



ICON ENERGY LIMITED

ABN 61 058 454 569

energy for the future - the future of energy

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

20 August 2009

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

Dear Sir

Icon Energy Limited e-Newsletter August 2009

Icon Energy Limited advises that the August 2009 e-Newsletter will be sent to specific shareholders and interested parties this evening to provide updated information to those parties including the upcoming seismic program near Goondiwindi and the forthcoming Wakefield 1 oil exploration well in South Australia.

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

Icon's Breaking Through

Last month saw Icon get gas to surface. This month we began ongoing dewatering. Next Icon's carbon-neutral seismic program is planned to continue the surge.



e-NEWS AUGUST 2009

Australia's First Carbon-Neutral Seismic

Icon is about to embark on an Australian first carbon-neutral seismic study.
Read page four for details.

Dewatering for Gas Production Commences

Icon's 25,000 cubic metre water facility is seen here ready for the de-watering to release CSG gas from coal. Continuous dewatering began this month to steadily increase to commercial gas production rates over time.

PLUS:

- PILOT WELLS INSPIRE NEW DRILLING
- RESERVE CERTIFICATION
- S.A. DRILLING ANNOUNCED
- PROMISING NEW CSG TENEMENT

ICON ENERGY LIMITED

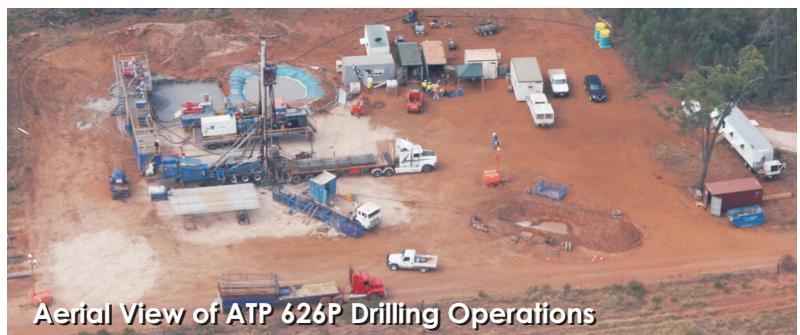
Icon's Breaking Through

With new wells now drilled and more planned, and our earth-friendly seismic testing about to begin, positive news abounds for Icon this month.



e-NEWS AUGUST 2009

Pilot Well Success Inspires New Drilling



Aerial View of ATP 626P Drilling Operations

The enormous potential of ATP 626P is being further tested with two additional exploration wells, inspired by the early success of the Lydia Pilot production program.

Far from resting on its laurels, Icon acted swiftly to contract Major Drilling to undertake the first two of the new wells, Lydia 5 and Tingan 2 (see map page 3).

A further ten wells are currently planned, bringing the total for the new program to 12 wells in addition to the three-well Lydia pilot.

In a welcome surprise to all involved, all three Lydia pilot wells delivered gas to surface following very preliminary dewatering. (Drilling update continued page 3).

Netherland Sewell Assess Icon Reserves

Icon's laboratory results following the Lydia Pilot Program draw down tests have been better than expected with excellent core desorption and permeability necessary for production.

More supporting data will be provided to Netherland Sewell over time as exploration and preliminary production progresses. Thus the current wells and forthcoming wells, plus the seismic program beginning this month all add up to promising news for Icon.

Netherland, Sewell & Associates, Inc. was established in 1961 and has offices in Dallas and Houston, Texas. Over the past 48 years, it has built a reputation for reliability matched by a dedication to service and a commitment to integrity. It provides services to the worldwide petroleum industry that includes reserves reports and audits, acquisition and divestiture evaluations, simulation studies, exploration resources assessments, equity determinations, and management and advisory services.

Netherland Sewell is one of the most respected names in independent reserve reporting. Its technical staff has successfully completed thousands of challenging assignments for leading petroleum and financial concerns around the globe. Its clients include small privately owned oil and gas companies, major and independent oil and gas companies, national oil and gas companies, financial institutions, and investors.

Reserve Certification

The data from the pilot wells has now been sent for initial reserve certification by Texas-based **Netherland Sewell**, a world-leading independent petroleum consultant.

