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

Dear Sir

Icon Energy Limited e-Newsletter December 2009

Icon Energy Limited advises that the e-Newsletter December 2009 will be sent to specific shareholders and interested parties this evening to provide updated information to those parties including an update on the ongoing nine-well drilling program near Goondiwindi.

Yours sincerely



Ray James
Managing Director
Icon Energy Limited



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Icon's Breaking Through

News Extra:
Lorena #1 gives Icon
further encouragement.

e-NEWSLETTER DECEMBER 2009

Lorena #1: Icon's Best Well Ever

Three wells into Icon's new nine well drilling program and the results to hand so far are very promising indeed. The gas containment and deliverability characteristics of the coal penetrated to date point to what has the potential to be an excellent gas reservoir.

(Read more on page 2)

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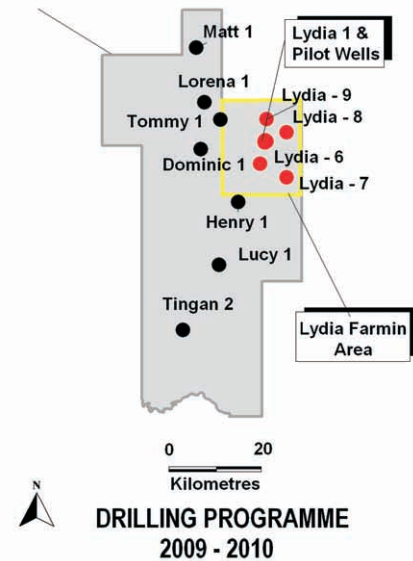
- LYDIA PILOT PROGRESS - PAGE 3
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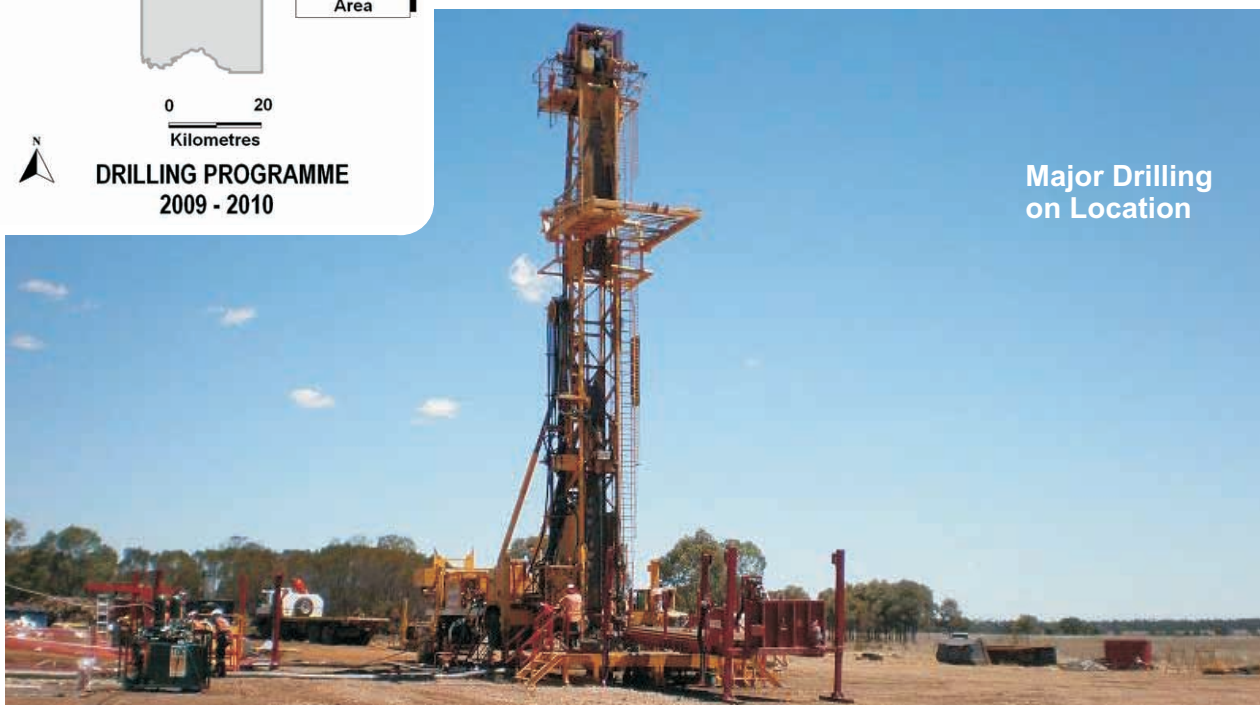
ATP 626P



Coming Together at the Seams:

Lorena #1 - Icon's Best Well Ever

(continued from page 1)



Icon Energy is at the time of publication drilling 'Henry 1', the third well in an ongoing new nine-well program. Coupled with the seismic program data which is now starting to come in, the program constitutes the most comprehensive exploration of key tenement ATP 626P ever conducted.

'Lorena 1', the second well in the program penetrated a net coal thickness of 11.45 metres. According to Icon's Chief of Operations, Mr Larry Brown, the well is the most promising ever encountered by the Icon team.

Mr Brown said the good-to-highly fractured coals with "visible open cleats" in the deeper regions of the well were very promising because they often indicate excellent permeability which he said bodes well for the recovery of gas and production potential in the Lorena 1 region.

