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Company Announcement

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SECOND QUARTER ACTIVITY REPORT TO 31 March 2008

This report is technical and shareholders may wish to seek independent, professional advice before reaching any conclusions. Statements may be forward looking and speculative.

THE COMPANY'S ACTIVITIES

1. OIL AND GAS EXPLORATION

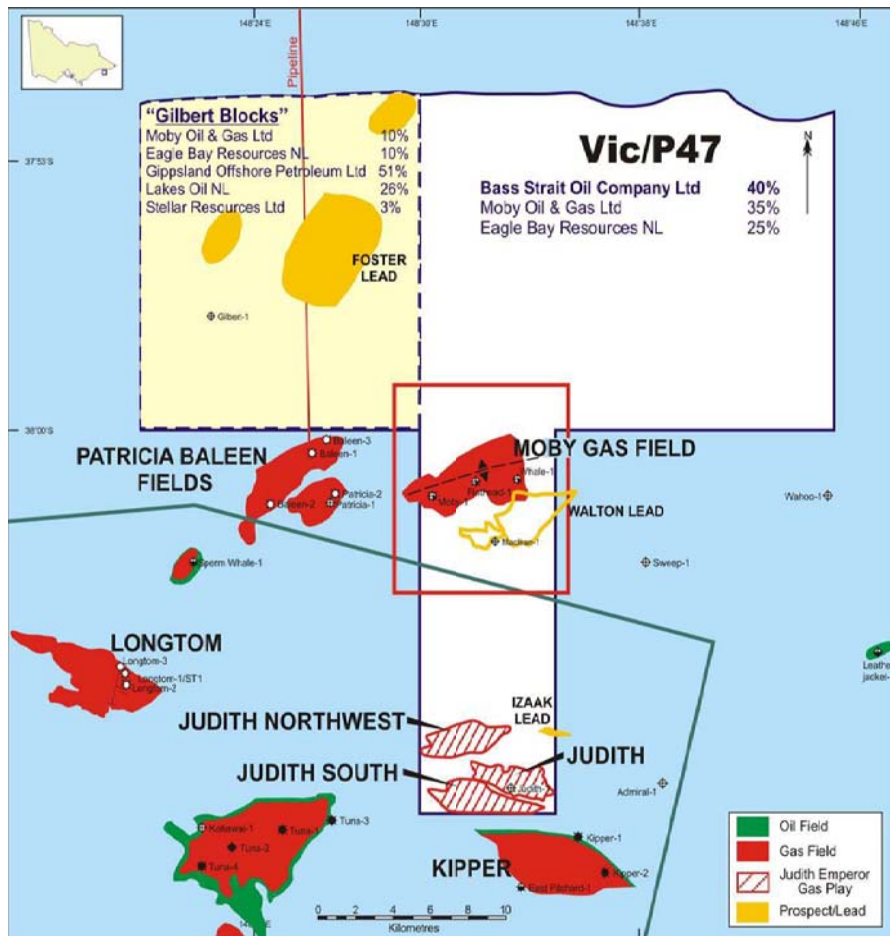
1.1 PEL-182 - (EBR 37.6% and OPERATOR) ONSHORE PETROLEUM EXPLORATION – COOPER BASIN, S.A

JASMINE-1 The PEL-182 JV completed the 4th exploration well in this permit with the drilling of Jasmine-1, which was spudded in December 2007, and plugged and abandoned in January 2008. The well was drilled in an updip location to the 1995 Darter-1 well which exhibited 80% oil fluorescence in the Patchawarra Formation. The Jasmine play concept involved pinchout of the sand and the drill location was selected on the basis of detailed and specialised seismic analysis. The well showed that the objective Patchawarra sands were absent at this location, leaving open the possibility of the same trapping mechanism still in existence at a location further down dip.

A weak oil show was encountered in the deeper Mirramelia Sandstones, and a drill stem test (DST) was conducted, but failed to produce hydrocarbons, as this deeper formation was too tight to flow oil.

VARIATION to YEAR-1 WORK PROGRAM

1. The drilling of Jasmine-1 well was delayed beyond the end of the Year-1, and application was made to transfer the well to Year 2. This has been approved by Department of Primary Industries and Resources of South Australia (PIRSA).
2. In addition the approval has been granted to convert the fifth obligation well to a new 300+ Sq Km 3D seismic program to be recorded in Year 2.

