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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 9 DECEMBER 2009

'Lorena 1', the second well in **Icon Energy Limited's (ICN)** new nine-well program, has penetrated a net coal thickness of 11.45 metres.

The well is underway in the western portion of Icon's key ATP 626P tenement in the Surat Basin north of Goondiwindi.

Icon Energy's Chief of Operations, Mr Larry Brown today said that the result was the most encouraging so far in the program.

He said that the good-to-highly fractured coals with "visible open cleats", seen in the 1,048 to 1,084 metre depth region of the well, were very promising because they could indicate excellent permeability.

"This bodes well for the recovery of gas and production potential in the Lorena 1 region" Mr Brown said.

At 6am this morning the well had reached a depth of 1,090.2 metres. At the same time coring had progressed from 910 to 1,084 metres.

This second well of the program follows on from the better than expected coal thickness in 'Tommy 1' advised last week. At 15 metres, it exceeded the anticipated coals by some 11%.

Icon has a 100% interest in the Tommy 1 and Lorena 1 wells.

Yours faithfully



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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.