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FIRST QUARTER ACTIVITY REPORT TO 30 SEPTEMBER 2003

THE COMPANY'S ACTIVITIES

1. GOLD EXPLORATION

COPPER/GOLD EXPLORATION UPCOMING DRILLING PROGRAM

Myall Creek Copper Deposit, South Australia
(EBR Earning 75% Interest)

Introduction

Eagle Bay Resources N.L. has signed a letter of agreement with Minotaur Resources Limited regarding a farm-in to a copper/gold prospect located at Myall Creek, which is strategically located in the Olympic Dam Copper-Gold Province. This mineral belt is about 400 kilometres long, stretching from Minotaur's Prominent Hill discovery in the north, through the Olympic Dam, Mount Gunson and Cattlegrid mines to the old Wallaroo and Moonta mines in the south. The Myall Creek deposit is approximately half way between Olympic Dam and Moonta/Wallaroo.

Proposed Drilling Program

Continuous contact is being maintained with both local and federal officers of the Department of Defence for access to the drill site. It has been confirmed that The Department of Defence does not own the mineral rights so it is now only access approval which is awaited.

2 OIL AND GAS EXPLORATION

GIPPSLAND BASIN OFFSHORE VICTORIA

(EBR 100% and Diluting) VIC/P47

Drill Program

Two separate 3D Seismic surveys (including a survey by Esso Australia Limited) at a cost of some \$6 million have now been completed at no cost to Eagle Bay within VIC/P47. Bass Strait Oil Company Limited (BSOC) has exercised its option over

VIC/P47 and is required to drill the Moby prospect with the next available rig and prior to 27 February 2004 estimated to cost \$3.75 million, to earn a 75% interest in the permit. To extend this date BSOC would need Government approval which would normally require a firm contractual commitment to the next available drilling rig in order to satisfy the Government work obligations on the permit. BSOC has selected Labrador-Petro-Management Pty Ltd as contractor to provide drilling management services to BSOC for the well, and is about to issue a full underwritten prospectus to be sub underwritten to the extent of A\$1 million by EBR to raise the required drilling funds.

In VIC/P41 BSOC has further committed to pay the cost of a 250²km 3D seismic survey (estimate A\$3 million) to satisfy the Year 5 work commitment on that permit. This will increase BSOC equity in the permit to 75% with Eagle Bay 25% free carried.

3. ULEY GRAPHITE MINE (EBR 100%) PORT LINCOLN SOUTH AUSTRALIA

3.1 History of Company's Graphite Mine

The Uley Graphite project contains a world class resource of high grade flake graphite. The reserves and resources are sufficient to support a mine life in excess of 100 years. Uley is located 23km from Port Lincoln and is well served by existing infrastructure including an established deep water port.

During the early 1990's, approximately \$14 million was spent by Pittston Mineral Ventures, our previous North American joint venture partner, on the construction and commissioning of a 14,000 tonnes per annum capacity processing plant.

An option agreement with Mr Jeff Hull has lapsed and EBR retained the non refundable deposit. Mr Hull secured a modest tonnage take or pay contract for the graphite. With rapid capacity increase in Chinese steel production more robust demand for graphite is expected in the near future so we have returned the mine to care and maintenance.

The information contained in this Report as it relates to mineralisation is based on information compiled by Mr A Rechner who is a Director and a competent person as described in Appendix 5A to the ASX Listing Rules. The report accurately reflects the information compiled by Mr Rechner. Mr Rechner has been involved in several oil discoveries in his 30 years as a geologist including as operations manager for West Australian Petroleum and Chevron Oil in North Africa. Mr Rechner's previous involvement as Chairman and Managing Director of Windsor Resources NL, Brunswick NL and Geographe Resources Ltd resulted in these company's evolving from small explorers to major producers at Mount Percy, Galtee More and Chalice respectively.

Anthony Rechner
Director

For Further Information Please Contact

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