Anzon Australia
LIMITED

25 July 2005

The Manager, Companies
Australian Stock Exchange Ltd
Electronic Announcement System

Dear Sir,

ANZON AUSTRALIA LIMITED (ASX CODE: AZA)
RECEIVES A THIRD PARTY OFFER FOR 12.5% OF THE
BASKER, MANTA AND GUMMY DEVELOPMENT PROJECT

Anzon Australia Limited ("Anzon") has received a third party offer to acquire a 12.5% equity interest in VIC/RL-6, VIC/RL-9 and VIC/RL-10 Retention Leases. The Anzon Australia Board has resolved to accept the offer which contains the following terms:

1. An initial payment of A$30 million on or before 8 August 2005.

2. Second payment of A$9 million on or before 10 January 2006.

3. Bonus payment for oil production during the first three years of the oil development with terms defined such that depending on the prevailing oil price the total bonus payment could be between zero and A$6.0 million over the three year period.

4. An optional premium for the gas development of 2.5% of the first A$100 million capex spent after the decision is made to develop the Manta and Gummy gas fields.

The payments indicated above represent full payment for historical and future capital expenditure in respect of the 12.5% interest until the completion of the currently defined Full Field Development. In the event that there are delays and/or changes to the Full Field Development, the second payment above for the oil development will be adjusted according to the plans for the project in January 2006. The new joint venture party will contribute its 12.5% share of the operating costs and will receive 12.5% of oil sales revenue, subject to the bonus provisions indicated in point 3 above during the first three years of production.

The arrangements are subject to pre-emptive rights under the existing Joint Operating Agreement ("JOA"), these rights are held by Beach Petroleum Limited ("Beach"). Beach has until 8 August 2005 to exercise its right under the JOA.

The signing of its financing arrangements on 1 July 2005, together with this farmin transaction will enable Anzon to meet its forecast obligations under the Basker-Manta project, and provide additional funds for further corporate development.

Tony J Strasser
Company Secretary
Sydney, Australia

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