



ICON ENERGY LIMITED

ABN 61 058 454 569

energy for the future - the future of energy



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24 February 2011

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

Dear Sir

HALF YEAR ACCOUNTS

Icon Energy Limited submits its Financial Statements for the half year ended 31 December 2010 (**Statement**) which includes the Directors' Report, Independent Auditor's Review Report and declarations referred to in the Statement.

Yours faithfully

Ray James
Managing Director
Icon Energy Limited
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ICON ENERGY LIMITED and its Controlled Entities

Icon Energy Limited

ABN 61 058 454 569

FINANCIAL STATEMENTS

For the half-year ended
31 December 2010

Icon Energy Limited

ABN 61 058 454 569

FINANCIAL STATEMENTS

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DIRECTORS' REPORT

The directors present their report together with the consolidated financial statements of Icon Energy Limited ("Icon or Company") and its controlled entities for the half-year ended 31 December 2010.

The results for the six months ended 31 December 2010 reflect the first half yearly period since Icon changed its financial year end to 30 June to align with the Company's taxation reporting requirements.

Directors

The names of directors who held office during or since the end of the half-year are:

Name	Position	First appointed
Stephen Michael Barry	Non-Executive Chairman	Director since 05/01/1993
Derek James Murtagh Murphy	Non-Executive Director	Director since 20/03/2009
Keith Graham Hillless	Non-Executive Director	Director since 03/04/2009
Raymond Swinburn James	Managing Director	Director since 01/02/1993
Howard Lu	Non-Executive Director	Appointed 07/01/2011

Principal Activities

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

Dividends Paid or Recommended

The directors recommend that no dividend be paid by the Company. No dividends have been declared or paid by the Company since the end of the previous financial year. (31 December 2009 \$NIL)

Review of Operations and Results

Australian Operations

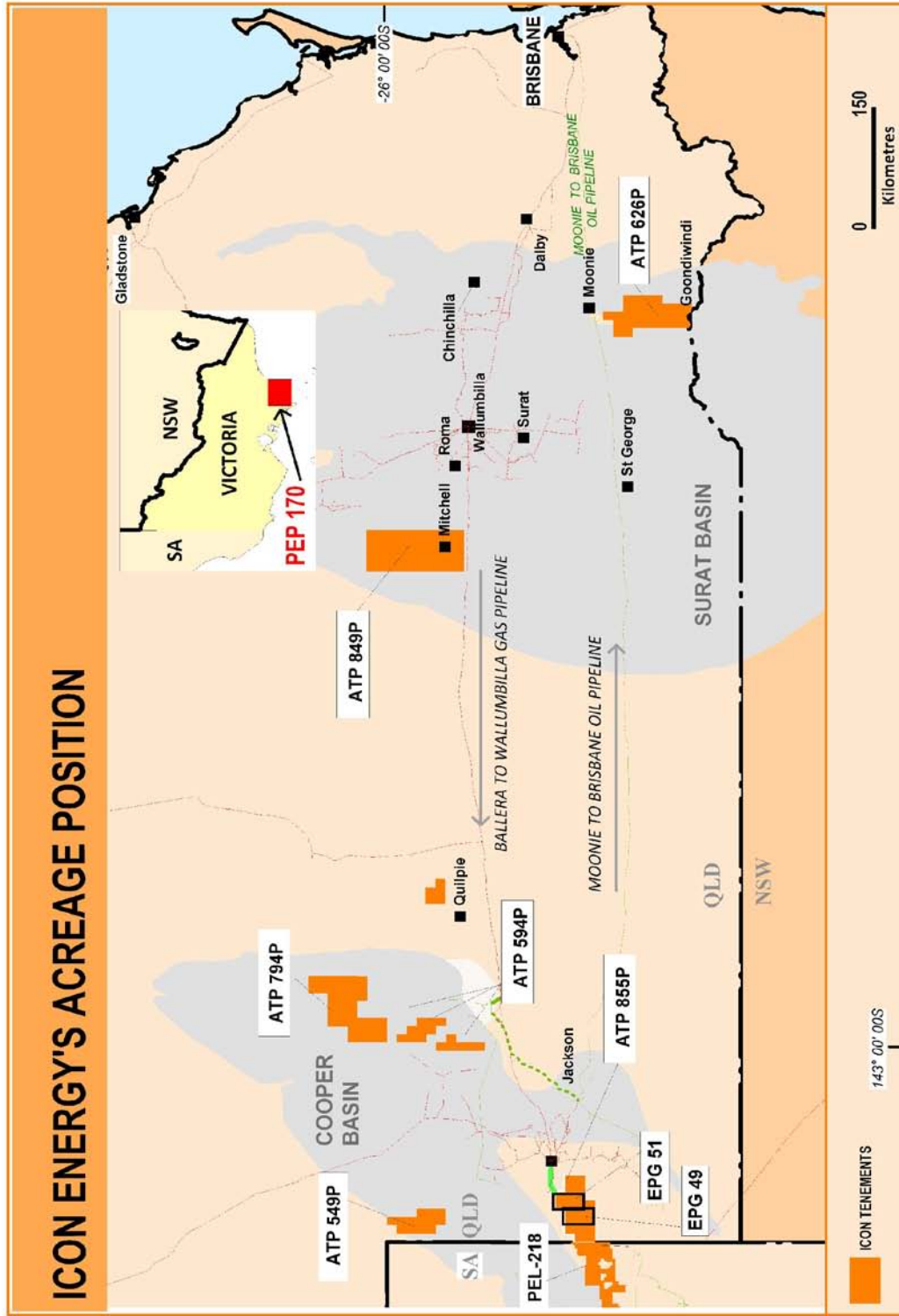
Icon has continued to evaluate its exploration tenements during the half-year ended 31 December 2010 and continued its development of the ATP 626P coal seam gas ("CSG") tenement. Icon has a portfolio of twelve (12) exploration blocks as follows:

