



ICON ENERGY LIMITED

ABN 61 058 454 569

energy for the future - the future of energy



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22 March 2011

Mr. Patrick O'Connor
Senior Adviser, Listings (Brisbane)
Australian Securities Exchange

patrick.oconnor@asx.com.au

Dear Mr. O'Connor

Re: Price Query – Icon Energy Limited (the “Company”)

In response to the price query in your letter dated 21 March 2011, the Company responds as follows:-

- 1. Is the Company aware of any information concerning it that has not been announced which, if known, could be an explanation for recent trading in the securities of the Company?**

The Company is not aware of any information concerning it that has not been announced, which if known, could be an explanation for recent trading in the securities of the Company.

- 2. If the answer to question 1 is yes, can an announcement be made immediately? If not, why not and when is it expected that an announcement will be made?**

Not applicable.

- 3. Is there any reason to think that there may be a change in the Company's result so that the figure for the year ending 30 June 2011 would vary from the previous corresponding period by more than 15%? If so, please provide details as to the extent of the likely variation.**

The Company released its half year results for the balance date 31 December 2010 on 24 February 2011. As at the date of this letter, the Company does not expect that there may be a change in the Company's result so that the figure for the year ending 30 June 2011 would vary from the previous corresponding period by more than 15%.

4. Is there any reason to think that the Company may record any material abnormal or extraordinary profit for the period ending 30 June 2011? If so, please provide details.

There is no reason to think that the Company may record any material abnormal or extraordinary profit that is inconsistent with its activities as a petroleum exploration Company for the period ending 30 June 2011.

5. Is there any other explanation that the Company may have for the price change in the securities of the Company?

The Company has no explanation for the price or volume change in the securities of the Company.

On 18 March 2011, Beach Energy Ltd (**Beach**) advised the market that it was in dispute with the Company in relation to Beach's claim to have an entitlement to earn up to a 40% interest in ATP855P (**Beach's Claim**). On 21 March 2011, the Company announced that it was in dispute with Beach in relation to Beach's Claim (**21 March Announcement**). The ATP855P tenement adjoins PEL218, in which Beach has previously drilled Encounter-1 and is in the process of drilling Holdfast-1. In its 21 March Announcement, the Company stated that it was not concerned that the companies had been unable to reach agreement on the final terms of the farmin documents, as the Company considered the ATP855P tenement to be highly prospective.

Otherwise, as announced on 8 April 2010, the Company signed a Memorandum of Understanding (**MOU**) with Shenzhen Sino Gas for the supply of 40 million tonnes of liquefied natural gas (**LNG**) over a 20 year supply term. The Company has kept the market apprised of the status of its negotiations with Shenzhen SinoGas, (now Shantou SinoEnergy) by announcing (amongst other things):

- (i) on 27 August 2010, an extension to the date by which it was expected that a supply agreement would be signed;
- (ii) on 31 December 2010, that negotiations were at a mature stage with an expectation that a supply agreement would be signed as soon as Shantou SinoEnergy had secured all necessary joint venture and government sign-offs and approvals; and
- (iii) on 25 February 2011, that a key objective of the Company's forward drilling programme was to secure sufficient reserves so as to meet the Company's supply commitments under any LNG Sales Agreement signed with Shantou SinoEnergy.

Negotiations with Shantou SinoEnergy have been on-going but, as at the date of this letter, the Company has not signed an LNG Sales Agreement with Shantou SinoEnergy.

However, as announced on 31 December 2010, the Company expects that an LNG Sales Agreement will be signed as soon as Shantou SinoEnergy has secured all necessary joint venture and government sign-offs and approvals.

The Company expects to make another announcement relating to its China LNG Project by 31 March 2011 (as intimated in its announcement dated 31 December 2010).

On 4 March 2011, the Company confirmed the above information relating to the status of negotiations with Shantou SinoEnergy in response to the price query in the Australian Securities Exchange's letter dated 4 March 2011.

