



**ICON ENERGY LIMITED**

ABN 61 058 454 569

*energy for the future - the future of energy*



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16 March 2010

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

Dear Sir

***ICON ENERGY LIMITED ASX DRILLING UPDATE 16 MARCH 2010***

Majors Rig 52 is currently on the site of Lucy No. 1. The well reached its TD (target depth) of 895.2 metres on Sunday night.

Drilling on the Lucy No. 1 site had been on hold for approximately one week due to flood conditions encountered in the region. Icon Energy's safety management guidelines determined that operations be paused until the safety of the drill team could be assured. Operations have resumed now that conditions on the ground have improved, with drilling recommencing on 12 March 2010.

This stratigraphic well is the eighth well in the current program designed to appraise the Walloon Coal Measures (WCMs) and is aimed specifically at the identification and evaluation of coal seam thickness and gas reservoir qualities to aid in identifying potential sweet spots for new pilot production wells within ATP 626P.

A full set of logs were recorded on the well. The section penetrated has recorded good quality coals with evidence of a range of fractures, indicative of superior permeability that forecast for coals in the vicinity. Provisional data indicates a thickness of approximately ten metres.

Three drill stem tests have been run including injection tests for the permeability potential of the coals over the middle WCMs with results within expected parameters.

This well has been particularly successful in providing further data towards building the permeability model in ATP 626P. Several core samples are currently undergoing gas desorption testing for the containment and release of the methane-based gas over time. These, amongst the other detailed data collected will undergo comprehensive analysis which will further contribute towards building the reservoir understanding of the Walloon Coal Measures in ATP 626P.

After the completion of Lucy No. 1 the rig will be moved to the location of the next well, Lydia No. 9.

Icon Energy's technical team is currently working towards the selection of sites for the forthcoming four well pilot production program, with each stratigraphic hole drilled helping to complete the picture of the Coal Seam Gas production potential of the coals within the tenement.

Yours faithfully



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**Icon is an Australian ASX listed petroleum and gas explorer. Its production and exploration assets are located in the Cooper/Eromanga Basins in South Australia and the Surat Basin in Queensland**