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

Dear Sir

ICON ANNOUNCES COMMENCEMENT OF SEISMIC PROGRAM IN ATP 626P

Icon announces the commencement of field preparations ahead of a new 300kms seismic program in ATP 626P. The aim of this program is to obtain data to increase knowledge to be used as follows :

- delineate the Lydia and Natasha gas saturated structures;
- evaluate 2P and 3P gas reserves and resources between wells;
- conduct seismic attribute analyses to better understand the stratigraphy of the coal sequences;
- to locate wells in the upcoming drilling program;
- to identify "sweet spots" for the location of pilot wells.

Two (2) seismic surveys will be recorded. The Lydia seismic survey of 133 kms will be recorded under the Stanwell Farmin Agreement and the Tara-Rois Seismic Survey of 167 kms will be recorded outside the Lydia area in ATP 626P in which Icon owns a 100% interest.

SHARE PURCHASE PLAN (SPP)

Icon is in a strong financial position following the success of the recent placement and Share Purchase Plan. Should Stanwell elect to move to Stage 2 of the farmin, an additional \$30 million will be dedicated to the Lydia project. Icon will be able to focus on the full evaluation and development of ATP 626P with total funds of over \$65 million, earmarked for this work.

LYDIA PILOT UPDATE

The Lydia Pilot wells will be placed on long term dewatering within the next two (2) weeks as soon as the storage pond is completed to stringent EPA compliance standards.

Preliminary laboratory analyses of the Lydia core samples have indicated that all coals are 100% gas saturated, which confirms the gas flows reported previously where gas came to surface in twenty (20) minutes, with a 100m drawdown of the water level. The early gas flows are an encouraging result, indicating full gas saturation and permeability in the Walloon Coal measures at Lydia.

Icon is pleased to have proven a new gas province in the southern portion of the Surat Basin in Queensland.

NEW DRILLING PROGRAM

A stratigraphic drilling program of up to twelve (12) wells will commence in ATP 626P as soon as a Drilling Contract can be signed. Icon is advanced in the rig selection process with several rigs on offer. The well locations have been chosen and permitting has commenced in the field. The program is aimed at determination of :

- 2P and 3P gas reserves expansion;
- identification of "sweet spots" for pilot drilling locations;
- measurement of gas saturations in the Walloon coals;
- measurement of permeabilities in the Walloon coals;
- 4 wells inside the Lydia farmin area;
- 8 wells outside the Lydia farmin area.

The success of the recent placement and Share Purchase Plan has allowed this drilling program to be conducted in accordance with Icon's strategic development plan for coal seam gas.

Icon has a 100% working interest in ATP 626P and is the Operator for the permit. Under a Farmin Agreement, Stanwell Corporation is funding a development program to earn a 50% working interest in the Lydia farmin area.

Yours Sincerely



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