

Registered Office:

Level 4, 19 Arbour Court
PO Box 3366
ROBINA TC QLD 4230 AUSTRALIA

Ph: 61+ 07 5562 0077
Fax: 61+ 07 5562 0011
Email: info@iconenergy.com
Web: www.iconenergy.com

8th May 2009

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

Dear Sir

UPDATE ON DRILLING STATUS LYDIA PILOT LP-2

Lydia Pilot LP2, the final of the three well Lydia Pilot Program, commenced drilling on 8th May 2009 and has reached a depth of 104.78 metres.

The 9 5/8 inch surface casing is being installed and cemented. Lydia No.2 will be fully cored over the Walloon Coal Measures and selected portions of the main coal sections will be sent to the testing laboratory in Brisbane to determine the gas content. Once the coring operations have been completed the hole will be enlarged and under-reamed to 22 inches over the main coal intervals. The production casing will then be installed and the rig released.

A workover rig will be mobilized immediately LP-2 is cased and the production tubing and pumps installed for testing.

The storage pond to hold the testing water is under construction and will be ready for the testing program which will be conducted immediately the wells are placed on production.

Yours sincerely



Ray McNamara
Company Secretary/Director
Icon Energy Limited



For further information please contact:

Ray McNamara
Telephone: (+617) 5562 0077 Facsimile: (+617) 5562 0011
Email: info@iconenergy.com or visit www.iconenergy.com