Gas and Oil	Basin	Interest 31 December 2010 %	Interest 30 June 2010 %
ATP 549P West	Cooper Eromanga	33.33%	33.33%
ATP 594P	Cooper Eromanga	50.00%	50.00%
ATP 794 P	Eromanga Regleigh & Springfield Areas	60.00%	60.00%
ATP 794 P	Eromanga Brightspot area	75.00%	75.00%
ATP 626P *	Surat	99.00%	99.00%
ATP 849P	Surat	80.00%	80.00%
ATP 855P **	Cooper Eromanga	80.00%	80.00%
PEL 218	Cooper Eromanga	33.33%	33.33%
ATP 560	Cooper Eromanga	50.50%	50.50%
EPG 49	Cooper Eromanga	100.00%	100.00%
EPG 51	Cooper Eromanga	100.00%	100.00%
PEP170	Gippsland	100.00%	-

* On 16 August 2010 Stanwell Corporation Limited ("Stanwell") agreed to proceed to Stage 2 of the Farmin Agreement covering Icon's key CSG tenement ATP 626P, committing a further \$30 million subject to completion of Farmin program. A 50% working interest in the farmin area, comprising four of the thirty blocks within ATP 626P (along with a 1% title interest in the whole of ATP 626P), has now been assigned to Stanwell. Stage Two involves a 20 well program to prove 2P and 3P reserves.

** An earlier proposed farmin to the tenement (in October 2009) by Beach Energy Ltd ("Beach"), pursuant to which Beach proposes to earn up to a 40% working interest in the tenement, remains to be finalised.

These permits are shown on the following diagram



DIRECTORS' REPORT (continued)

ATP 626P

The majority of Icon's resources have been primarily focused on the development of the CSG resources in ATP 626P. On 16 August 2010 Stanwell agreed to proceed to Stage 2 of the Farmin Agreement, committing a further \$30 million to the on-going evaluation and development programme. Four new exploration well locations have been identified and agreed with Stanwell. The objectives of the four proposed wells are to:

1. Identify net coal thickness;
2. Determine gas content and saturations in the coal sections;
3. Obtain estimates of permeability within the Walloon Coal Measures; and
4. Analyse the data obtained and select a second pilot area for future development wells in the Lydia block.

