

Notice of Annual General Meeting 2010

MONDAY, 29 NOVEMBER 2010
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 "the Company") will hold its Annual General Meeting ("AGM") at 11:00am (Queensland time) on Monday, 29 November 2010 at the Southport Yacht Club, Macarthur Parade, Main Beach, Queensland.

BUSINESS

ORDINARY BUSINESS

1. Consideration of Reports

To receive and consider the Financial Report, the Directors' Report and the Independent Audit Report ("Reports") of Icon Energy Limited for the six month period from 1 January 2010 to 30 June 2010 ("the Financial Period").

2. Remuneration Report

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

That, the Company's Remuneration Report for the Financial Period ended 30 June 2010 (set out in the Directors' Report) is adopted.

3. Re-election of Mr Stephen Barry as a Director

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

That, 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.

4. Approval of Non-Executive Directors' Fees

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

*That, in accordance with Article 71 of the Company's Constitution and for the purpose of ASX Listing Rule 10.17, the maximum aggregate amount payable to non-executive directors of the Company by way of Directors' fees be increased by \$250,000 from \$250,000 to \$500,000 per annum.**

* For a full explanation of this resolution please see page 4 of the Explanatory Notes attached. The key reasons for the request to increase the fee pool for the non-executive directors of Icon Energy ("Non-Executive Directors") are:

- (a) The current fee pool for all of the Non-Executive Directors is \$250,000 per annum. This was

approved by shareholders on 30 May 1997, prior to the Company listing on the ASX.

- (b) The maximum base salary for Non-Executive Directors (other than the Chairman) is currently \$70,000 per annum.
- (c) The Company is currently at its capacity in terms of total annual fees payable to Non-Executive Directors.
- (d) The purpose of the proposed increase is to allow the Board to expand the membership of the Board as and when additional skills and experience are required to assist with the growth and development of the Company.
- (e) Increasing the maximum amount of Non-Executive Directors' fees payable will also give the Board the ability over the next two to three years to increase Non-Executive Directors' fees in line with market conditions.

SPECIAL BUSINESS

5. Constitution: Proportional Takeover Provisions

To consider and, if thought fit, pass the following resolution as a special resolution:

That Part VII of the Company's Constitution, comprising Articles 43 to 46 inclusive, be adopted in the terms as specified in Schedule 1 of the Notice of Annual General Meeting 2010.

Voting Exclusion Statement

In accordance with ASX Listing Rule 14.11.1, the Company will disregard any votes cast on Item 4 by any director of the Company and their associates.

However, the Company need not disregard a vote if:

- a. 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
- b. it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

By Order of the Board
Wesley Glanville
Company Secretary
28 October 2010

Notice of Meeting

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 6:00pm (Queensland time) on 27 November 2010 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 notorally 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 to not 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.

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 2010, 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
Level 19, 307 Queen Street,
Brisbane Qld 4000

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 2010 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 Shareholders in relation to the business to be conducted at Icon Energy's 2010 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.

Item 1 is not a resolution and will not be voted on. Item 2 is an advisory resolution and is non-binding. Items 3 and 4 are ordinary resolutions, requiring a simple majority of votes cast by Shareholders entitled to vote on the item. Item 5 is a special resolution, requiring an affirmative vote of at least 75% of the votes cast by Shareholders entitled to vote on the item.

Item 1: Consideration of Reports

The Financial Report, Directors' Report and Independent Audit Report of Icon Energy for the Financial Period will be put before the meeting.

As announced to the Australian Securities Exchange ("ASX") on 22 June 2010, the Company has been granted relief by the Australian Securities & Investments Commission ("ASIC") to change its financial year end from 31 December to 30 June. The purpose of the change was to synchronise with the Company's taxation reporting requirements.

In accordance with the terms of the relief provided by ASIC, the Company has prepared an annual report for the Financial Period (being for the six month period from 1 January 2010 to 30 June 2010). The Company's future annual reports will be prepared for the 12 month period from 1 July each year to 30 June the following year.

Following the consideration of the Reports, Shareholders will be provided with the opportunity to ask questions about or comment on the Reports.

The Chairman will also give Shareholders a reasonable opportunity to ask the Auditor questions relevant to:

- the conduct of the audit;
- the preparation and content of the Independent Audit Report;
- the accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- the independence of the Auditor in relation to the conduct of the audit.

The Chairman will also give the Auditor a reasonable opportunity to answer written questions submitted by Shareholders that are relevant to the content of the Independent Audit Report or the conduct of the audit.

A list of written questions, if any, submitted by Shareholders 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.

Item 2: Remuneration Report

Section 250R of the Corporations Act requires the Shareholders to vote on an advisory resolution that the Remuneration Report (the "Remuneration Report") be adopted.

The Remuneration Report details the remuneration policy for the Company and reports the remuneration arrangements for Key Management Personnel (identified for the purposes of the Accounting Standards) and other Icon Energy employees. The Remuneration Report is set out on pages 34 to 35 in the Company's 2010 Annual Report. The Report can also be viewed in the "Investor Info" section of the Company's website (www.iconenergy.com).

