

29 August 2005

The Manager, Companies
Australian Stock Exchange Ltd
Electronic Announcement System

Dear Sir,

ANZON AUSTRALIA LIMITED (ASX CODE: AZA)

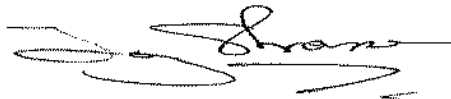
**BASKER-2 DRILLING PROGRESS REPORT
(VIC/RL6, GIPPSLAND BASIN, VIC)**

The Basker-2 well has reached a depth of 2,497metres MDRT. At this depth while making a trip to change the bit the bottom hole assembly (BHA) became mechanically wedged in the blow-out preventor stack (BOP's). The BOP's have been pulled for inspection with the well being secured with a "storm packer".

At this time the BOP's have been inspected and pressure tested and the hydraulic control system is being function tested. Once the testing is completed today, the BOP's will be re-run to the sea floor, the "storm packer" retrieved from the well and drilling operations will recommence with a new bit at 2,497 metres MDRT.

The participants in the VIC/RL6 Joint Venture are:

Anzon Australia Limited	62.5% (Operator)
Beach Petroleum Ltd	37.5%



Tony J Strasser
Company Secretary
Sydney, Australia