



**ICON ENERGY LIMITED**

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*energy for the future - the future of energy*

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19<sup>th</sup> June 2009

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

Dear Sir

***LYDIA PILOT ACHIEVES GAS FLOW IN ATP 626P***

Icon's Lydia Pilot Program has completed the draw down tests on LP-4 and LP-3 with the test of LP-4 to be completed today. All wells have produced free gas flows to surface with indications that the free gas flow is expected to increase as dewatering progresses.

Managing Director, Mr Ray James, said "the gas/water flows represented a "milestone" achievement and proved a new gas province in ATP 626P, 100 kms south of the existing fields." He stated that "thus far the performance of the Lydia Pilot has exceeded all our expectations for these early stage tests. It confirms the accuracy and quality of the months of analysis that preceded the commencement of this pilot."

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. The immediate gas flows are an unexpected and significant finding from these tests. All wells have produced free gas flows to surface, with controlled water flow rates of up to 320 barrels of water per day from Lydia No 3.

"Once dewatering commences, there is generally a period of time before gas flow appears," said Mr James. "We are very encouraged by this immediate gas flow as it is an indication that the Walloon Coal Measures are gas saturated in Lydia Pilot Area," he said.

Dewatering will continue until commercial gas flow rates are achieved. An extensive development program of up to 20 wells may be undertaken over the next 12 months under Stanwell Corporation Farmin Drilling Program.

Seismic data will be obtained as part of this program and is expected to contribute to additional proven gas reserves between the wells in ATP 626P.

Stanwell's farmin agreement is for a total \$36 million capital input to fund the drilling program in four graticular blocks which contain the Lydia Pilot Wells. The Lydia Pilot blocks are 300 sq kms of a total of 2,225 sq kms in ATP 626P. By funding this program Stanwell has a right to earn a 50% working interest in the Lydia area which is aimed at proving 340PJ of 2P gas reserves.

Icon has reviewed the recent budget brought down by the Queensland Government on 16th June 2009 and is pleased that Stanwell has not been placed on any asset sale list. The Government has said it supports the liquefied natural gas industry, as this is a direct means of creating jobs in Queensland.

Yours Sincerely



Ray McNamara  
Company Secretary/Director  
Icon Energy Limited



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