The Chairman will give Shareholders a reasonable opportunity to ask questions about or make comments on the Remuneration Report.

The Directors recommend Shareholders vote in favour of this advisory resolution.

Item 3: 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 holds office until the end of the meeting at which he retires.

Mr Barry was recently re-elected at the Company's 2009 Annual General Meeting, together with the Company's two other Non-Executive Directors, Mr Murphy and Dr Hillless AM.

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 has been a Director of Icon Energy Limited since 1993. He has been a key player in the development of the strategic direction of the Company. Through his involvement with Icon Energy and as a practising solicitor, Mr Barry has extensive experience in numerous oil and gas related operational, business and strategic initiatives including (joint venture and farmin agreements), together with a wealth of knowledge on commercial law and corporate litigation.

Explanatory Notes

Mr Barry was appointed as the Chairman of the Board on 18 December 2008 and is a member and Chairman of the Board's Remuneration, Nominations and Successions Committee. He is also a member of the Board's Audit and Risk Management Committee.

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

Item 4: Approval of Non-Executive Directors' fees

The current maximum aggregate amount which Shareholders have approved to be paid as fees to the Non-Executive Directors is \$250,000 per annum. This amount was approved by Shareholders on 30 May 1997, prior to the Company listing on the ASX.

The Company currently has three Non-Executive Directors and is currently at its capacity in terms of total annual fees payable to Non-Executive Directors.

The maximum base salary for Non-Executive Directors (other than the Chairman) is currently \$70,000 per annum.

The purpose of the proposed increase is to allow the Directors to expand the membership of the Board as and when additional skills and experience are required to assist with the growth and development of the Company.

Increasing the maximum amount of Non-Executive Directors' fees payable will also give the Board the ability over the next two to three years to increase Non-Executive Directors' fees in line with market conditions.

Article 70(1) of the Company's Constitution provides that the remuneration of Non-Executive Directors may not exceed in aggregate in any year the amount determined by Shareholders (currently \$250,000 per annum as set out above).

Legislative Requirements

ASX Listing Rule 10.17 provides that a listed company must not, without Shareholder approval, increase the total amount of non-executive directors' fees. For the purposes of ASX Listing Rule 10.17, the following information is provided:

- The total amount of non-executive directors' fees will increase by \$250,000;
- The total amount of non-executive directors' fees will be \$500,000;
- A Voting Exclusion Statement is set out under Resolution 4 in the Notice of Meeting.

Item 5: Constitution – Proportional Takeover Provisions

The reason for having a proportional takeover provision

A proportional takeover bid enables a bidder to offer to buy a proportion only of each shareholder's shares in the Company. This means that control of the Company might pass without shareholders having the chance to sell all their shares to the bidder. It also means that the bidder might take control of the Company without paying an adequate amount for gaining control.

So as to address such a possibility, the Company is able to provide in its Constitution that:

- (i) in the event of a proportional takeover bid being made for the shares in the Company, shareholders are required to vote by ordinary resolution and, together, decide whether to accept or reject the offer; and
- (ii) the majority decision of the Company's shareholders will be binding on all individual shareholders.

The directors believe that shareholders should be entitled to vote on whether a proportional takeover bid ought to proceed given such a bid might otherwise allow control of the Company to change without shareholders being given the opportunity to sell all of their shares for a satisfactory price. The directors also believe that the right to vote on a proportional takeover bid may avoid shareholders feeling pressure to accept the bid even if they do not want the bid to succeed.

What is required under the proportional takeover provisions

If a proportional takeover bid is made then, under the Corporations Act, the directors must ensure that members vote on a resolution to approve the bid more than 14 days before the bid period closes.

The vote is decided by a simple majority. Each shareholder who, as at the end of the day on which the first offer under the bid was made, held bid class securities is entitled to vote. However, the bidder and its associates are not permitted to vote.

If the resolution is not passed, transfers which would have resulted from the acceptance of a bid will not be registered and the bid will be taken to have been withdrawn. If the bid is approved (or taken to have been approved), then the transfers must be registered if they comply with the Corporations Act and the Company's Constitution.

Explanatory Notes

The bid will be taken to have been approved if the resolution is not voted on within the deadline specified under the Corporations Act.

The proportional takeover approval provisions do not apply to full takeover bids, and only apply for 3 years after the date they are adopted as part of the Company's Constitution. The provisions may be renewed or reinserted upon the expiration of the initial 3 year period, but only by special resolution passed by shareholders.

Potential advantages and disadvantages

- (a) There are no material advantages or disadvantages to directors

While the reinsertion of the Proportional Takeover provisions will allow the directors to ascertain the views of shareholders on a proportional takeover bid, the reinsertion of such a provision does not otherwise offer any advantage or disadvantage to the directors who remain free to make their own recommendation as to whether the bid should be accepted.

- (b) Potential advantages to shareholders

The reinsertion of the proportional takeover provisions will however ensure that all shareholders have an opportunity to evaluate a proportional takeover bid and vote on the bid at a general meeting. This is likely to ensure that a prospective bidder structures its offer in such a way which is attractive to a majority of shareholders (including appropriate pricing). Similarly, knowing the view of the majority of shareholders might assist individual shareholders to assess the likely outcome of the proportional takeover bid when determining whether to accept or reject the offer.

