



**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 DRILLING UPDATE – 5 MAY 2010***

#### **1. Jack No. 1 reaches target depth of 700 metres**

The Icon Energy (ICN) drilling team has completed Jack No. 1, the final well in the current phase of our 2009-2010 well program.

Located 7.8 kilometres east of the township of Goondiwindi, Jack No. 1 was added to the program following the analysis of seismic data shot by Terrex Seismic for Icon Energy. The data provided mapping of the subsurface formations suggesting a seismic anomaly that warranted further investigation.

The well reached a target depth (TD) of 700.2 metres on 29 April 2010. The top of the Walloon Coal Measures was intersected at 498 metres. The cored coals generally displayed “bleeding” gas with evidence of fractures and visible open cleats consistent with permeability. Two drill stem tests were run. The well was plugged and abandoned pending further testing and coal samples are currently undergoing desorption and adsorption analysis, in addition to being tested for gas content.

The Major Drilling rig was released at 3 pm on Friday 30 April 2010.

#### **2. The twelve well program in synopsis**

The key goal of the 2009-2010 twelve well program was to fulfil Icon’s obligations under stage one of the farmin with the Queensland Government owned Stanwell Corporation Limited, and to evaluate gas potential outside the farmin area.

Stage one of the farmin required an exploration program to examine the CSG potential of the four graticular blocks that constitute the Lydia Farmin block, which represents the joint venture area.

Four of the twelve wells drilled during the program were within the farmin area. These wells augmented the existing pilot production wells in the block. The latest findings from the program have now been reported to Netherland, Sewell & Associates Inc. (NSAI) for further advice.

In synopsis, the results of the completed seismic and near complete drilling programs have together:

- (a) Confirmed with a high degree of consistency the presence of coal throughout the tenement;
- (b) Measured the gas content within the coal across the block;
- (c) Enabled Icon's geophysicists to produce a comprehensive mapping of the subsurface formations within the tenement; and
- (d) Established a number of "sweet spots" which are being considered as high potential sites for the forthcoming pilot production wells.

Yours faithfully



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**Icon is an Australian ASX listed petroleum and gas explorer. Its exploration assets are located in the Cooper/Eromanga Basins in South Australia and the Surat Basin in Queensland**