



Mineral Commodities Ltd

ABN 39 008 478 653

Unit 15, Level 1, 51-53 Kewdale Road
Welshpool, Perth, Western Australia 6106
PO Box 235, Welshpool DC, Perth
Western Australia 6986
Telephone: 61 8 9353 4890
Facsimile: 61 8 9353 4894
Email: info@mncom.com.au
Web: www.mncom.com.au

2 November, 2005

Company Announcements Office
Australian Stock Exchange Limited
Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam

**PARTICIPATION PURCHASE OPTION AGREEMENT
CHASEL ENERGY – BLACKHAWK OIL & GAS LIMITED**

The Directors are pleased to advise that wholly owned subsidiary, Blackhawk Oil & Gas Limited (“Blackhawk or the Company”), has entered into a Participation Purchase Option Agreement with Chasel Energy (an unrelated party) of Salt Lake City, Utah, USA.

The Agreement provides Blackhawk with drill rights over 1,800 acres in the Green River, Wasatch and Mesaverde-Blackhawk Formations in the Monument Butte Oil Field on well lease J&J 29-2 including Sections 23, 25, 26 and 27 . Blackhawk shall also have a first right of refusal to participate in future developments on approximately 3,200 drillable acres in the Altamont and Bluebell Oil & Gas Fields subject to any existing right to participate which may exist under previous agreements or by regulation.

The Company has the right to acquire a 50% participating interest in lease J&J 29-2 and all participants shall share in 75% of lifetime net revenues (50% of 75%) in the Green River, Wasatch and Mesaverde – Blackhawk Formations to the total depth drilled on a completed turnkey basis.


The project is an infill development in the Southwest, Northeast of Section 29 Township 9 South, Range 17 East, Blackhawk County, Utah. It is located south of the Altamont-Bluebell Field within the confines of the Uinta Basin, approximately 18 miles south of Myton, Utah in the Monument Butte Field.

Original electric logs in 1954 from State records regarding this well indicate that the well was drilled to 11,812 feet and over 30 zones bearing natural gas have been identified. It is proposed to drill a new well adjacent to the original well to target the same and even deeper zones.

Blackhawk will pay a deposit of US\$140,000 of which US\$100,000 shall be refundable after 90 days should Blackhawk not proceed with the Private Oil & Gas Development Reserve Program.

Together with other projects under consideration, the Directors propose to issue a Prospectus as soon as possible and apply for listing of Blackhawk on Australian Stock Exchange Limited.

Yours faithfully

A handwritten signature in black ink, appearing to read "Mark Caruso", is written over a background of a dotted grid pattern.

M.V. Caruso
Managing Director

For further information please contact
Mark Caruso or Robert Barras
+61 8 9353 4890