

17 April 2014

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

Re: Claim and Statement of Claim

On 1 August 2013 Icon Energy Limited ("Icon" or "the Company") announced that it had received correspondence from solicitors acting for **Ronald William Baldwin** and **Southern Fairway Investments Pty Ltd** (formerly Babcock & Brown Australia Infrastructure Pty Ltd) ("B&B") regarding alleged breaches of a memorandum of understanding and agency agreement entered into in 2008.

Icon now advises that it has received a Claim and Statement of Claim issued in the Supreme Court of Queensland.

The Statement of Claim is not particularised in many material respects, with many of the particulars of the allegations dependent upon disclosure in the proceeding. Most of the losses allegedly suffered are said to arise from the loss of opportunity for Mr Baldwin and B & B to profit from the sale of gas which was to be sourced from ATP 626. To date, no economic reserves of coal seam gas have been discovered in ATP 626. ATP 626 remains uncommercial.

Icon's preliminary view is that the proceeding is an ambit claim filed just prior to the 6 year expiration of the statute of limitation period. Icon gives no credence to the various alleged estimates of damages described in the Statement of Claim, namely, \$221.75 million for an alleged, but materially unparticularised, breach of a Memorandum of Understanding, and \$52.4 million for an alleged, but materially unparticularised breach of an Agency Agreement. These estimates are many multiples of the estimates previously advised to Icon by Baldwin and B&B as announced on 1 August 2013.

At this stage, the Company advises that it is investigating the basis for the allegations and the claims made in Statement of Claim and will vigorously defend itself against the allegations and claims made.



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Company Secretary

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