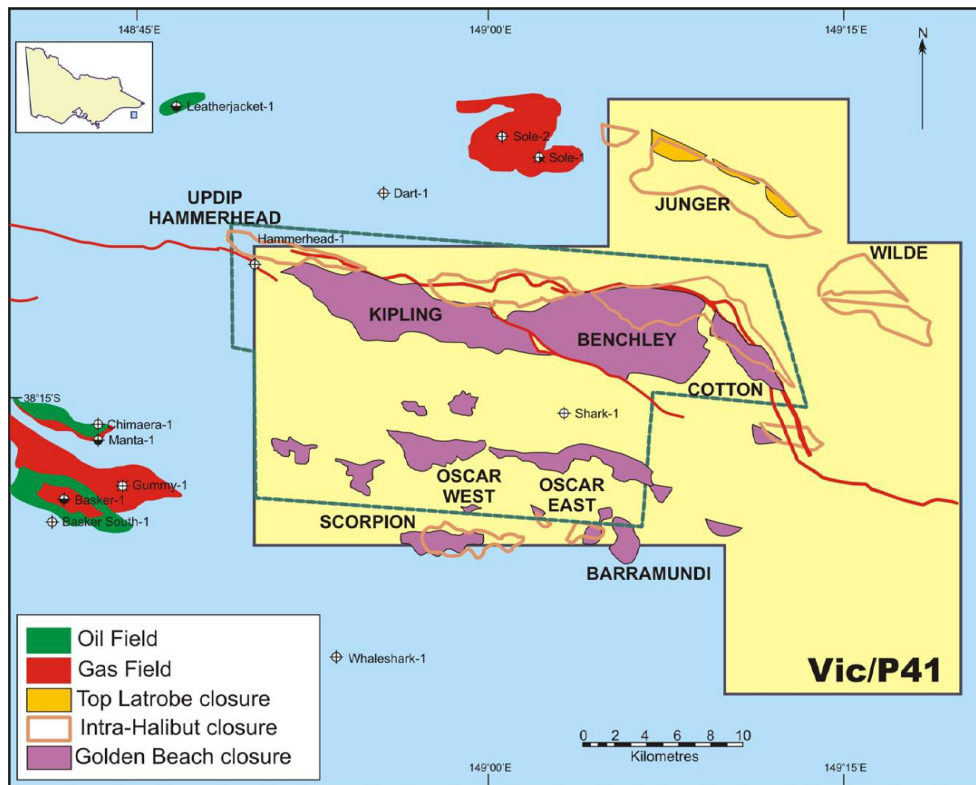


1.3 VIC/P41 - EBR 25% (Diluting to 17.5% Free Carried for the drilling of the first well) GIPPSLAND BASIN OFFSHORE VICTORIA

250 km seismic will be acquired in the eastern part of Vic/P41 under a multi-operator "group shoot" which is currently underway. The survey will investigate a number of leads where only wide spaced seismic currently exists.

The operator is continuing with its efforts to attract farmin partners to earn an interest in the block by funding the drilling of prospects in other parts of the block that are covered by 3D seismic. A number of large ready to drill prospects have been identified, some with AVO responses. These lie either along the Rosedale fault and analogous to the nearby Kipper and oil and gas field, or in the southern part of the block (Oscar prospects), analogous with the producing Basker/Gummy/Manta oilfields.

The timing of any future drilling will be dependent on rig availability.



1.4 VIC-P65 OFFSHORE GIPPSLAND BASIN (EBR 100%)

Planning is underway for the acquisition of 2D seismic under a multi-operator “group shoot”. It is estimated that the seismic vessel will acquire the data in this block in about the winter of 2008. The major target is a large deep water structure. Farmin partners will be sought to help cover costs.



CGG Veritas Pacific Titan 2D Seismic vessel

1.5 AUSTRALIA NEW VENTURES

EBR has made application for new acreage in the Gippsland Basin as part of a consortium in the current bidding round.

1.6 ROMANIA

The company has been unsuccessful in its bid for oil and gas blocks in Romania, being the runner-up to the winning bid.

**2. ULEY GRAPHITE MINE – PORT LINCOLN, SA
(EBR 100% and diluting to 25% free carried to commercial production)
GRAPHITE USE IN RENEWABLE ENERGY HEAT SINKS**

Joint Venture partner Mikkira Graphite Pty Ltd has until November 2008 to decide if it wishes to purchase 75% of the tenements to move forward to commercial production. As part of its earn-in requirements, Mikkira has undertaken a number of studies and field work including the drilling of a number of shallow boreholes to aid in determining the extent and grade of the deposit, and is continuing in its planning to bring the mine back on production. The Uley graphite deposit is recognised as a world class mineral body and the demand for graphite world wide remains strong.

