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

Dear Sir

Successful Completion of Australia's First Carbon Neutral Seismic Program

Highlights

1. World first carbon neutral survey completed in the key tenement
2. Early build up of gas in Lydia Pilot 4
3. Cultural Heritage discussions commence in ATP 849P

1. World First carbon-neutral survey completed within ATP 626P

In a significant win for the environment, **S&P/ASX 300 Index company Icon Energy Limited (ICN)** has successfully completed its new seismic program within ATP 626P on 10 October 2009.

The world-first program was completely carbon neutral - a major advancement in environmental responsibility for the Coal Seam Gas (CSG) industry in the manner in which it acquires seismic data necessary for exploration.

The acquisition of approximately 305 km of 2D seismic data was drawn from the south-eastern Queensland portion of the Surat Basin.

The carbon neutral survey creator, Terrex Seismic completed the program on schedule.

The "vibroseis" (vibration + seismic) survey used three new environmentally friendly seismic vibration vehicles, or "Envirovibes" (see pictured) to assist in the reduction of CO₂ emissions - an essential new consideration for Icon's field operations.

This seismic acquisition should now enable Icon to broaden its exploration efforts within the permit for the next round of drilling.

The invaluable data indicates subsurface structures and formations, which can be utilised virtually immediately subject to analysis, interpretation and mapping.

Operations are on schedule as the rig from Major Drilling has already been contracted by Icon to begin the next stage in the drilling program, planned to commence later this month.

The seismic helps identify drilling goals including coal seams with CSG potential, target depths and “sweet spots”, thereby improving potential success rates for the upcoming wells.



Eco-friendly “Envirovibe” working last month

These wells are in turn aimed directly at increasing shareholder equity by targeting the establishment of further gas reserves within ATP 626P.

This is crucial in moving Icon from explorer status to a producer with a significant established and proven commercial gas asset.

2. Early indications show build-up of gas in Lydia Pilot 4

The dewatering of the Lydia Pilot Program to establish commercial gas flows for reserve certification and production is continuing steadily.

Gas is already beginning to be released from the coal fissures and cleats (spaces in the coal formations) as the water is pumped out, allowing the methane-based CSG gas to flow from the well head ‘annulus’.

This process is slow if performed correctly so as to avoid damaging the wells, but indications to date are promising including an early build up of gas in the well LP-4 in particular.

3. Cultural Heritage discussions commence for new program in ATP 849P

Icon Energy representatives met with the Traditional Owners yesterday to negotiate cultural heritage issues in respect of its forthcoming program in the newly approved ATP 849P tenement.

The discussions were productive, with agreement expected to follow in coming weeks.

Yours faithfully



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