Icon is targeting to have all landholders signed up with compensation agreements by the end of February 2011 and to have a drilling contractor agreement concluded within the first quarter of 2011. This will allow work on access roads and site to be commenced with a view to commencing drilling operations within the first half of 2011.

PEL 218

Icon farmed into the Post-Permian section of this permit in October 2007 to earn a 33.33% working interest in the Mesozoic sedimentary section of the permit by funding 50% of 100 kilometers of new seismic data and participating in one oil exploration well. Following the drilling of the Wakefield-1 well, Icon is proceeding to formalise its tenement interest with Deka Resources Pty Ltd and Well Traced Pty Ltd. An initial four core hole programme is currently being considered to test the prospectivity and commerciality of the tenement.

ATP 594P

Icon has a 50% working interest in ATP 594P. The Australian Securities and Investments Commission ("ASIC") holds the other 50% interest in the permit as a result of the default of Triple J Pty Ltd (Icon's joint venture partner in the tenement). No work is planned for ATP 594P until ASIC / the joint venture partner addresses the default. Icon is continuing to seek the transfer of Triple J Pty Ltd's interest in the permit to the Company by ASIC.

ATP849P

ATP 849P was granted on 1 September 2009. Icon holds an 80% interest in this tenement which is located west of the Roma Township in the Surat Basin in Queensland. There is an environmental authority in place for this tenement. A cultural heritage agreement was reached between Icon and the Bidjara Traditional Owners in October 2009. No native title is applicable to this tenement as the land is exclusive and the right to negotiate procedures in the Native Title Act 1993 (Cth) do not apply to any exploration activities to be undertaken within the tenement. The Company is continuing to undertake preliminary geological and geophysical desktop studies with a view to proposing a seismic and drilling programme and budget to its joint venture in the second half of 2011.

ATP855P

ATP 855P was formally granted to Icon by the Queensland Government on 5 October 2010. The tenement is located in the Queensland Nappamerri Trough and is a geological extension similar to that in the PEL 218 tenement. The industry estimates a possible 200 trillion cubic feet (TCF) of gas might be in place in the Nappamerri Trough, making ATP 855P a potentially highly prospective tenement for the Company. The area is also prospective for a CSG reservoir in the Winton Formation coal measures - with coals found at depths (up to 1000m) over most of this tenement. Icon currently holds an 80% interest in the tenement. An earlier proposed farmin to the tenement (in October 2009) by Beach Energy Ltd ("Beach"), pursuant to which Beach proposes to earn up to a 40% working interest in the tenement, remains to be finalised. The Company is currently looking to commence drilling operations to evaluate the CSG and shale gas potential of the tenement towards the end of the first half of 2011, subject to being able to contract a suitable rig.

EPG 49 and EPG 51

EPG 49 and EPG 51 overlie the ATP 855P tenement, which is located on the eastern side of the Queensland/South Australia border. Icon holds a 100% participating interest in both EPG 49 and EPG 51. Icon has engaged the services of Hot Dry Rocks Pty Ltd ("HDR") to assist in its understanding of the geothermal potential of these tenements and has previously reported that HDR's initial assessment is that the tenement is prospective for pursuing further exploratory geothermal operations. The Company is currently undertaking a further desktop evaluation with a view to proceeding with seismic operations in the third quarter of 2011.

DIRECTORS' REPORT (continued)

ATP794P

Icon has a 75% beneficial interest in Brightspot, and a 60% interest in Regleigh and Springfield. The tenement covers an area of 14,957 square kilometres and is located in the south-west Queensland portion of the Cooper/Eromanga Basin. Icon is not engaged in a programme for this block at present. However, a seismic acquisition and drilling programme is proposed for future farmout development. The permit was granted for a 12 year term from 1 November 2005.

