
Eagle Bay Resources N.L.

ACN 051 212 429

Company Announcement

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THIRD QUARTER ACTIVITY REPORT TO 31 MARCH 2005

THE COMPANY'S ACTIVITIES

1. OIL AND GAS EXPLORATION

1.1 VIC/P47

GIPPSLAND BASIN OFFSHORE VICTORIA – EBR 25%

The deepwater seismic vessel Western Trident has completed recording 100km² of 3D seismic to infill the remaining portion of the Moby Prospect not already covered by 3D. Depending on the results of this survey Moby 2 Could be drilled later this year under our contract with the offshore drilling vessel Ocean Patriot. Seismic data processing is proceeding.

Gippsland Offshore Petroleum Ltd has successfully floated on the ASX and has committed A\$5 million to the drilling of Gilbert No 1.

1.2 VIC/P41

GIPPSLAND BASIN OFFSHORE VICTORIA – EBR 25%

500km² 3D seismic using the Western Trident has been completed by the operator pursuant to their earning requirements in the permit

1.3 PEL-182

ONSHORE PETROLEUM EXPLORATION – COOPER BASIN, S.A. (EBR 50.1% and Operator)

This new 1745 sq km Petroleum Exploration Licence - previously held by Santos and located on the prospective but under explored northern margin of the Cooper Basin - was won by your company in 4Q of 2004 after strong and competitive bidding from six companies. The licence is currently subject to Native Title Agreements, which are anticipated to be concluded in the second quarter of 2005. EBR cannot warrant the results of third party negotiations.

EBR has entered into a farm-out agreement with AuDAX, whereby AuDAX will earn 49.9% by free carrying EBR through expenditures of \$4.75MM in this permit – made up of drilling costs of 3 + wells of \$4.5MM, plus G&G of \$250K.

Geological and Geophysical Review (G&G)

During late 2004, EBR and Audax contracted the Eric Tucker consulting group in Adelaide and Sydney, using very experienced Cooper Basin geologists and geophysicists, to conduct an overall new interpretation of all existing geological and seismic data in the permit.

A review of this work has confirmed the prospectivity of this area, with numerous (11) medium targets identified, and has highlighted at least 3 major areas for the proposed drilling of up to 5 new exploration wells in 2005. These areas are detailed below together with Eric Tucker's size estimates which would only apply if hydrocarbons were present.

- 1 Jurassic Oil plays in the NE of the permit
 - 2 prospects - G & K
 - P50 reserves of 19.5 MMBO cumulative.
- 2 Permian and Triassic stratigraphic oil plays in the western half of permit
 - 2 Prospects - D & E
 - P50 reserves of 10.0 MMBO cumulative.
- 3 Permian Gas plays in the SE of the permit – low risk.
 - 1 prospect - B
 - P50 reserves of 10 BCF Gas.

Drilling Operations - Drill up to 5 wells in 2005 - with new “State of the Art” drill rig imported from Stavanger, Norway.

- AuDAX Resources Ltd (49.9% and partner Eagle Bay Resources NL (50.1%) have contracted with Driller White Sands Petroleum Pty Ltd (WSP) to import a “state-of-the-art” rig to drill 5 wells on PEL182 in the Cooper Basin.

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- Driller White Sands Petroleum Pty Ltd to earn 10% equity from AuDAX by meeting 20% of costs.
 - Bounty Oil & Gas NL to have option to earn 5% equity from AuDAX by meeting 10% of costs.

The Directors of AuDAX Resources have announced that the Company, together with joint venture partner & operator Eagle Bay Resources NL, has reached agreement with White Sands Petroleum Pty Ltd to drill the first 5 wells on Petroleum Exploration Permit 182 (PEL182) in the Cooper Basin.

As previously reported AuDAX has agreed to earn 49.9% in PEL182 from Eagle Bay by drilling the first 3 wells capped at \$4.5m.

A potential shortage of rigs capable of drilling the required wells within the required time has resulted in the parties reaching a unique arrangement to ensure all drilling commitments can be met in 2005.

AuDAX has advanced US\$1m to White Sands to enable the purchase and mobilisation of a state-of-the-art EDM drill rig capable of drilling the required wells to a depth of 2,700 – 3,200m.

In return for the advance, White Sands will ensure the first priority on 5 drill slots immediately following a shake down period and confirmation of the rigs' capabilities and suitability for the drilling of the proposed wells on the permit.

2. COPPER/GOLD EXPLORATION

CULTANA JOINT VENTURE

Whyalla South Australia

Deed of Assignment and Assumption – Cultana Project

Under a Deed of Assignment and Assumption - Cultana Project dated 8 October 2004 between EBR, Gravity, the Company and Hiltaba Gold Pty Ltd (“Hiltaba”) the aforesaid Farmin Agreement – Cultana was, with effect from 12 October 2004, amended and assigned by Gravity to Hiltaba. With effect from that same date, Hiltaba agreed to assume all of the obligations of Gravity under the Farmin Agreement – Cultana and EBR released Gravity from its obligations under the Agreement (other than any accrued and unperformed obligations). The Farmin Agreement – Cultana was amended by providing that, following completion of the Falcon® Survey, Hiltaba may elect to earn a 37.5% interest in the Tenement and the CATAA (as defined) by sole funding expenditure of \$188,000 on the Tenement by way of target testing activities, with at least \$100,000 to be spent by 30 July 2005 (or such later date as may be agreed).

