRS DIANNE BETH BALDWIN <WHISTLER SUPER FUND A/C>	3,500,000	0.75
12	MR DANIEL JOSEPH RAYMOND O'SULLIVAN	2,733,530	0.58
13	LOCHIEL ENTERPRISES PTY LTD <CAMERON INVESTMENT ACCOUNT>	2,619,000	0.56
14	J P MORGAN NOMINEES AUSTRALIA LIMITED	2,462,255	0.52
15	BROWNWARD PTY LTD <BRIAN HAYWARD S/F A/C>	2,249,000	0.48
16	WILLIAM DOUGLAS GOODFELLOW	2,050,000	0.44
17	MR TIMOTHY ALLEN KENNEDY + MRS GLENDA KAY KENNEDY <TA & GK KENNEDY S/F NO2 A/C>	2,025,825	0.43
18	MR MIN-CHUNG WU + MS SHUN-I CHEN <MC & SI WU FAMILY A/C>	2,020,000	0.43
19	IAN PETHERBRIDGE RETIREMENT FUND PTY LTD <IAN PETHERBRIDGE R/F A/C>	2,000,000	0.43
20	REYNOLDS (NOMINEES) PTY LIMITED <REYNOLDS SUPER FUND A/C>	2,000,000	0.43
Totals: Top 20 holders of FULLY PAID ORDINARY SHARES (TOTAL)		133,240,631	28.39
Total Remaining Holders Balance		336,060,763	71.61