PEP170

Icon was granted tenement PEP 170 in September 2010 in Victoria's Gippsland Basin. Icon holds a 100% participating interest in the PEP 170 tenement, which is situated south of the 'Wombat' discovery that was drilled in the past two years. Icon is currently in the process of finalising its initial geological and geophysical desktop studies, based upon existing seismic and well data, following which Icon plans to drill the most favourable target. The Company's initial assessment is that the tenement is potentially prospective for both tight sands and shale gas and is looking to commence drilling operations in the tenement later in the first half of 2011, subject to rig availability.

ATP549P W

ATP 549P W is located outside the boundaries of the Cooper Basin in Queensland, near the Queensland/South Australia border. The tenement covers an area of 3,854 km². Icon holds a 33.33% working interest in the west block of the tenement. The tenement is north of the Cook Oil Field. The Company's initial assessment is that the area is potentially prospective for oil and gas and is currently in the process of considering the forward programme and budget with its joint venture partners.

Projects

The Company continues to progress its two commercialisation projects, namely: the internationally focused China LNG project and the domestically focused Micro LNG project.

Negotiations are continuing with Shantou SinoEnergy (formerly Shenzhen SinoGas), with a view to concluding an LNG Supply Agreement by the end of the first quarter in 2011. The Company continues to have an expectation that the LNG Supply Agreement will be signed once Shantou SinoEnergy has obtained all necessary joint venture and government sign-offs and approvals (which it has previously informed the Company it expects to secure by the end of March 2011).

Otherwise, the Company continues to progress its evaluation of other commercialisation initiatives, including discrete Micro LNG projects focused on developing identifiable reserves proximate to various industrial, transport and other commercial markets. At this point however this initiative remains in the feasibility stage.

Financial position

The cash balance as at 31 December 2010 is approximately \$19.9m. During the half-year Icon raised additional capital through private placements. These placements successfully raised \$5,900,000 which will be applied to funding Icon's on-going administration and operation expenses.

Significant Changes in State of Affairs

There were no significant changes in the state of affairs of the consolidated entity during the half-year ended 31 December 2010.

Auditor's Declaration

The lead Auditor's Independence Declaration under Section 307C of the *Corporations Act 2001* is set out on page 8 for the half-year ended 31 December 2010.

DIRECTORS' REPORT (continued)

This report is signed in accordance with a resolution of the Board of Directors.

A handwritten signature in black ink, appearing to read "Ray James", with a long horizontal flourish extending to the right.

Director

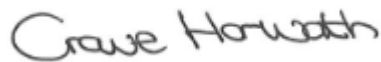
Ray James
Managing Director

Dated this 23rd day of February 2011
Broadbeach, Queensland

**Auditor's Independence Declaration
Under Section 307C of the Corporations Act 2001
To the Directors of Icon Energy Limited**

I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2010, there have been:

- (1) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- (2) no contraventions of any applicable code of professional conduct in relation to the review.



CROWE HORWATH



VANESSA DE WAAL

Principal

Signed in Brisbane on 23 February 2011

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the half-year ended 31 December 2010