- (c) Potential disadvantages to shareholders

It is however possible that the inclusion of such a provision in the Constitution might discourage proportional takeover bids and may reduce any speculative element in the market price of the Company's shares arising from the possibility of a proportional takeover bid being made. The inclusion of such a provision might also be viewed as an unnecessary additional restriction of the ability of shareholders to freely deal with their shares (or a portion of them).

- (d) The directors' recommendations

The directors have considered each of the above advantages and disadvantages and believe that

the prospective advantages for shareholders for the reinsertion of a Proportional Takeover Provision outweigh the potential disadvantages.

- (e) The directors have no notice of any proposal

As at the date of preparing this Notice of Meeting, none of the directors are aware of any proposal by any person to acquire, or to increase the extent of, a substantial interest in the Company.

The Company's Constitution

The Company's Constitution was adopted on 1 September 2000, prior to the enactment of the Corporations Act.

While the Constitution contains proportional takeover provisions, those provisions have not previously been renewed, or revised in accordance with changes to the Corporations Act.

In the absence of adopting a new Constitution, the directors recommend (for the reasons stated above) that the proportional takeover provisions in the Constitution be re-inserted in the form set out in Schedule 1 of the 2010 Notice of Annual General Meeting.

Schedule 1

VII – TAKEOVER APPROVAL PROVISIONS

43. Restriction on registration

Subject to any applicable Listing Rule, the registration of any transfer of shares giving effect to a contract resulting from the acceptance of an offer made under a Proportional Takeover Bid in respect of shares in a class of shares in the Company is prohibited unless and until a resolution to approve the Proportional Takeover Bid has been passed or is taken to have been passed in accordance with article 44.

44. Procedures

- (1) Where offers have been made under a Proportional Takeover Bid to acquire shares in the Company, the Directors must, before the Approving Resolution Deadline:
 - (a) convene a meeting of the persons entitled to vote on the Approving Resolution for the purpose of considering and, if thought fit, passing a resolution to approve the Proportional Takeover Bid; and
 - (b) ensure that the resolution is voted on in accordance with this article 44.
- (2) The provisions of the Constitution relating to general meetings apply, with such modification as the circumstances require, to a meeting that is convened under paragraph (1), as if that meeting were a general meeting of the Company.
- (3) Neither the bidder under a Proportional Takeover Bid nor any person who is associated with the bidder is entitled to vote on the Approving Resolution and, if they do, their votes must not be counted.
- (4) Subject to paragraph (3), a person who, as at the end of the day on which the first offer under the Proportional Takeover Bid was made, held shares of the Relevant Class, is entitled to vote on the Approving Resolution relating to the Proportional Takeover Bid.
- (5) An Approving Resolution that has been voted on is deemed to have been passed if the proportion that the number of votes in favour of the resolution bears to the total number of votes on the resolution is greater than 50%, and otherwise is taken to have been rejected.

- (6) If an Approving Resolution has not been voted on in accordance with this article 44 as at the end of the day before the Approving Resolution Deadline, an Approving Resolution will be deemed to have been passed in accordance with this article 44 on the Approving Resolution Deadline.

45. Definitions

Without any affect to article 2 (except as expressly set out in this article 45), in articles 43 to 46 inclusive:

“**Act**” means the Corporations Act 2001 (Cth) which, by operation of article 3 paragraph (5), also applies to the definition of “Law” under article 2 of the Constitution;

“**Approving Resolution**” means, in relation to a Proportional Takeover Bid, a resolution to approve the Proportional Takeover Bid passed in accordance with article 44;

“**Approving Resolution Deadline**” means, in relation to a Proportional Takeover Bid, the day that is 14 days before the last day of the bid period, during which the offers under the Proportional Takeover Bid remain open or at a later day allowed by the Australian Securities and Investments Commission;

“**Company**” means Icon Energy Limited ABN 61 058 454 569, formerly known as Icon Oil Limited (as defined as such in article 2);

“**Proportional Takeover Bid**” means a takeover bid that is made or purports to have been made under section 618(1)(b) of the Act in respect of shares included in a class of shares in the Company; and

“**Relevant Class**” means, in relation to a Proportional Takeover Bid, the class of shares in the Company in respect of which offers are made under the Proportional Takeover Bid.

46. Duration of provisions

The provisions of articles 43 to 45 cease to have effect at the end of 3 years beginning:

- (1) where it has not been renewed in accordance with the Act, on the date articles 43 to 45 inclusive were adopted by the Company; or
- (2) where articles 43 to 45 inclusive have been renewed in accordance with the Act, on the date articles 43 to 45 inclusive were last renewed.”

Investor Information

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 4228 Australia

Telephone: +61 7 5554 7111

Facsimile: +61 7 5554 7100

Email: investor.relations@iconenergy.com

Website

The 2010 Annual Report can be accessed on our website at:

www.iconenergy.com/investinfo/annualreports