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THIRD QUARTERLY REPORT TO 31 MARCH 2004

THE COMPANY'S ACTIVITIES

1. GOLD EXPLORATION

COPPER/GOLD EXPLORATION UPCOMING DRILLING PROGRAM

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

The following extracts of correspondence have been received from the Australian Government Department of Finance and Administration.

“Cultana Training Area, South Australia: Access Application by Eagle Bay Resources N.L dated 16th September 2003

We are pleased to inform you that the necessary access has been authorised under section 119 of the Lands Acquisition Act 1989, subject to the following conditions:

1. Eagle Bay Resources bears any Defence costs, i.e. Licence costs etc;
2. Eagle Bay Resources agrees to meet the conditions placed on access to the CATA by the CATA Range Control Officer. This may extend to environmental conditions imposed by the regional Defence Environmental Officer.
3. Eagle Bay Resources negotiate the access licence to access the CATA.

You should also be advised that the granting of access for this purpose does not imply any commitment or obligation on the Commonwealth's part to grant further access for exploration or mining purposes.”

Negotiations are now underway with the Commonwealth to draft the access license agreement. Simultaneously inquiries are being made for airborne gravity surveying and drilling so survey timing can dovetail into the Federal Access License.

2. OIL AND GAS EXPLORATION

VIC/P47

GIPPSLAND BASIN OFFSHORE VICTORIA

(EBR 100% and Diluting)

2.1 The following extracts of correspondence have been received from the Manger, Minerals and Petroleum Regulation Delegate of the Designated Authority pursuant to the provision of Section 103(1) of the Petroleum (Submerged Lands) Act 1967; we hereby suspend the work program conditions of offshore Petroleum Exploration Permit VIC/P47, for a period of twelve (12) months from 28 February 2004 until 27 February 2005. This means that Year 2 and Year 3 will both end on 27 February 2005.

2.2 Well Planning – The Drilling of MOBY No 1

On 16th March 2004 BSOC met with the Basins major operator to discuss the potential of securing slots on the Ensco 102 jack-up drilling programme. Discussions revolved around BSOC being able to respond flexibly to fill any gaps that might emerge on their planned multi-well programme during the second half of 2004. The operators indicated interest in BSOC's proposal and has subsequently confirmed that this is being considered as part of its planning process during early April. A definitive response is expected by the end of April.

On 2nd April 2004, BSOC received a proposal from an offshore rig operator for the use of a semi-submersible rig for two wells plus one option in the Gippsland Basin, in the third or fourth quarter 2004. BSOC is studying this proposal.

2.3 Proposed float of Moby Oil and Gas Limited (MOBY)

The prospectus for the underwritten float of Moby is expected to be posted to all Eagle Bay Shareholders during the next quarter. A major Australian broking house is negotiating to be lead manager of the underwriting and EBR has entered into an agreement which provides inter alia

“to the extent that any part of the minimum subscription of \$4.5 million is subscribed by applicants whose applications bear a licensed dealer stamp then, to that extent, the fee otherwise due to the underwriter/sub-underwriter shall be reduced by 4%. To the extent that subscriptions without stamp exceed \$4.5 million, then there would be no charge to EBR's sub-underwriters fee of 4% (i.e \$40,000)”

This clause confirms the Board's long held opinion as to EBR's financial exposure to the float. While it was prudent to provide for the full A\$1 million in sub-underwriting in our recent prospectus, it has always been investors and the Board's position that the actual shortfall would be a fraction of that amount. It is probable EBR's underwriting fee will exceed its share of any shortfall.

3. Oil Exploration

VIC/P41

GIPPSLAND BASIN OFFSHORE VICTORIA

(EBR 100% and Diluting)

The following extracts of correspondence have been received from the Manger, Minerals and Petroleum Regulation Delegate of the Designated Authority pursuant to the provision of Section 103(1) of the Petroleum (Submerged Lands) Act 1967; we hereby suspend the work program conditions of offshore Petroleum Exploration Permit VIC/P41, for a period of six (6) months from 14 February 2004 until 13 August 2004. This means that Year 6 will still end on 13 February 2005.

