
Registered Office:

Level 4
19 Arbour Court
PO Box 3366
ROBINA TC QLD 4230 AUSTRALIA

Ph: 61+ 07 5562 0077
Fax: 61+ 07 5562 0011
Email: info@iconenergy.com
Web: www.iconenergy.com

9 April 2009

The Manager
Company Announcements Office
Australian Securities Exchange
20 Bridge Street
SYDNEY NSW 2000

RE: ICON ENERGY LIMITED (ASX CODE: ICN) (Company)

For the purposes of ASX Listing Rule 3.1, the Company provides the following market update.

1. Placement

After trading closed on 7 April 2009, the Board of Directors of the Company (Board) resolved to approve a mandate with a corporate advisor to issue, by way of placement, to sophisticated and professional investors (as defined in the Corporations Act), up to 45,000,000 shares in the capital of the Company (Placement). The terms of the Placement (as amended during the morning of 8 April 2009) included a Placement price of \$0.24 per share (which was a 14.3% discount to the \$0.28 closing price of the Company shares as traded on the ASX on the prior day).

The Placement was, for (then) present purposes, a confidential matter as provided for in ASX Listing Rule 3.1A.2 and until a detailed approach (including a timetable) was agreed between the Company and the corporate advisor, it constituted an incomplete proposal as provided for in ASX Listing Rule 3.1A.3. The Company confirms that neither a detailed approach nor timetable had been agreed with the corporate advisor.

Once the Placement details were in fact agreed between the Company and the corporate advisor and prior to any communication between the corporate advisor and potential placees, the Company had expected to make a request to the ASX for a trading halt. In the Company's reasonable opinion, the Company expected to be in a position to make this request either after the market closed on 8 April 2009 or prior to the market opening today, 9 April 2009.

During the course of trading on 8 April 2009, the abnormally high volumes of shares in the Company as traded on the ASX were observed, and subsequently the consequential downward pressure on the prevailing price of the shares in the Company was also observed.

Following communication with the ASX, the Company requested the trading halt of the Company's shares from trading on the ASX as it believed there was a real likelihood that a false market would be in existence, in the manner as described in ASX Listing Rule 3.1B. This belief was premised on the fact the Board believed, in its utmost good faith, that the confidentiality attaching to the Placement was lost during the early part of the afternoon of 8 April 2009.

The Company wishes to advise that this morning it has provided written notice to the corporate advisor to the Placement that the terms of the Placement mandate have been frustrated, having regard to:

- to the Company's continuous disclosure obligations;
- each Directors' statutory obligations to act in the best interests of the Company; and
- the closing price of the shares in the Company on 8 April 2009 (being 24 cents), when compared with the agreed placement price (be at a discount to the prevailing market price) as described above.

To ensure it is able to continue to meet its continuous disclosure obligations without further disruption to the trading of shares in the Company on the ASX, the Board does not envisage resolving to pursue a placement in the near or foreseeable future.

2. Share Purchase Plan

On 7 April 2009, the Board also resolved, subject to receipt of requisite regulatory approvals and any accompanying conditions being met as requested by the ASX and the Australian Securities & Investments Commission (ASIC), to offer to the Company's shareholders on record at announcement date (to be at or about the same time the Placement was to be announced), participation in a share purchase plan to acquire shares in the Company up to the value of \$10,000 (SPP).

The Company had considered the proposed SPP to be a matter which had fallen within the ambit of ASX Listing Rule 3.1A (being confidential and an incomplete proposal), until receipt of all regulatory approvals (as described above) and finalisation of the details pertaining to the Placement (to ensure congruity where and to the extent necessary between the two capital raisings).

Subject to receipt of all regulatory approvals as described above, and no adverse material information becoming known to the Company, the Company advises that at this stage, in the near future, it intends to announce to the ASX the terms of a SPP.

3. Other (Drilling Program)

The Lydia Pilot drilling program is proceeding on schedule and it is expected to take at least one month to complete the wells and begin the de-watering process. The first well, LP-4, is at a depth of 331 metres and waiting to drill out when the planetary gears have been replaced in the top drive unit on the rig. Surfacing casing was set at 104 metres and cemented. Blow out preventors were nipped up prior to drilling ahead to 331 metres. The well has a programmed total depth of 800 metres.

The rig safety compliance issues have been met and full safety instructions are conducted each day in accordance with Icon's Safety Management Policy

Yours sincerely,



Ray McNamara
Icon Energy Limited



For further information please contact:

Ray McNamara

Company Secretary / Executive Director

Telephone: (+617) 5562 0077

Facsimile: (+617) 5562 0011

Email: info@iconenergy.com

Or visit www.iconenergy.com