



9th October, 2009

ASX/MEDIA RELEASE

PEL 218 – New Coal Seam Gas Discovery

Bounty Oil & Gas NL ("Bounty") announces that Icon Energy Limited a joint venture participant with Bounty in PEL 218, South Australia has reported a potential new coal seam gas (CSG) discovery following analysis of drilling results from the recently completed Wakefield 1 well. Bounty holds a 23.28% working interest in PEL 218 down to top Permian

A copy of the announcement made to ASX by Icon on 8 October 2009 is annexed.

Commenting on the CSG results, Bounty's CEO, Philip Kelso said:

"The report by our joint venture partner Icon yesterday with their acknowledged expertise in coal seam gas developments is very encouraging.

It emphasises the strong result for Bounty in Wakefield 1 with multi zone oil shows and now the potential for extensive CSG in the Nappamerri Trough covered by PEL 218. We look forward to the oil and CSG appraisal programs going forward."

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About Bounty Oil and Gas NL

Bounty is an Australian ASX listed oil producer and explorer. Its core petroleum production and exploration assets are located in the Cooper/Eromanga Basins in South Australia and Queensland and in the Surat Basin.

Bounty's growth assets are spread over a number of high impact projects in Australia and Tanzania where it is exploring for oil and gas. In Australia, it is a participant in PEP 11, Sydney Basin, with up to 16 trillion cubic feet (Tcf) gas potential and in other permits. In Tanzania it is a participant in the recent Kiliwani North gas discovery and is exploring for additional gas pools with up to 1Tcf potential.

Bounty has reserves approaching 3 million barrels of oil equivalent.

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8th October 2009

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

Dear Sir

ASX/MEDIA STATEMENT

New Coal Seam Gas discovery in Wakefield No.1

S&P/ASX 300 index oil and gas explorer, **Icon Energy Limited (ICN)** has announced a potential new coal seam gas find in South Australia's Cooper-Eromanga Basin.

Icon Managing Director Mr Ray James said that Wakefield No.1 well logs within PEL 218 indicate a series of coal sections in the Winton Formation totalling 8.9 metres with gas shows up to 112 units of methane gas.

"This thickness of coal with associated gas shows indicates that commercial potential exists for coal seam gas (csg) production in this area,"

"The coal seams were penetrated between 820 and 957 metres. "The lowermost coals between 906.9 and 956.8 have the best methane gas shows."

"When the well was programmed these coals were not considered an objective," he said.

Mr James said that Icon believed that the potential for a new coal seam gas play in the Nappamerri Trough in PEL218, and within its adjacent proposed Queensland ATP 855P tenement, warranted further work.

"This will include core hole drilling to test the gas content and permeabilities.

"Crucially, the coal depths are within the commercial range allowed by Icon's gas certifiers, Netherland, Sewell & Associates, Inc. - the world leader in CSG certification," he said.

Mr James said that the location of the find, where the Moomba to Ballera gas pipeline traverses the central area of PEL 218 and ATP 855P, also increased the economic viability of any new gas resource.

He stressed that the results were preliminary and much work remained to be done.

"Icon has commenced a geological study to determine the coal distribution as part of this process."

"Sidewall core samples have been recovered from Wakefield No.1 and sent to the laboratory in Brisbane for gas content absorption analysis."

"In order to fully evaluate the gas resource, it will be necessary to examine the seismic and well data in the permits and drill new core holes to determine coal thickness, gas content and permeability."

Icon has a working interest of 33.33% in PEL 218 and 80.00% in ATP 855P.

The ATP 855P permit is yet to be granted by the Queensland Minister for Mines and Energy as Icon is still negotiating a Native Title Agreement with the registered Traditional Owners.

Icon signed a farmin agreement with Adelaide Energy Limited to earn a 33.33% working interest in the Mesozoic sedimentary section of PEL 218 in October 2007. Icon's interest has now been earned through the funding of 50% of the cost of the new seismic data and the drilling of one oil exploration well.

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

Icon has a current market capitalisation of over \$223 million with 438,845,003 shares on issue as of 8th October, 2009.

Yours sincerely

Ray James
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Icon Energy Limited



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