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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 1 APRIL 2010

The Lydia No. 9 well reached its TD (target depth) of 850.6 metres at 5:45 am on 26 March 2010.

An interval thickness of twelve metres of net coal was encountered during the drilling of this well.

The last of the four injection and fall off tests for the well were completed at midnight on Sunday 28 March 2010. All four tests confirmed permeability within the coals at this location.

This well is the eighth well in the current drilling program in the ATP 626P tenement, and the third of four new appraisal wells within the Lydia Farmin block.

Lydia No. 9 was relocated from its original site to capitalise on the recently collated and analysed seismic data from the region.

The data from the well has enabled Icon to cross-validate the seismic program data which has increased the overall accuracy of the mapping of the subsurface formations within ATP 626P. Moreover, in the case of Lydia No. 9 the site was able to be re-targeted to produce results equal if not superior to any well drilled by Icon to date.

Pending the results from Lydia No. 7, Lydia No. 9 appears to be the most probable location for the next pilot production wells to be drilled in the Lydia Farmin block.

Lydia No. 9 is currently being cased and suspended. The rig will next be remobilised to the site of Lydia No. 7.

Yours faithfully



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