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ICO Announces Agreement with Micro Pellets Australia Pty. Ltd.

HOUSTON, TEXAS, September 11, 2009 – ICO, Inc. (Nasdaq GM: ICOC), global producer of custom polymer powders and plastic film concentrates, today announced an agreement, subject to closing conditions, to acquire certain intangible assets (primarily customer lists and formulations) and assume a production facility lease of Micro Pellets Australia Pty. Ltd., a private company based in Melbourne, Australia that provides products and services to the rotational molding industry in Australia and New Zealand. The Company will also enter into a lease for certain of Micro Pellets' production equipment. The transaction is expected to close by September 30, 2009. The Company plans to relocate its main Australian plant and operations to the leased production facilities. The cost of the intangible assets to be acquired is not significant.

Derek Bristow, President of ICO's Asia Pacific Division, stated "Australia is a strong market for the rotational molding business, notwithstanding the recent volatility. We believe that the region will be a prosperous market for our products and services for years to come. The Micro Pellets plant, which is much larger than our main Australian plant, will have ample space and capacity to serve the rotational molding market and to expand ICO's product offerings, including Bayshore masterbatch from Malaysia for the film and packaging markets."

John Knapp, the Company's Chief Executive Officer and President, added: "The transaction is expected to solidify ICO's position in the rotational molding industry in Australia. We believe that the move to the Micro Pellets facility will make ICO the most efficient and effective rotational molding powder producer in the region, and we are very excited about the Company's growth opportunities resulting from the move to the new facility. We expect that the additional volume to our current business will increase our operating leverage and profitability in Australia."

For the nine months ended June 30, 2009, the Company's Australian business, excluding the non-cash goodwill impairment charge taken in the second quarter of fiscal year 2009, has lost \$1.3 million. The transaction could add approximately 5,000 metric tons per year of additional business volumes and \$11.0 million of revenues per year, and is expected to improve the profitability of the business.

About ICO, Inc.

With 20 locations in 9 countries, ICO produces custom polymer powders for rotational molding and other polymer related businesses, such as the textile, metal coating and masterbatch markets. ICO remains an industry leader in size reduction, compounding and other tolling services for plastic and non-plastic materials. ICO's Bayshore Industrial subsidiary produces specialty compounds, concentrates and additives primarily for the plastic film industry. Additional information about ICO, Inc. can be found on the Company's website at www.icopolymers.com. Contact: CFO – Bradley T. Leuschner at 713-351-4100.

Certain matters discussed in this press release are "forward-looking statements," involving certain risks, uncertainties, and assumptions, intended to qualify for the safe harbors from liability established by the Private Securities Litigation Reform Act of 1995. The Company's statements regarding trends in the marketplace, potential

future results, and any proposed transaction and its timing and effects are examples of such forward-looking statements. The following is a non-exclusive list of risks and uncertainties, and circumstances that present risks, that could cause the forward-looking statements to become untrue or otherwise affect the outcome thereof: failure to close the referenced transaction on the terms currently contemplated; failure to integrate the combined operations referenced herein and realize expected operating efficiencies and expanded product offerings; restrictions imposed by the Company's outstanding indebtedness; changes in the cost and availability of resins (polymers) and other raw materials; changes in demand for the Company's services and products; business cycles and other industry conditions; general economic conditions; international risks; operational risks; currency translation risks; the Company's lack of asset diversification; the Company's ability to manage global inventory, develop technology and proprietary know-how, and attract and retain key personnel; as well as other factors detailed in the Company's form 10-K for the fiscal year ended September 30, 2008 and its other filings with the Securities and Exchange Commission.

Should one or more of such risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those indicated. Any forward-looking statements are made only as of the date of this press release, and the Company undertakes no obligation to publicly update any such forward-looking statements to reflect subsequent events or circumstances.