6. Please confirm that the Company is in compliance with the listing rules and, in particular, listing rule 3.1.

The Company is in compliance with the Listing Rules of the ASX and in particular, Listing Rule 3.1.

Please email ray.james@iconenergy.com.au or phone 07 5554 7111 if there are further queries.

Yours sincerely,

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

R. S. James
Managing Director



21 March 2011

Mr. Wesley Glanville
Company Secretary
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By email: Wesley.Glanville@iconenergy.com

Dear Mr. Glanville

Icon Energy Limited (the "Company")

PRICE QUERY

We have noted an increase in the price of the Company's securities from a close of 21.5 cents on Friday, 21 March 2011 to an intraday high of 27.5 cents today, at the time of writing. We have also noted an increase in the volume of trading in the securities over this period.

In light of the price change and increase in volume, please respond to each of the following questions.

1. Is the Company aware of any information concerning it that has not been announced which, if known, could be an explanation for recent trading in the securities of the Company?

Please note that as recent trading in the Company's securities could indicate that information has ceased to be confidential, the Company is unable to rely on the exceptions to listing rule 3.1 contained in listing rule 3.1A when answering this question.

2. If the answer to question 1 is yes, can an announcement be made immediately? If not, why not and when is it expected that an announcement will be made?

Please note, if the answer to question 1 is yes and an announcement cannot be made immediately, you need to contact us to discuss this and you need to consider a trading halt (see below).

3. Is there any reason to think that there may be a change in the Company's result so that the figure for the year ending 30 June 2011 would vary from the previous corresponding period by more than 15%? If so, please provide details as to the extent of the likely variation.
4. Is there any reason to think that the Company may record any material abnormal or extraordinary profit for the year ending 30 June 2011? If so, please provide details.
5. Is there any other explanation that the Company may have for the price change in the securities of the Company?
6. Please confirm that the Company is in compliance with the listing rules and, in particular, listing rule 3.1.

Your response should be sent to me by email at patrick.oconnor@asx.com.au. It should not be sent to the Company Announcements Office.

Unless the information is required immediately under listing rule 3.1, a response is requested as soon as possible and, in any event, **by 8:30am (Brisbane time) Tuesday, 22 March 2011**.

Under listing rule 18.7A, a copy of this query and your response **will** be released to the market, so your response should be in a suitable form and separately address each of the questions asked. If you have any queries or concerns, please contact me immediately.

Listing rule 3.1

Listing rule 3.1 requires an entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. The exceptions to this requirement are set out in listing rule 3.1A.

In responding to this letter you should consult listing rule 3.1 and Guidance Note 8 – Continuous Disclosure: listing rule 3.1.

If the information requested by this letter is information required to be given to ASX under listing rule 3.1 your obligation is to disclose the information immediately.

Your responsibility under listing rule 3.1 is not confined to, or necessarily satisfied by, answering the questions set out in this letter.

Trading halt

If you are unable to respond by the time requested, or if the answer to question 1 is yes and an announcement cannot be made immediately, you should consider a request for a trading halt in the Company's securities. As set out in listing rule 17.1 and Guidance Note 16 – Trading Halts we may grant a trading halt at your request. We may require the request to be in writing. We are not required to act on your request. You must tell us each of the following.

- The reasons for the trading halt.
- How long you want the trading halt to last.
- The event you expect to happen that will end the trading halt.
- That you are not aware of any reason why the trading halt should not be granted.
- Any other information necessary to inform the market about the trading halt, or that we ask for.

The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. If a trading halt is requested and granted and you are still unable to reply to this letter before the commencement of trading, suspension from quotation would normally be imposed by us from the commencement of trading if not previously requested by you. The same applies if you have requested a trading halt because you are unable to release information to the market, and are still unable to do so before the commencement of trading.

If you have any queries regarding any of the above, please let me know.

Yours sincerely

[Sent electronically without signature]

Patrick O'Connor
Senior Adviser, Listings (Brisbane)