



ICON ENERGY LIMITED

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energy for the future - the future of energy

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

Dear Sir

Icon Energy Limited e-Newsletter October 2009

Icon Energy Limited advises that the September-October 2009 e-Newsletter will be sent to specific shareholders and interested parties this evening to provide updated information to those parties including the current seismic program and near Goondiwindi and the dewatering progress of the Lydia Pilot wells.

Yours sincerely

Ray McNamara
Company Secretary/Director
Icon Energy Limited



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Icon's Breaking Through

News Extra: Managing Director, Ray James has presented to over 60 institutional, professional and sophisticated investors in the key Asian financial centres of Hong Kong and Singapore



e-NEWS OCTOBER 2009

Standard & Poors welcomes Icon into the Top ASX 300

September saw Icon graduate into the
Top 300 Australian Companies
Read page two for details.

Icon's Leading the Way

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DRILLING** - PAGE 2

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Terrex Seismic began Icon's new seismic program in ATP 626P last month. This Australian first carbon neutral seismic program will provide Icon with invaluable data for locating superior exploration and production well sites.

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Icon's Breaking Through

News Extra: Minister approves
Icon's promising new CSG
permit ATP 849P



e-NEWS OCTOBER 2009

Icon hits the Top ASX 300

Icon joined the 300 top listed companies in Australia when Standard & Poors updated its ASX 300 listing last month. This tremendous achievement is based on the aggregate market capitalisation and liquidity of the stock for the preceding six months of 2009. Icon's S&P/ASX 300 status is indicative of its gathering strength and momentum in the coal seam gas sector. Furthermore, Icon's stock will now appeal to institutional investment from corporate investors and managed funds who usually only invest in S&P/ASX 300 companies.

New Well Program Announced

Icon has contracted a rig from Major Drilling Pty Limited for a new drilling program to commence this month. The program consists of 5 stratigraphic and core wells in the 100% Icon owned area of key tenement ATP 626P, with a further optional 4 wells as part of stage 2 of the Lydia Area Program. The proposed drilling program is fully funded from a portion of the proceeds of the recent capital raising. This is exciting news for Icon and its shareholders alike, who have enjoyed the successes of recent times. This new program will provide information to enable Icon to commence its first pilot in the 100% Icon owned area of ATP 626P.

SA Drilling Progress

The Wakefield No.1 exploration well spudded on 10 September 2009. The well, a test of the Mesozoic section in the Nappamerri Trough, has targeted prospective oil in the Namur and Hutton Sandstones. The well reached its target depth (or 'TD') of 2,297m on 23 September 2009 with oil and gas indications (or 'shows') at multiple levels. The full potential is still to be determined and Icon is keen to assess the coal development in more detail. Icon has a 33.33% interest in this tenement which offers both oil and gas potential.

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NSAI estimates Significant CSG

World leader in coal seam gas certification, Texas-based Netherland, Sewell & Associates, Inc. (NSAI) has established Icon's first contingent reserves.

The certifiers attest to an explorer's assets by assessing the degree of certainty to producing a commercial result. The least certain is the resource category of Gas Initially In Place (GIIP). The next category is Contingent Resource and the most certain is Reserves.

During the past month, Icon has announced a new estimate for GIIP within the entire ATP 626P, new contingent resource estimates for the permit, and upgraded certified estimates for the Stanwell Corporation farmin area, which represents 13% of the overall tenement.

GIIP within ATP 626P is now estimated at 6,115 PJ – an increase of over 12% on a previous estimate of 5,438 PJ certified by Oil & Gas CBM Services Pty Ltd in July 2008.

The current contingent resource within ATP 626P is 1,115 PJ Best Estimate (2C) and 1,773 PJ High Estimate (3C).

Within the Stanwell Corporation farmin area of ATP 626P, containing the Lydia Pilot wells, NSAI has strongly upgraded its certified resource estimates.

Our drilling program has allowed the GIIP Best Estimate to grow from 5,436 PJ to 6,115 PJ. Meanwhile, the 2C Best Estimate of the contingent gas resource in the Lydia Block has also climbed over 37% from 260 PJ (2C) to almost 357 PJ (2C).

To put these figures in context, Icon's landmark deal with the Queensland Government-owned Stanwell Corporation is for 225 PJ.

Icon's Breaking Through

News Extra: Terrex Seismic's Carbon-Neutral survey of ATP 626P is now 85% complete



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Icon Leading the Way with Carbon-Neutral Seismic



Footprint left by "Enviro-Vibe"
after seismic works

Eco-friendly and low impact:
This is a photo of the footprint
left by these "Enviro-Vibes", or
environmentally friendly
seismic vibration trucks.

At one time explosives were used to send shockwaves into the ground to create the echo image needed of the sub-surface structures and formations. The environmental damage was often significant. Now Icon has teamed up with Terrex Seismic in Australia's first carbon-neutral seismic program. The footprint is carbon neutral in environmental terms, and the literal footprint is minimal. These trucks are considerably smaller than their precursors, burning less fuel and requiring less land to be cleared in bushland areas, aided by their ability to articulate around trees/obstacles. Green is not just the way of the future, at Icon, it's the way of the present.



"Enviro-Vibe" in operation on ATP 626P,
vibration plate or "mass" pressed
to the ground



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Dewatering Escalates for Production

Indications of a significant build up of gas are cause for cheer as all three Lydia Pilot wells flow continuously and pumping operations go 24/7.

Dewatering, the process of pumping water out of a coal seam, is the means by which we get methane gas out of coal - pump out the water, and out comes the gas. While it is generally true that the more water you draw out of the well the more gas you get, the process is necessarily gradual if the resource is to be developed to its fullest potential. To operate the pumps at full capacity from day one risks 'sloughing' or collapsing the well in on itself.

Early gas production figures can be made to look artificially healthy by pumping hard at the start, but this could be at the cost of long term production. Icon's Chief of Operations, Larry Brown is certain of the view that 'steady as she goes' is the key. That is not to say that the reserve target is not front of mind, quite the contrary. Icon's NSAI certified Contingent Resources are "contingent" on commercial gas flows being achieved. Dewatering for commercial production flows is naturally a priority. At this point Icon is ensuring that every step in the process is taken with exacting care. Commercial gas production is expected to follow in the coming months. Lydia 4 was the first well to commence dewatering and it is already showing a significant build up of gas which augurs well for the early commercialisation of the Pilot.

Pumping equipment, now
installed and working 24/7



Chief of Operations, Larry Brown
explains the process