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8<sup>th</sup> July 2009

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

Dear Sir

***Icon Energy Limited Newsletter July 2009***

Icon Energy Limited advises that the July 2009 Newsletter to shareholders will be placed on Icon website on 8<sup>th</sup> July 2009.

Yours sincerely



Ray McNamara  
Company Secretary/Director  
Icon Energy Limited



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Wellhead at LP-4 Site



Gas Flow at LP-2



Soil samples LP-2



Chief Operating Officer on Site



# e-NEWSLETTER JULY 2009

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## "ICON PROVES UP A NEW CSG GAS PROVINCE IN QLD"

**Icon Energy's Lydia Pilot Program represented a "milestone" achievement and proved a new gas province in ATP 626P.**

The draw down tests for the Lydia Pilot Program have been completed on LP-4, LP-3 and LP-2. These wells have produced free gas flows to surface with indications that the free gas flow is expected to increase as dewatering progresses.



Gas flows to surface at LP-3

The performance of the Lydia Pilot program has exceeded Icon's expectations for the early stage tests which confirm the accuracy and quality of months of analysis that preceded the commencement of the pilot program.

These drawdown tests require water to be slowly drawn down in one well while testing the effects of the pressure reduction on the other wells. Once dewatering commences, there is generally a period of time before gas flow appears.

The immediate gas flows were unexpected and a significant finding from these tests which indicate that the Walloon Coal Measures is gas saturated in the Lydia Pilot Area. The dewatering process will continue until commercial gas flow rates are achieved.

Managing Director Ray James stated that the performance of the Lydia Pilot has exceeded all our expectations for these early

### SUCCESS OF SPP

Icon Energy's Share Purchase Plan (SPP) has proven to be an overwhelming success with subscriptions almost three times the Company's expectations. Icon expected to raise between \$5 to \$6 million however Icon received applications for approximately 58.3 million shares that delivered around \$17.5 million. Icon Energy's cash position, as a result of the both the SPP and the earlier placement, is in excess of \$30 million as at 30th June 2009. This amount will further its drilling program outside the Lydia Pilot Area and to cover future administrative expenses.

stage tests. It confirms the accuracy and quality of the months of analysis that preceded the commencement of this pilot.

Gas flows were produced in LP-2 within 20 minutes of commencing the pumping operation.

The wells are currently shut in and awaiting completion of the water holding pond and the installation of water flow lines to the holding pond. Information from the draw down and build up tests is currently being analysed to determine individual well permeability and potential gas deliverability.

The water storage pond is nearing completion. Although all wells produced gas upon testing, prolonged and continuous gas production will occur only after the wells have been fully de-watered. It is expected that gas rates will improve slowly after the water has been drained in the Walloon Coal Seams and pressure lowered.

An extensive development program of up to 20 wells may be undertaken over the next 12 months under the Stanwell Corporation Farmin Drilling Program.

Further drilling is also planned to move as much of the estimated 5.4 trillion cubic feet (TCF) of gas initially in place which is outside the Stanwell farmin area to certified reserve status.

### MORE INFORMATION

**Intersuisse Investment Research Report**

available at:

[http://www.iconenergy.com/images/stories/Intersuisse\\_%2015-06-2009.pdf](http://www.iconenergy.com/images/stories/Intersuisse_%2015-06-2009.pdf)



Ray James  
Managing Director

### PILOT PROGRAM UPDATE:

Analysis of the Lydia Pilot results is ongoing with the initial draw-down tests showing good indications of permeability. With the focus on certification of reserves to 2P and 3P status, the plans for ATP 626P are to complete a total of 300 kilometres of seismic, 12 stratigraphic holes and up to three pilots

consisting of four wells each within the Farmin Area subject to Stanwell's approval. Currently a storage pond is being completed. The storage pond has been constructed to meet EPA compliance standards for initial water ponding. Once water quality is verified disposal solutions will be addressed.

ICON ENERGY LIMITED