	NOTE	CONSOLIDATED	
		6 months ended 31 December 2010	6 months ended 31 December 2009
		\$	\$
Revenue		-	-
Less: Cost of sales		-	-
Gross Profit/(Loss)		-	-
Other income	2	923,902	1,260,747
Administration expenses		(2,312,340)	(1,798,313)
Depreciation and amortisation		(173,763)	(86,263)
Employee benefits and expenses		(2,068,904)	(1,120,707)
Occupancy expenses		(91,191)	(87,844)
Impairment of exploration expenditure		-	85,749
Loss on sale of non-current assets		(11,780)	-
Finance costs		(16,105)	(52,786)
Profit/(Loss) before income tax		(3,750,181)	(1,799,417)
Income tax expense		-	-
Profit/(Loss) for the period		(3,750,181)	(1,799,417)
Other comprehensive income			
Exchange differences arising on translation of foreign operations, net of income tax		(5,242)	(85,854)
Other comprehensive income for the period		(5,242)	(85,854)
Total comprehensive income/(loss) for the period		(3,755,423)	(1,885,271)
Profit/(Loss) attributable to:			
Owners of the parent entity		(3,750,181)	(1,799,417)
Non-Controlling interests		-	-
Profit/(Loss) for the period		(3,750,181)	(1,799,417)
Total comprehensive income/(loss) attributable to:			
Owners of the parent entity		(3,755,423)	(1,885,271)
Non-controlling interests		-	-
Total comprehensive income/(loss) for the period		(3,755,423)	(1,885,271)
Earnings per share			
Basic earnings per share (cents per share)		(0.85)	(0.41)
Diluted earnings per share (cents per share)		(0.85)	(0.41)

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 31 December 2010

		CONSOLIDATED	
		31 December 2010	30 June 2010
		\$	\$
CURRENT ASSETS			
		13,873,183	14,042,420
		163,733	230,822
		5,900,000	-
		19,936,916	14,273,242
NON-CURRENT ASSETS			
		6,190,225	6,231,882
		572,500	572,500
	4	14,284,395	17,943,777
		21,047,120	24,748,159
TOTAL ASSETS		40,984,036	39,021,401
CURRENT LIABILITIES			
		550,560	422,480
	5	193,755	208,715
		368,231	444,230
		1,112,546	1,075,425
NON-CURRENT LIABILITIES			
	5	3,557,754	3,592,817
		201,120	208,120
		3,758,874	3,800,937
TOTAL LIABILITIES		4,871,420	4,876,362
NET ASSETS		36,112,616	34,145,039
EQUITY			
	6	70,463,292	64,740,292
		(2,241,912)	(2,236,670)
		(32,108,764)	(28,358,583)
TOTAL EQUITY		36,112,616	34,145,039

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the half-year ended 31 December 2010

CONSOLIDATED ENTITY	Ordinary Share Capital \$	Foreign Exchange Reserve \$	Accumulated Losses \$	Total \$
Balance 1 July 2009	47,016,416	(2,152,659)	(23,619,140)	21,244,617
Total comprehensive income:				
Loss for the period	-	-	(1,799,417)	(1,799,417)
Other Comprehensive Income	-	(85,854)	-	(85,854)
Total Comprehensive Income/(loss) for the period	-	(85,854)	(1,799,417)	(1,885,271)
Transactions with owners in their capacity as owners:				
Shares issued	17,564,436	-	-	17,564,436
Share issue costs	(41,402)	-	-	(41,402)
Total transactions with owners	17,523,034	-	-	17,523,034
Balance at 31 December 2009 - attributable to owners of parent entity	64,539,450	(2,238,513)	(25,418,557)	36,882,380
Balance 1 July 2010	64,740,292	(2,236,670)	(28,358,583)	34,145,039
Total comprehensive income:				
Loss for the period	-	-	(3,750,181)	(3,750,181)
Other Comprehensive Income	-	(5,242)	-	(5,242)
Total Comprehensive Income/(loss) for the period	-	(5,242)	(3,750,181)	(3,755,423)
Transactions with owners in their capacity as owners:				
Shares issued	5,900,000	-	-	5,900,000
Share issue costs	(177,000)	-	-	(177,000)
Total transactions with owners	5,723,000	-	-	5,723,000
Balance at 31 December 2010 - attributable to owners of parent entity	70,463,292	(2,241,912)	(32,108,764)	36,112,616