The “CATAA” was defined to be all the rights of EBR under any present or future agreement, licence, permit or authority with the Commonwealth of Australia relating to access to, exploration of or the recovery of minerals from all or any part of the Cultana Army Training Area including, without limitation, the rights of EBR under the access

authorisation granted under section 119 of the Lands Acquisition Act 1989 (Cth) on 25 February 2004.

3. ULEY GRAPHITE MINE
Port Lincoln, SA (EBR 100%)

History of Company's Graphite Mine

The Uley Graphite project contains a world class resource of high grade flake graphite. 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.

The Current Position

Cambrian Mining PLC a company resident in the U.K completed a second site visit with Mines and Quarry Engineering Services (MQ) of San Mateo, California (a company with a background in graphite processing) and await a full marketing and recommissioning study on the Uley Graphite Mine by MQ. On receipt of this study, Cambrian may prior to 30 June 2005 pay to Eagle Bay A\$1.5 million for 75% of the issued capital of Eagle Bay Graphite Pty Ltd [EBG] (wholly owned subsidiary of Eagle Bay Resources NL) and have until the 25 December 2005 to float EBG on the AIM board in the UK or provided loan funds to develop the Uley Mine until such time as a listing is achieved.

4. CAPITAL RAISING

Eagle Bay had a underwritten prospect to raise some A\$5.124 million and acceptances closed on 12th April 2005, fully subscribed.

The hard rock and mineral information in this report is based on information compiled by Mr Anthony Rechner who is a geologist of the company and a Competent Person as described in Appendix 5A to the ASX Listing Rules. The report accurately reflects the information compiled by Mr Anthony Rechner.

The Oil and Gas information in this report is based on information compiled by Mr Ian R Barr who is a geophysicist of the company and a Competent Person as described in Appendix 5A to the ASX Listing Rules. The report accurately reflects the information compiled by Mr Ian R Barr.

Disclaimer:

Both Mr Eric Tucker and Mr I R Barr and most other publicly listed oil exploration companies use the words "P50 Reserves" in regard to an undrilled exploration prospect. These words indicate the unrisksed oil or gas potential of a prospect if oil or gas is present and do not comply with the definition of reserves as set out in the JORC code which is a reporting code for mineral and coal exploration not for oil and gas exploration.

Oil industry practise for ASX listed companies is to qualify P50 reserve statements as follows:

The contents of this report are not and should not be used as a substitute for independent professional advice in making an investment decision involving Eagle Bay Resources NL or any of its associated entries. Eagle Bay Resources NL shall not be liable and the reader shall indemnify the company and its Directors for any loss or damage caused by or owing directly or indirectly as a result of the reader's use of the information contained within the documents that comprise this report.

Chapter 19 "definitions" of the ASX listing rules indicate a "pre hydrocarbon reserve stage" however no hydrocarbons are claimed to be present.

A handwritten signature in grey ink, appearing to read 'A Rechner', with a horizontal line extending to the right from the end of the signature.

Anthony Rechner
Director

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 2005

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	(1,134)	(1,373)
(b) development	--	--
(c) production	-	-
(d) administration	(113)	(327)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	19	79
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other		
JV Contribution/(Recoupment)	(200)	50
Net GST Refund/(Paid)	6	(21)
Net Operating Cash Flows	(1,422)	(1,592)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a)prospects	-	-
(b)equity investments	-	(520)
(c)other fixed assets	(56)	(126)
1.9 Proceeds from sale of: (a)prospects	-	-
(b)equity investments	-	656
(c)other fixed assets	--	--
1.10 Loans to other entitles	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
Net investing cash flows	(56)	10
1.13 Total operating and investing cash flows (carried forward)	(1,478)	(1,582)
1.13 Total operating and investing cash flows (brought forward)	(1,478)	(1,582)

Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	1,397	1,397
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	–	–
Net financing cash flows		1,397	1,397
Net increase (decrease) in cash held		(81)	(185)
1.20	Cash at beginning of quarter/year to date	2,423	2,527
1.21	Exchange rate adjustments to item 1.20	–	–
1.22	Cash at end of quarter	2,342	2,342

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	71
1.24	Aggregate amount of loans to the parties included in item 1.10	–

1.25 Explanation necessary for an understanding of the transactions

All payments to directors and associates are on normal commercial terms.

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	80
4.2 Development	-
Total	80

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	124	321
5.2 Deposits at call	2,218	2,102
5.3 Bank overdraft	–	–
5.4 Other (provide details)	–	–
Total: cash at end of quarter (item 1.22)	2,342	2,423

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	Nil		
6.2	Interests in mining tenements acquired or increased	Nil		

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	170,798,424	170,798,424		Fully paid
7.4 Issued during quarter	12,720,000	12,720,000		Fully paid
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:
(Company Secretary)

Date: 26 April 2005

Print name: Graham Anderson

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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