Even Icon's ever conservative Chief Geologist, Harry Duerden said the "coal reservoir quality was superior in many respects to previous wells".

The first well, 'Tommy 1', is no slouch either. Its net coal thickness of 15m exceeded the team's expectations by some 11%. The coals also had the telltale faults and fractures indicative of good permeability on one hand, and the ability to desorb gas on the other, which are both associated with a quality reservoir and ability to deliver therefrom.

Exploration like that currently underway in ATP 626P is very revealing – the more pieces of the puzzle we collect, the more complete a picture we are able to put together. But make no mistake, this is by no means a game. By the end of the current program we will have a much better idea of the coal seams comprised within ATP 626P, thereby increasing our ability to target and draw on the massive potential within (certified 6,115PJ of Gas Initially In Place & 1,150PJ of 2C Resource).

Icon's Breaking Through

News Extra: Icon Managing Director, Ray James tells the Fin Review that Icon Energy is in coal seam gas for the long haul.



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Lydia Pilot Progress

The dewatering of the Lydia pilot wells continues. This is the process of removing the water from the coal seam to release the methane-based coal seam gas, or CSG. The below figures give us an idea of the amount of water being produced:

LP-2 160-180 barrels/day
LP-3 90-100 barrels per day
LP-4 150-180 barrels/day

LP-2 & LP-4 already have constant gas pressure on the annulus. Despite good early indications, all wells may take six to nine months of pumping to dewater the reservoir in the immediate area sufficiently to establish commercial gas quantities, so we still have a way to go yet.

So far the Lydia pilot has enabled Icon to establish the water chemistry and gas composition, both of which have been promising, and we've already flared Lydia's gas to surface. So there's coal, there's gas, the water is of a fair quality, and pumping continues. Mind you the area of the Lydia Pilot covers only .006% of the Lydia farmin area, and a considerably smaller portion of the ATP 626P tenement as a whole. So while we continue to pump the water over the coming months with a view toward commercial gas flows, we are by no means doing that alone; our focus is definitely on moving the entire block forwards.

In the new year an additional four wells will be drilled in the Lydia block to seek confirmation of new pilot sites as guided by the new seismic data.

Gas Quality Established

A preliminary laboratory analysis of a gas sample collected from the Lydia Pilot within ATP 626P has established that there is quality gas in the region.

The gas composition is as follows:

Methane 97.87%
Nitrogen 1.14%
Carbon Dioxide 0.43%
Ethane, propane, isobutane 0.56%

No other impurities or additions were noted. The gas has a gross heating value of 999 BTU/SCF of dry gas.

The composition of the gas indicates that the gas will be compatible with the applications under consideration and no expensive gas treatment will be required.



LP-2 FLARE SHOT

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Icon's Breaking Through

News Extra: Icon hits the ground running at its new corporate headquarters in Broadbeach this month from its previous home of more than 12 years in Robina.

e-NEWSLETTER DECEMBER 2009

Seismic Update

You may recall the seismic program conducted on Icon's behalf by Terrex Seismic's brand new, eco-friendly vibration trucks in October. The data is with currently Fugro Seismic Imaging in Western Australia and more than half has now been processed. The quality of the data to date has proven to be of a very high standard.

The processing of the 2D seismic data is in fact already more than 60% complete. The remaining 40% will be finished late January.

The data quality so far has been very good to excellent according to Icon's new Chief Geophysicist, Bob King. "Good seismic quality can be judged by depth of penetration, frequency content, coherent seismic reflectivity and continuity, amplitude preservation/definition, stratigraphic and structural definition of the subsurface" he said. "All these aspects, and more, results in improved interpretation confidence when determining a drilling location".

So this new seismic data will be invaluable for targeting drill site "sweet spots" and will be put into action by the Icon tech team asap. Indeed it has already provided guidance for some of the drilling soon to be conducted under the current, ongoing drill program.



Terrex Eco-vibe Used for Icon



ICON ENERGY LIMITED

Icon's Breaking Through

News Extra: Icon hits the ground running at its new corporate headquarters in Broadbeach this month from its previous home of more than 12 years in Robina.

e-NEWSLETTER DECEMBER 2009

Icon Settles into its New Corporate Headquarters

Well it's just before Christmas time and Icon has now moved into its new premises. By utilising the excellent existing fitout, not only was the cost of fitting the offices negated, it has meant that Icon could move in and basically hit the ground running.

One weekend was all the time it took to move from the previous premises in Robina Town Centre where Icon had been for more than twelve years to her new home in Broadbeach, right in the middle of Queensland's beautiful Gold Coast.

The move itself was essential. Because Icon has been tooling-up and building the necessary team of experts in their respective fields to move Icon upward and onwards, it has been bursting at the seams in the old premises. As such, the timing of the acquisition was perfect.

The deal has also be applauded as a major coop for the CSG explorer, being not only an excellent building in a great location, but bought at auction at an excellent price. More than one party approached Icon almost immediately afterwards offering to take the building for an impressive immediate capital gain. But as an investment, and moreover as a new corporate headquarters, it just made sense to keep it.

Icon Energy's Managing Director, Mr Ray James said that the relocation offered Icon significant savings. Interest payments are much less than what Icon would pay in rental payments under a new lease. Icon isn't a real estate corporation, but the long term savings more than justify the purchase. Ultimately this move means that more shareholder funds will be used for drilling wells and less paid to a landlord.



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