

12 October 2005

The Manager, Companies
Australian Stock Exchange Ltd
Electronic Announcement System

Dear Sir,

ANZON AUSTRALIA LIMITED (ASX CODE: AZA)

BASKER-MANTA DEVELOPMENT PROJECT

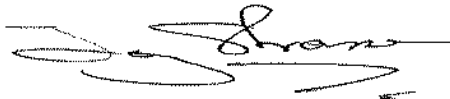
Status Report

The construction vessel, *CSO Venturer*, commenced operations on Tuesday, 11 October, in Bass Strait. After completing some initial tasks one of its five thrusters seized and resulted in a termination of its activities. To rectify the problem the vessel is being moved to calm waters in Eden. The electrical controls will be re-arranged to allow the vessel to operate with four thrusters. It is anticipated that the delay to the flowline installation work is approximately five days.

The FPSO, *Crystal Ocean*, will return to Melbourne for the repair period.

The participants in the BMG Joint Venture are:

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



Tony J Strasser
Company Secretary
Sydney, Australia