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The Manager
 Company Announcements Office
 Australian Stock Exchange Limited
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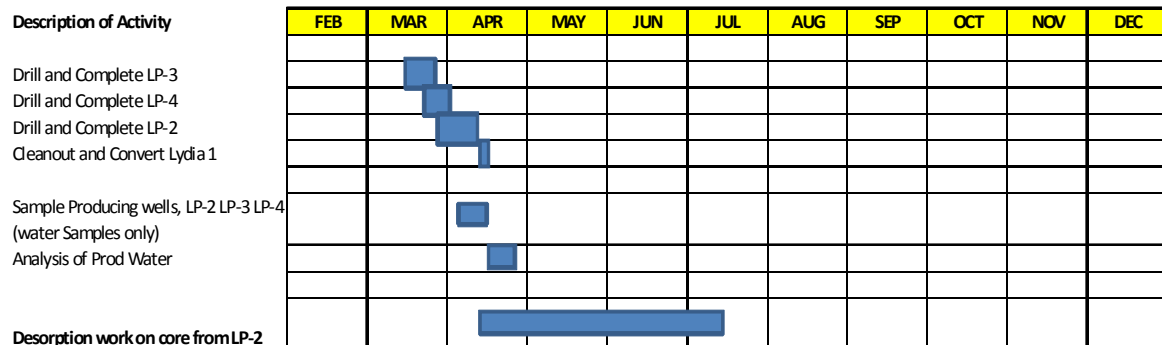
Dear Sir

LYDIA PILOT UPDATE ON ARRIVAL OF ANCON RIG #1

The following is a summary of the advice received from ANCON with respect to the arrival of Rig #1 contracted to drill up to four wells for the Lydia Pilot Program:

- Ancon is drilling the fourth of a five well program for an operator near Tara. It's sister rig Ancon Rig 2 has been working for another CSG operator for the past three years.
- Ancon Rig #1 has already undergone compliance inspection for Icon Energy using a specialist rig certifier, Ray Parker from Perth.
- The rig is scheduled to arrive at the Icon drill sites prior to the end of March 2009, assuming no delays for weather or mechanical problems.

All Icon drill sites at Lydia have been prepared and are ready for the Ancon Rig's mobilisation. Completion equipment is ready and stored at the freight consolidation point in Goondiwindi, awaiting the rig's arrival. Based on this advice, we have adjusted our drilling schedule accordingly. The timeline diagram below gives our current best estimates of the activities up to the dewatering stage.



Our Engineering department is finalising the storage pond design and construction schedule to plan to prepare for the dewatering program for the Lydia Pilot.

Ray McNamara



Company Secretary / Executive Director
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