3.1 Seismic acquisition

BSOC continued to monitor 3D seismic vessel availability in relation to the acquisition of 3D in VIC/P41. BSOC believes that the 2004 Otway operations season (i.e. October – December) will provide the next opportunity to share mobilisation of a 3D vessel into the Bass Strait area.

3.2 Scorpion 2D Seismic Survey/Reprocessing

The Scorpion survey line GEBR01-23 is being reprocessed by Robertson Research for Santos, under agreement with BSOC and the VIC/P41 Joint Venture. There was a definite improvement in the deeper section reported and an additional migration with slight lower velocities was also produced.

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

4.1 History of Company's Graphite Mine

The Uley Graphite project contains a world class resource of high grade flake graphite. The deposit is 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. Some \$14 million has been spent on mining and the processing plant.

4.2 The Current Position

With rapid capacity increase in Chinese steel production more robust demand for graphite is expected in the near future and we are currently discussing several farmin opportunities.

For and on behalf of the Board

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97.

Name of entity

Eagle Bay Resources NL

ACN or ARBN

051 212 429

Quarter ended ("current quarter")

31 March 2004

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (9 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors		
1.2 Payments for (a) exploration and evaluation	(44)	(203)
(b) development	(17)	(53)
(c) production	-	-
(d) administration	(34)	(204)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	35	60
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Reallocation to financing	-	-
1.8 Net GST Refund/(Paid)	17	9
Net Operating Cash Flows	(43)	(391)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a)prospects	-	-
(b)equity investments	-	-
(c)other fixed assets	(5)	(5)
1.9 Proceeds from sale of: (a)prospects	-	-
(b)equity investments	-	-
(c)other fixed assets	-	-
1.10 Loans to other entitles	-	-
1.11 Loans repaid by other entitles	-	-
1.12 Other (provide details if material)	-	-
Net investing cash flows	(5)	(5)
1.13 Total operating and investing cash flows (carried forward)	(48)	(396)

1.13	Total operating and investing cash flows (brought forward)	(48)	(396)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	–	2411
1.15	Proceeds from sale of forfeited shares	–	–
1.16	Proceeds from borrowings	–	–
1.17	Repayment of borrowings	–	–
1.18	Dividends paid	–	–
1.19	Capital raising costs	–	(129)
	Net financing cash flows	–	2282
	Net increase (decrease) in cash held	(48)	1886
1.20	Cash at beginning of quarter/year to date	2696	762
1.21	Exchange rate adjustments to item 1.20	–	–
1.22	Cash at end of quarter	2648	2648

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	63
1.24	Aggregate amount of loans to the parties included in item 1.10	–

1.25 Explanation necessary for an understanding of the transactions

Fees for Technical and management services
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Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

None

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

None

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	–	–
3.2 Credit standby arrangements	–	–

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	50
4.2 Development	20
Total	70

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	148	81
5.2 Deposits at call	2500	2615
5.3 Bank overdraft	–	–
5.4 Other (provide details)	–	–
Total: cash at end of quarter (item 1.22)	2648	2696

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1		Interests in mining tenements relinquished, reduced or lapsed		
6.2	–	Interests in mining tenements acquired or increased		

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Number issued	Number quoted	Par value (cents)	Paid-up value (cents)
7.1 Preference +securities <i>(description)</i>				
7.2 Issued during quarter				
7.3 +Ordinary securities	158,098,424	158,098,424		Fully paid
7.4 Issued during quarter				
7.5 +Convertible debt securities <i>(description and conversion factor)</i>				
7.6 Issued during quarter				
7.7 Options <i>(description and conversion factor)</i>	100,000	—	<i>Exercise price</i> 39c	<i>Expiry date</i> 24/11/2005
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 Debentures <i>(totals only)</i>				
7.12 Unsecured notes <i>(totals only)</i>				

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Law or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here: Date: 27 April 2004
(Company Secretary)

Print name: Paul Fromson

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities.** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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