
ASX / MEDIA RELEASE



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Icon Energy set to drill in ATP 626P

Icon Energy Limited (**ASX: ICN**) (**Icon Energy**) today announced that it had signed a drilling contract with Atlas Drilling Co. Pty Ltd and would be proceeding to drill the North Maroon DW1 well (**Well**) in ATP 626P.

The Well is located approximately 30 kilometres south of the Moonie Oilfield, west of the Leichardt Highway in the Surat Basin in Queensland. Refer to the map below.

Icon Energy Managing Director Ray James said that the Well is being drilled to test the oil and gas potential of the Precipice Sandstone which is the producing reservoir in the Moonie Oilfield, from which 22 million barrels of oil have been recovered since 1961.

The Well is expected to take 21 days to drill to a deviated depth of 2100 metres using Atlas Rig No.1 (**Rig**) and will be operated by Icon Gas Productions Pty Ltd, a wholly owned subsidiary of Icon Energy. Refer to the attached map and seismic section.

“The Rig is expected to arrive on site today, so as to spud the Well on Thursday (24 November 2011)”, Mr James said.

“Rain is expected in the area over the next few days so there could be some delay experienced with the spudding of the Well. All in all, however, any delays are not expected to materially impact upon the drilling of the Well”, he said.

Icon Energy will hold a 100% interest in the Well, following Goondi Energy Pty Ltd's (**Goondi**) (a wholly owned subsidiary of Stanwell Corporation Limited) election to not participate in this drilling of a conventional oil and gas play.

Mr James said that the Well is part of an ongoing programme in the ATP626P Permit and that the coal seam gas potential will also be evaluated on the way down to the primary objective below the Walloon Coal Measures.

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“North Maroon DW1 is a directional well and may become an oil and gas production or monitoring well based upon the data obtained, Mr James said.

“The primary objective is to evaluate the conventional oil / gas potential of the Precipice Sandstone and Evergreen Formation at this location. The secondary objective is to evaluate the Walloon Coal Measures for their production potentials of coal seam gas”.

“It is anticipated that North Maroon DW1 will encounter 90 metre Precipice Sandstone and Evergreen Formation respectively. The Walloon Coal Measures, a 290 metre coal bearing section with 8 metre net coal is prognosed in the Well.”

“The Permian coal measures developed to the west of the Moonie-Goondiwindi fault is believed to be the main source rock of conventional oil and gas in the Moonie Oilfield. Historical data indicates that the Permian coal measures are mature for gas and oil generation.”

“Hydrocarbons generated from the formations of Permian, Triassic and Jurassic are regarded to have migrated eastwards. Mudstone of the Evergreen Formation is considered to be an effective vertical seal overlying the Precipice Sandstone and sandstone within the Evergreen Formations. The Moonie-Goondiwindi thrust fault is also interpreted to be a viable lateral seal due to its compressional nature”, Mr James said.

Further coal seam gas appraisal activity is planned early in the new year with the drilling of Eolus-1 and Windom-1, under the joint venture operating agreement with Goondi, subject to finalisation of landholder agreements and rig availability.

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