Anzon Australia LIMITED

31 March 2006

The Manager, Companies
Australian Stock Exchange Ltd
Electronic Announcement System

Dear Sir,

ANZON AUSTRALIA LIMITED (ASX CODE: AZA)
BASKER-5 DEVELOPMENT WELL PROGRESS REPORT

The semi-submersible drilling unit, *Ocean Patriot*, has drilled the Basker-5 Development Well to a total depth of 3640 m MDRT. The well has now completed all logging, and is being prepared to run the 9 5/8 inch production casing.

The wireline logging and pressure surveys (MDT log) have revealed better than expected results, confirming some 57.4 m of hydrocarbon pay thickness of which 18.3 m (plus potentially a further 5.6 m) is oil sand (compared to 21 to 22 m at Basker 1 and 2 respectively) and 33.5 m is gas sand thickness, (these depths are all true vertical thicknesses). The well was designed to intersect the Basker reservoirs at the crest of the structure. This objective was achieved with the well proving the top of structure is more than 20 m higher than expected at this location.

After casing the well, the drilling rig will return to Basker-3 and drill the production hole to a planned total depth of 4131 m MDRT. The Basker 3, 4 and 5 wells are all being drilled in an efficient manner using a batch drilling process. When all three wells are drilled, it is planned to sequentially install production tubing and perforate the wells, anticipated to be in early May.

Once this drilling programme is completed, the Basker and Manta drilling results will be incorporated in a review of the project's reserves.

The participants in the Basker-Manta Joint Venture are:

Anzon Australia Limited	50%	(Operator)
Beach Petroleum Limited	50%	

Andrew A. Young

Andrew A. Young
Executive Director
Sydney, Australia

Anzon Australia Limited ABN: 46 107 406 771
Suite 504, 165 Walker Street, North Sydney NSW 2060 Australia
Telephone: 61 2 9922 7899 Facsimile: 61 2 9922 5877 e-mail: aza@anzon.com.au