For details visit:
www.netherlandsewell.com



ICON
ZIMMER
FIND

Icon's Breaking Through

Last month saw Icon get gas to surface. This month we began ongoing dewatering. Next Icon's carbon-neutral seismic program is planned to continue the surge.



e-NEWS AUGUST 2009

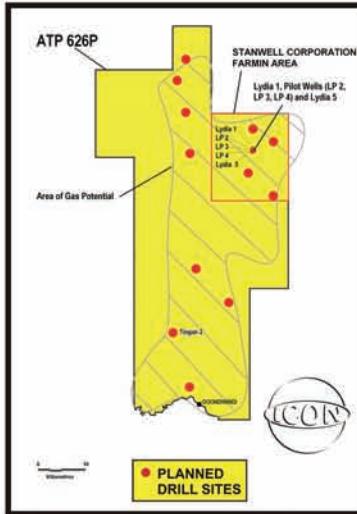
Drilling Update

(continued from page 2)

Icon Energy's Tingan 2 well has discovered a new coal seam gas (CSG) reservoir. The discovery opens up an exciting new potential play in ATP 626P. This coal sequence will now be evaluated in all future wells drilled within the permit.



Tingan 2 Drilling Operations earlier this Month



Icon's Plans for New Well Locations

Results have indicated that the coal has good permeability, with good flows and shut-in pressures. Core sections have yielded gas on recovery and have now been sent for desorption analysis to give readings of gas content in the coal.

Tingan 2 has now been cased and suspended pending further evaluation.

Icon has a 100% working interest in Tingan 2.

SA Oil Well gets Green Light

In a move hoped to generate significant upside for shareholders, Icon has announced our participation in the Wakefield 1 oil exploration well in PEL 218, in the Cooper-Eromanga Basin in South Australia. The well is expected to commence drilling early to mid September subject to operational logistics.

Icon has already earned a 10% working interest in the permit through funding its share of the Wakefield seismic program under the farmin agreement. The drilling of this well will take Icon's working interest in the Mesozoic sequence to 33.3%. Beach Petroleum will be the Operator for the well.

Success with this well could potentially increase Icon's Enterprise Value (EV) in the magnitude of 12-15 cents per share.

Icon will undertake a multi-zone test of the Wakefield Prospect, targeting up to 11 million barrels of oil recoverable in eight possible reservoirs.

PEL 218 is a large permit of 1600 km² offering both oil and gas potential.

ICON ENERGY LIMITED

Icon's Breaking Through

Last month saw Icon get gas to surface. This month we began ongoing dewatering. Next Icon's carbon-neutral seismic program is planned to continue the surge.

e - NEWS AUGUST 2009

Icon Leads the Way with Carbon-Neutral Seismic

Icon is proud to be associated with Australia's first ever carbon-neutral seismic survey operation, which will commence on 27 August in ATP 626P.

Simply put, seismic work acts on the same principle as sonar. A sound wave is focused into the earth and specialized equipment "hears" the echo. The sound image tells geophysicists characteristics of subsurface layers. This can present "sweet spots" for drilling locations, data for drilling target depths and fill in some indicative data for reserve estimators.

Oil and gas explorers have used it successfully for many years. Not only will this Australian first carbon-neutral seismic study further determine ATP 626P's potential and help Icon develop exploration plans, it also marks a major step forward for the environment.

Terrex Seismic has been contracted to record the Lydia and Tara-Rois Seismic surveys in the permit and site preparations are now completed.

The initiative helps place Icon at the forefront of environmentally responsible exploration.



ICON
ZIMMER
KINNED

Promising New CSG Tenement

Icon's very promising new ATP 849P has been cleared for grant with the signing of the Environmental Authority for this permit.

Once the State Minister for Mines and Energy the Hon. Stephen Robertson signs off on the grant, Icon will commence work on the permit located west of Roma and centred on the town of Mitchell in Queensland.

The coal seam gas (csg) prospects in ATP 849P lie west of Lacerta and Don Juan csg fields and cover an area of nearly 4,000 square kilometres.

While little geological information has been conducted, the area has one of the largest sub-crops of Walloon Coal Measures in any block and is relatively shallow at about 300 metres with little change in depth over the area.

Icon plans to drill two wells in this permit as part of the drilling program in ATP 626P. Icon is the Operator of the permit and holds a working interest of 80%.