



**ICON ENERGY LIMITED**

energy for the future - the future of energy  
ABN 61 058 454 569

**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](mailto:info@iconenergy.com)  
Web: [www.iconenergy.com](http://www.iconenergy.com)

30<sup>th</sup> April 2008

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

Dear Sir

**QUARTERLY OPERATION'S REPORT  
FOR PERIOD ENDING 31<sup>ST</sup> MARCH 2008**

**COAL SEAM GAS STATUS :**

Icon has continued to evaluate the well data in ATP 626P in the Surat Basin. This is Icon's core activity and Coal Seam Gas (CSM) is now our priority focus. Previously, Icon reported a prospective gas resource in the permit as being in the range of 0.9 to 1.25 TCF (trillion cubic feet). At local gas Contract prices of around \$3.0 per gigajoule, the resource would be valued in the range of 2.7 to 3.75 billion dollars. This estimate is now considered very conservative as further detailed study of the old well data and new data from recent drilling indicates a much bigger resource. In addition, the export LNG (Liquid Natural Gas) prices are nearly double local Contract prices at \$5-6 per gigajoule.

It now remains for Icon to commence testing of Stitch No 1, Lydia No 1 and Natasha No 1 in order to establish gas saturation and permeability in the coals penetrated. Several factors point to both of these critical parameters being favourable for commercial gas production. Natasha No 1 continues to flow without pumping at a rate of about eleven barrels per day and the water is gas cut, indicating favourable gas saturation.

The water analyses from Natasha No 1 has evidence of meteoric water influx which is favourable for biogenic gas generation and permeability within the coal measures.

Testing equipment is now ready for installation and a dewatering programme will commence with Lydia No 1 as soon as the workover rig is available.

In order to move forward, Icon must have access to sufficient capital for the gas appraisal and development of the area and a market for the gas.

Negotiations have been conducted over the past few months with interested parties who could assist us in one or more of our requirements. Icon has delayed the start of the dewatering

programme in order to establish the best way forward, given that we now have many options as to how the appraisal and development proceeds.

Icon expects to approve a final development plan by the end of May 2008.

Icon has advanced negotiations with the EPA (Environmental Protection Authority) in Queensland for the issue of an EA (Environmental Authority) prior to Ministerial approval for grant of ATP 849P. Icon has been successful over the past year in negotiating an alternative payment method to meet the security deposits payable to the EPA. The deposit in the case of ATP 849P is over \$100,000.00 for the first four years. The EPA has approved Icon's application to pay the security deposits on a year by year basis. This is a first in the petroleum industry in Queensland and we are grateful to the management of the EPA for approving the new arrangements. This will result in considerable savings to Icon and still achieve the security cover required under the Act by the EPA.

It is planned to commence operations in ATP 849 and a farmin partner is under negotiation.

ATP 855P is awaiting confirmation of the four month advertising period required under the Native Title Act. If no registered claimants come forward, the area will be granted. If traditional owners register a claim over the area before or during the advertising period then it will be necessary to conduct an RTN (Right to Negotiate) process with the claimants representatives. An application was filed for geothermal permits within ATP 855P following Icon's request to gazette the area. The outcome of this application will be known within the next few weeks.

PEL 218 : Seismic delineation of several prospects are due to commence in the second half of the year. Seismic crews are difficult to contract now as demand is high and costs have increased.

ATP 594 is awaiting settlement with the ASIC (Australian Securities and Investment Commission) on the outcome of the re-registration of Triple J Pty Ltd.

ATP 794Springfield/Regleigh blocks are still under farmout negotiations.

In the USA our partner, CLK have advised that they are negotiating new capital raising through the Canadian Stock Exchange. When this is completed, drilling is expected to re-commence in Bayou Choctaw. No firm drilling plans have yet been advised.



**Ray McNamara**  
**Executive Director/Company Secretary**  
**Icon Energy Limited**