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

Dear Sir

UPDATE ON ATP 626P DRILLING STATUS -15 DECEMBER 2009

“HENRY 1” - DUE TO SPUD

“LORENA 1” - SUPERIOR QUALITY COAL RESERVOIR

Henry 1 Well

The rig contracted for **Icon Energy Limited's (ICN)** current drilling program from Major Drilling has now been mobilized to 'Henry 1', the third well in the current nine-well program within tenement ATP 626P.

The Major Drilling Rig 52 is currently on location to spud 'Henry 1' in due course and will be reported accordingly.

"Henry 1" is the third well in this 12 well program. This well is specifically designed to acquire quantitative reservoir data. The core and well data obtained will be integrated with the seismic data in the region.

Lorena 1 Well

Lorena 1 has been successfully cored to a total depth of 1,110 metres. This was the second stratigraphic hole in the current program.

The results from the program so far are indicative of a coal reservoir quality superior in many respects to previous wells. The well penetrated 15.6 metres of coal and several fracture zones indicating good permeability. .

Key reservoir properties are the ability for the coal to desorb and to deliver gas to the well bore (permeability). Preliminary data from 'Lorena 1' indicates both key reservoir properties were superior to all wells drilled to date.

'Lorena 1' has been logged and five coal samples are currently undergoing gas desorption. Three drill stem tests were conducted and the well is now cased and suspended with the provision for future use as a possible pressure monitoring well ,as further testing continues.

Icon Managing Director, Mr Ray James said today that he was very pleased with the progress of the program to date. He said that "the qualitative indications so far showed excellent potential in the coals analysed which may in turn speak to the quality of the resource in the region".

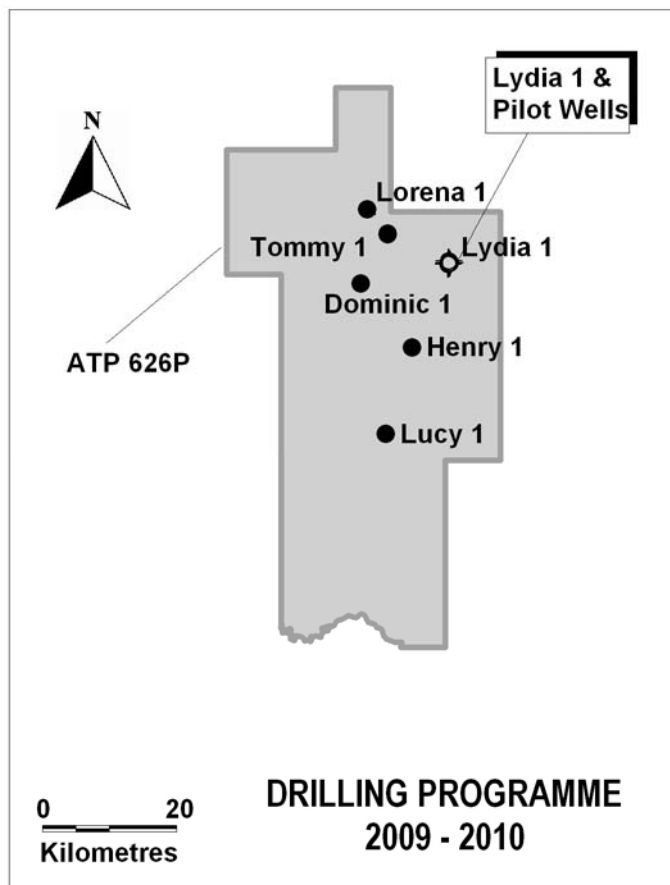


Figure 1 - Locations of wells in the current program within ATP 626P

Icon has a 100% interest in the wells now completed or underway in 'Tommy 1', 'Lorena 1' and 'Henry 1'.

Yours faithfully

Ray James

Managing Director

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BACKGROUND

Icon is a listed Australian, **S&P/ASX 300** index oil producer and Coal Seam Gas explorer, headquartered in Queensland.

Its petroleum production and exploration assets are located in the Cooper/Eromanga Basins in South Australia and the Surat Basin in Queensland.

Icon has a current market capitalisation of over \$180 million with 438,845,003 shares on issue as of 9 December 2009.