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

for the half-year ended 31 December 2010

	CONSOLIDATED	
	6 months ended 31 December 2010	6 months ended 31 December 2009
	\$	\$
	Inflows (Outflows)	Inflows (Outflows)
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from customers	-	804
Cash payments to suppliers and employees	(4,417,142)	(3,542,867)
Interest received	348,564	420,172
Finance costs	(16,105)	(52,785)
Net Cash used in operating activities	(4,084,683)	(3,174,676)
CASH FLOWS FROM INVESTMENT ACTIVITIES		
Investment in financial assets	(5,900,000)	-
Payments for property, plant & equipment	(139,109)	(5,684,239)
Payments for evaluation and exploration	(313,752)	(6,434,843)
Proceeds from sale of non current assets	75,000	-
Proceeds from JV Contributions	4,600,105	-
Payments for intangible assets	-	(20,000)
Net Cash from/(used in) investment activities	(1,677,756)	(12,139,082)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of share capital	5,900,000	17,564,436
Share Issue Costs	(177,000)	(41,402)
Proceeds from borrowings	-	3,586,452
Repayment of borrowings	(129,798)	(267,202)
Net cash from finance activities	5,593,202	20,842,284
Net increase/(decrease) in cash and cash equivalents	(169,237)	5,528,526
Cash and cash equivalents at beginning of the financial period	14,042,420	17,891,534
Cash and cash equivalents at the end of the financial period	13,873,183	23,420,060

The accompanying notes form part of these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the half-year ended 31 December 2010

NOTE 1 - STATEMENT OF ACCOUNTING POLICIES

The half-year consolidated financial statements are general purpose financial statements prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standard AASB 134: *Interim Financial Reporting*, Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard 134 *Interim Financial Reporting*.

The half-year financial statements do not include full disclosures of the type normally included in annual financial statements.

It is recommended that these financial statements be read in conjunction with the annual financial statements for the period ended 30 June 2010 and any public announcements made by Icon Energy Limited during the half-year in accordance with continuous disclosure requirements arising under the *Corporations Act 2001*.

The financial statements were authorised for issue by the directors on the 23 February 2011.

The accounting policies have been consistently applied by the entities in the consolidated group and are consistent with those in the 30 June 2010 financial statements. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

Reporting Basis and Conventions

The half-year financial statements have been prepared on an accruals basis and are based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied. All amounts are presented in Australian dollars, unless otherwise noted.

NOTE 2 - REVENUE

OTHER INCOME

Interest received
 - Financial Institutions
 Other Income

CONSOLIDATED	
31 December 2010	31 December 2009
\$	\$
348,564	420,172
575,338	840,575
923,902	1,260,747
923,902	1,260,747

TOTAL REVENUE

NOTE 3 - DIVIDENDS

No dividends have been declared or paid since the end of the annual reporting period.

NOTE 4 - OTHER NON-CURRENT ASSETS

Exploration and Evaluation Expenditure
 Less: Impairment
 Less: JV Contribution Applied
 Performance guarantee bonds

CONSOLIDATED	
31 December 2010	30 June 2010
\$	\$
24,787,653	23,870,257
-	-
(10,724,105)	(6,124,000)
14,063,548	17,746,257
220,847	197,520
14,284,395	17,943,777

Exploration and evaluation expenditure incurred is carried forward for each area of interest. This expenditure is only carried forward if it is expected to be recovered through the successful development of the area or where the activities in the area of interest have not reached a stage which permits a reasonable assessment of economically recoverable reserves and operations in the area of interest are continuing. In assessing the recoverability of exploration and evaluation expenditure in the financial statements, the directors have considered the impacts of relationships with joint venture operators, future funding arrangements and planned future expenditure in relation to mining leases held.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the half-year ended 31 December 2010

NOTE 5 - BORROWINGS

**Secured
 Current**

Hire purchase liabilities

Non Current

Hire purchase liability

Bank loan liabilities

CONSOLIDATED	
31 December 2010	30 June 2010
\$	\$
193,755	208,715
193,755	208,715
157,754	192,817
3,400,000	3,400,000
3,557,754	3,592,817
3,751,509	3,801,532

NOTE 6 - ISSUED CAPITAL

Share Capital

Issued share capital 469,301,394 (30 June 2010: 439,801,394) fully paid, no par value ordinary shares.

