



ICON ENERGY LIMITED

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energy for the future - the future of energy



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New Drilling Program for Icon Energy as China LNG Continues to Rank High in the Company's Forward Strategy

Queensland based oil and gas company, Icon Energy Limited (*Icon Energy* or *Company*), today announced that it has all necessary joint venture approvals in place to commence a new drilling programme in ATP626P in the Surat Basin in Queensland and is well positioned to proceed with a vigorous drilling program in other key tenements.

Following the release of the Company's half-year results to the market yesterday, Icon Energy Managing Director Ray James said that:

- The Company had signed a contract with Atlas Drilling Co Pty Ltd to drill three wells in ATP626P with the Atlas-2 Drilling Rig, with an option to drill an additional two wells in the Surat Basin; and
- A second rig is currently being canvassed to commence drilling in the Gippsland Basin in Victoria, with the next stage of the Company's drilling programme to also target the Nappamerri Trough in the rich Cooper Eromanga Basin.

Mr James said the drilling program preserved the Company's focus on securing a pivotal LNG Sales Agreement with Shantou SinoEnergy and proving up commercial reserves of coal seam gas (**CSG**) in ATP626P with Queensland Government-owned Stanwell Corporation.

"Icon Energy has maintained a strong financial position to underpin this drilling program, following its successful placements in December that raised an additional \$5.9 million for the Company's operations.

“As at the end of December 2010, Icon Energy’s cash position was \$19.8 million, with the Company continuing with various prospective farmout and other initiatives to place it in good stead to finance its operations,” he said.

Mr James said that - in addition to the three well program approved for ATP626P, in the Surat Basin, Queensland, where Icon Energy is sharing costs with joint venture partner, Stanwell Corporation - the Company was in the process of finalising plans to:

- Commence seismic and drilling operations in the prospective ATP855P Nappamerri Trough tenement;
- Drill up to four CSG wells in the Post-Permian Section of the adjoining PEL218 permit (located on the South Australian side of the Nappamerri Trough);
- Drill a further two wells in the Surat Basin; and to
- Drill a deeper well in PEP170 in the Gippsland Basin, Victoria, targeting shale and tight gas.

Mr James said that the forward drilling program heralded the next chapter in Icon Energy’s future.

“We’re not just drilling holes as an exploration company to find gas. We’re drilling to a forward and visionary commercialisation strategy, which is predominantly based on the commercialisation of discoveries via the sale of LNG to China and specifically to Shantou city.

“Most exploration companies drill in the hope of finding something and then consider how to develop, produce and sell any discoveries. Icon Energy on the other hand has adopted the strategy of parallel development of drilling and market development.

“The appointment of Mr Howard Lu in January, with his wealth of business experience in, and significant connections to, Chinese Government and commercial entities, is part of that strategy and has already significantly assisted the Company as it continues to build its business relationships in China and elsewhere”, Mr James said.

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