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

Dear Sir

ICON DRILLING UPDATE - 16 APRIL 2010: ADDITIONAL WELL ADDED TO CURRENT PROGRAM

1. Lydia No. 7 has strong indications of high gas saturation with cores 'bleeding' gas

Lydia No. 7, the fourth evaluation well of the Lydia block in the current drilling program, commenced drilling or 'spudded' on Friday 2 April 2010. Drilling has been completed with the rig now moving to Jack No. 1.

This well was cored to test gas content and indications of permeability. Bubbling gas from one of the cores already provides qualitative evidence of both permeability and high gas saturation. Indeed all coals cored so far from the well have displayed 'bleeding' gas which strongly indicates high gas saturations in the coal. These cores have been sent to the laboratory for analysis.

This well has provided one of the most successful drill stem tests (DST). The DSTs were run to evaluate the permeability and other reservoir parameters of the coal at this location. The results of this well once again confirm the value of the seismic data obtained from our recent seismic program.

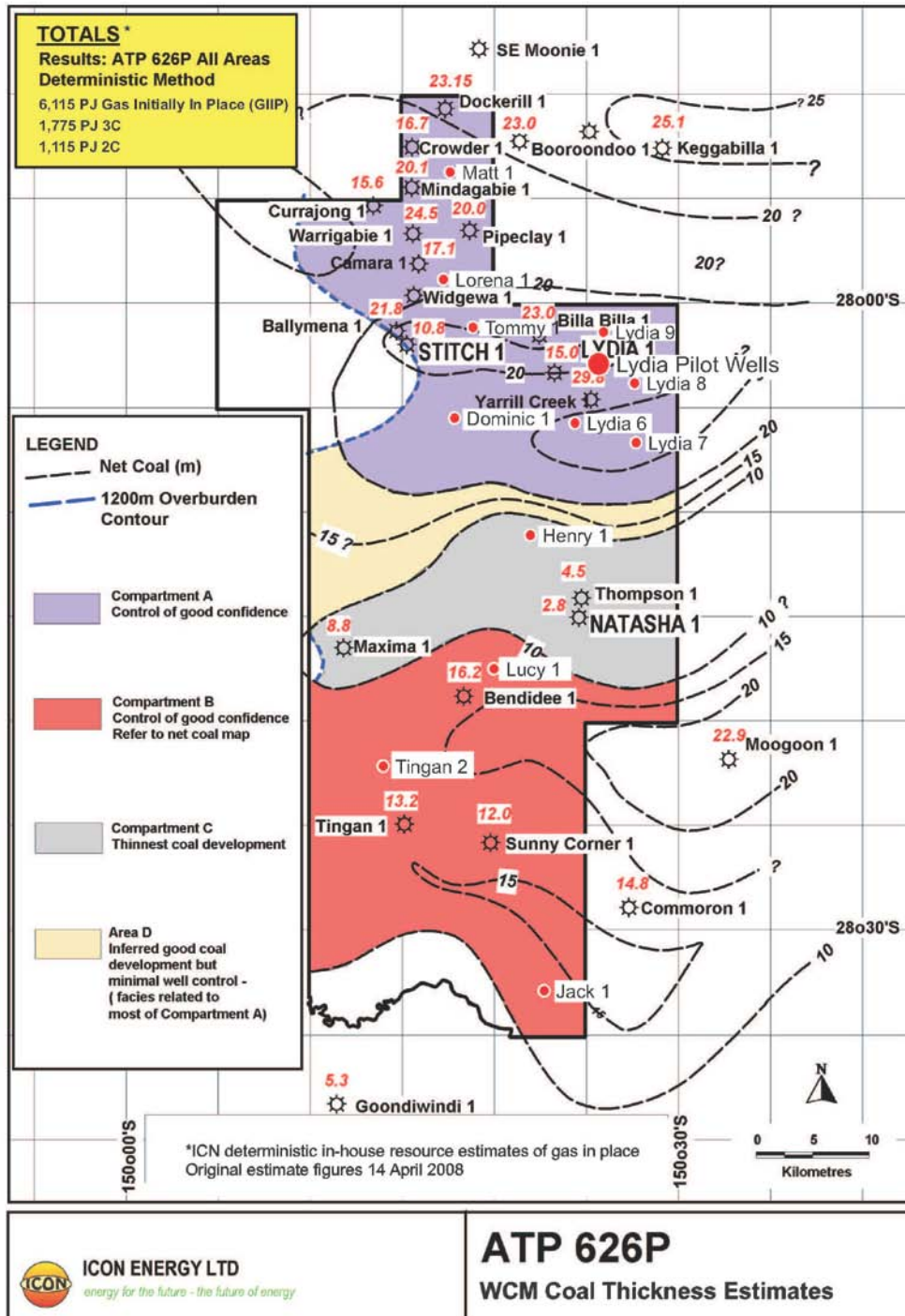
The completion of this well represents the completion of the first stage of the Stanwell Farmin. Data analysis will continue over the next two months. When the absorption and desorption results are finalised, a comprehensive report on the Lydia Pilot program (Lydia No. 2, No. 3 and No. 4) and the four stratigraphic wells (Lydia No. 6, No. 7, No. 8, and No. 9) will be used to assess the commerciality of the resources in ATP 626P.

2. Icon Energy Board expands current drilling program to include additional well Jack No. 1

The Board of Icon Energy Limited (**ICON**) has committed to an opportunity to extend the current drilling operation in ATP 626P in southern Queensland with an additional well, Jack No. 1.

Seismic reflectivity analysis, based on the seismic data shot by Terrex Seismic for Icon last October, provides an informative mapping of the subsurface formations suggesting this to be a high potential location. The application of the data to other locations, including that of Lydia No. 9 and Lydia No. 8 in particular, has already proven how valuable the data has been so far.

An additional purpose of the exploration program is to confirm the coal locations originally identified in 2008 in the diagram below.



The results of all wells drilled in the current program confirm the coal distribution shown above.

The seismic and drilling data together enables Icon Energy's operations team to complete a detailed picture of the potential of the block as a whole, and specific locations within it in particular to help determine the site(s) of four pilot production wells scheduled for later in the year. Jack No. 1 enables Icon to confirm the commercial potential south-eastern part of the block.

Yours faithfully



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