	31 December 2010	30 June 2010	31 December 2010	30 June 2010
	No. of Shares	No. of Shares	\$	\$
Fully Paid Shares				
Balance at beginning of the period	439,801,394	438,845,003	64,740,292	64,539,450
Shares issued:				
- December 2010 - Shares issued for cash	29,500,000	956,391	5,900,000	200,842
- Capital Raising Costs	-	-	(177,000)	-
Balance at the end of the period	469,301,394	439,801,394	70,463,292	64,740,292

All shares are ordinary shares and have the right to receive dividends as declared and, in the event of winding up the company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of members.

NOTE 7 - JOINT VENTURES

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

Oil and Gas	Basin	Interest %	
		31 December 2010	30 June 2010
ATP 549P West	Cooper Eromanga	33.33%	33.33%
ATP 594P	Cooper Eromanga	50.00%	50.00%
ATP 794 P	Eromanga Regleigh & Springfield Areas	60.00%	60.00%
ATP 794 P	Eromanga Brightspot area	75.00%	75.00%
ATP 626P *	Surat	99.00%	99.00%
ATP 849P	Surat	80.00%	80.00%
ATP 855P **	Cooper Eromanga	80.00%	80.00%
PEL 218	Cooper Eromanga	33.33%	33.33%
ATP 560	Cooper Eromanga	50.50%	50.50%
EPG 49	Cooper Eromanga	100.00%	100.00%
EPG 51	Cooper Eromanga	100.00%	100.00%
PEP170	Gippsland	100.00%	-

* On 16 August 2010 Stanwell Corporation Limited ("Stanwell") agreed to proceed to Stage 2 of the Farmin Agreement covering Icon's key CSG tenement ATP 626P, committing a further \$30 million subject to completion of Farmin program. A 50% working interest in the farmin area, comprising four of the thirty blocks within ATP 626P (along with a 1% title interest in the whole of ATP 626P), has now been assigned to Stanwell. Stage Two involves a 20 well program to prove 2P and 3P reserves.

** An earlier proposed farmin to the tenement (in October 2009) by Beach Energy Ltd ("Beach"), pursuant to which Beach proposes to earn up to a 40% working interest in the tenement, remains to be finalised.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the half-year ended 31 December 2010

NOTE 8 - CONTROLLED ENTITIES

Parent entity:	Country of incorporation	Date of incorporation	% Owned	
			31 December 2010	30 June 2010
Icon Energy Limited	Australia			
Subsidiaries of Icon Energy Limited:				
Jakabar Pty Ltd	Australia		100	100
Icon Drilling Pty Ltd	Australia		100	100
Icon Gas Productions Pty Ltd	Australia		100	100
Icon Domestic LNG Pty Ltd	Australia	19 July 2010	100	-
Icon Geothermal Pty Ltd	Australia	19 July 2010	100	-
Icon LNG (China) Pty Ltd	Australia	19 July 2010	100	-
Icon Cooper Pty Ltd	Australia	19 July 2010	100	-
Icon Oil US (LLC)	USA		100	100

NOTE 9 - SEGMENT INFORMATION

The consolidated entity operates in one operating segment being the oil exploration and petroleum sector, predominantly within Queensland. The majority of its exploration activities are conducted in the Cooper/Eromanga and Surat Basins in Australia. Icon's Board of Directors review internal management reports on at least a monthly basis. Information by geographical areas are as follows:

INFORMATION ABOUT GEOGRAPHICAL AREAS

In presenting the information on the basis of geographical areas, the Australian geographical area includes all corporate head office expenses on the basis that activities in Australia are still in an exploration phase and all resources within the corporate head office are applied to these exploration activities.

	Australia		USA		CONSOLIDATED	
	31 December 2010	31 December 2009	31 December 2010	31 December 2009	31 December 2010	31 December 2009
	\$	\$	\$	\$	\$	\$
REVENUE						
External - Sales	-	-	-	804	-	804
Total segment revenues	-	-	-	804	-	804
Interest Received	348,507	420,172	57	-	348,564	420,172
Other Income	575,338	844,127	-	(4,356)	575,338	839,771
Total revenue	923,845	1,264,299	57	(3,552)	923,902	1,260,747
RESULTS						
Segment net operating profit after tax	(3,739,399)	(1,881,623)	(10,782)	82,206	(3,750,181)	(1,799,417)
Interest expense	16,105	52,786	-	-	16,105	52,786
Impairment of Assets	-	-	-	(85,749)	-	(85,749)
OTHER						
Acquisition of non-current segment assets	112,372	5,844,797	-	-	112,372	5,844,797
Depreciation and amortisation of segment assets	173,763	86,263	-	-	173,763	86,263
Loss on sale of non-current assets						
Loss on sale of non-current assets	(11,780)	(20,073)	-	-	(11,780)	(20,073)
Segment Assets	40,953,816	38,982,842	30,220	38,559	40,984,036	39,021,401
Segment Liabilities	4,861,579	4,876,362	9,841	-	4,871,420	4,876,362

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the half-year ended 31 December 2010

NOTE 10 - CONTINGENT LIABILITIES

LEGAL ACTION BROUGHT AGAINST ICON OIL U.S., LLC

A claim has been filed in the District Court for the Parish of West Baton Rouge, Louisiana against a number of Companies who have operated or owned mineral interests in the VFL Lease at Baton Rouge since 1931. ICON OIL U.S.,LLC was not named in this filing. On 28th September 2010 a cross claim was filed, adding ICON OIL U.S.,LLC as a Cross-Defendant in the claim. This claim is for alleged damage done to the land by drilling and production operations for oil and gas since 1931.

ICON OIL U.S.,LLC denies the allegations and believes them to be without merit and likely to be disallowed by the Supreme Court of Louisiana. The company is not in a position to make any assessment as to the financial impact, if any, on the financial report of Icon Energy Limited, as a result of the legal action.

NOTE 11 - EVENTS AFTER BALANCE SHEET DATE

Icon Energy appointed Mr Howard Lu as a non-executive director of the company on 7th January 2011 which follows its earlier announcement on 23rd December 2010 that the Company had made three separate placements to Chinese investors. Mr Lu is currently the Executive Chairman of a number of Chinese based companies, including Shin Zu Shing Precision Electronic (Suzhou) Co., Ltd, Ningbo Chang Shing Precision Electronic Co. Ltd and Zhi Qun Precision Electronic (Suzhou) Co., Ltd and the Vice Chairman of Qingyuan China Datang Real Estate Development Co., Ltd. He has previously also been the Senior Executive of Shin Zu Shing Co., Ltd. Mr Lu is Icon Energy's third largest shareholder, holding 16,000,000 fully paid ordinary shares in the Company, as a result of a recent placement.

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DIRECTORS' DECLARATION

The directors of the company declare that:

- 1 the financial statements and notes set out on pages 9 to 16 are in accordance with the Corporations Act 2001, including:
 - a. comply with Accounting Standard AASB 134 Interim Financial Reporting; and
 - b. give a true and fair view of the Consolidated entity's financial position as at 31 December 2010 and of its performance for the half-year ended on that date.
- 2 In the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



Raymond S James
Managing Director

Signed at Broadbeach, 23 February 2011

Independent Auditor's Review Report

To the members of Icon Energy Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Icon Energy Limited and Controlled Entities (the Consolidated Entity), which comprises the consolidated statement of financial position as at 31 December 2010, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other selected explanatory information and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2010 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Icon Energy Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

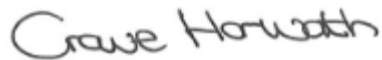

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Icon Energy Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2010 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

**CROWE HORWATH****VANESSA DE WAAL****Principal****Signed at Brisbane, 23 February 2011**