The Uley site is kept under care and maintenance.

3. MINERAL EXPLORATION

During the quarter, Eagle Bay commissioned international mining industry consulting group Snowden to provide a technical and commercial evaluation of the company's mineral assets (excluding the Uley graphite), as a basis on which to determine a strategy for the forward management of the minerals tenements.

**3.1 CARR BOYD - EL 39/491 & EL 39/492
(EBR 70% AND DILUTING) WESTERN AUSTRALIA**

Some 8 nickel plus copper and cobalt soil geochemistry anomalies coincident with magnetic highs and the presence of primary komatiite outcrop and/or serpentines have been mapped. Three anomalies have been recommended to have an electro-magnetic survey conducted to provide additional information.

**3.2 FALCON BRIDGE EL38/1970, P38-3381-4 – APPLICATIONS
(EBR 50%) WESTERN AUSTRALIA**

It is anticipated that nickel anomalism in ultramafics will be drill tested with the Carr Boyd project when preliminary assessment and grant are completed.

**3.3 CULTANA - EL 3547 (EBR 75%) &
MYALL CREEK (TREGALANA) - EL 3538 (EBR 50%) &
WHYALLA – EL 3098 (EBR 100%)
WHYALLA SOUTH AUSTRALIA**

During the quarter Eagle Bay sold its interests in three South Australian tenements to U Energy Pty Ltd ("UEP"). Under the agreement, UEP may purchase the Company's interests in the three tenements for a consideration of 4 million fully paid ordinary shares in UEP. The sale is subject to UEP obtaining access agreements from the Department of Defence and Native Title Holders by 31 August 2008 for the drilling of at least one hole to approximately 800 metres depth, and to UEP receiving conditional approval from the Australian Securities Exchange by 31 January 2009 for its ordinary shares to be listed for quotation on the ASX.

The transaction value is very close to the commercial evaluation provided by Snowden. The area covers a training range used by the Department of Defence and access issues

are yet to be resolved, as are some native title issues. UEP are dedicated to seeking solutions for these issues and offers the most likely means to conclude a result. The transaction for shares offers Eagle Bay commercial upside in the case of a successful venture as well as providing some risk mitigation by exposure to other assets in the UEP portfolio.

3.4 MUNGLINUP URANIUM E74/403 AND E74/404 WESTERN AUSTRALIA

These tenements were relinquished on 19 February 2008, following receipt of the assay results.

3.5 ULEY SOUTH URANIUM EL6965 – EBR 100% SOUTH AUSTRALIA

Analysis of samples has failed to identify anomalous mineralisation and it likely that the tenement will be allowed to lapse.

3.6 WHITFIELD EL5039 & CASTERTON EL5040 – EBR 100% VICTORIA

These two tenements were applied for in 2007. EL 5039 was awarded in December and EL5040 is awaiting award. The blocks were applied for following a conceptual idea, and the company will seek a third party to take over the tenements.

4. CORPORATE MATTERS

- 4.1** Mr Joe Salomon has been appointed to the board of Eagle Bay as an Executive Director.
- 4.2** A loan of \$1,202,989 made to a joint venture partner to assist with drilling costs was repaid to EBR on 25 January 2008.
- 4.3** A general meeting has been called for Friday 9 May 2008 at which a change of company name and status to “Strategic Energy Resources Limited” will be voted on by shareholders. The company has new board members and a change of name will reflect a new era for the company.

By order of the Board
Eagle Bay Resources N.L.

The Oil and Gas information on PEL-182 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. Mr Barr consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

Eagle Bay Resources NL

ABN

14 051 212 429

Quarter ended ("current quarter")

31 March 2008

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	--	161
- Management fees received		
1.2 Payments for (a) exploration and evaluation	(435)	(1,705)
(b) development	--	--
(c) production	--	--
(d) administration	(208)	(773)
(e) bank guarantee	--	--
1.3 Dividends received	--	--
1.4 Interest and other items of a similar nature received	80	239
1.5 Interest and other costs of finance paid	--	--
1.6 Income taxes paid	--	--
1.7 Other	--	--
JV Contribution	--	--
Sundry	--	--
Net Operating Cash Flows	(563)	(2,078)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a)prospects	--	--
(b)equity investments	--	--
(c)other fixed assets	(2)	(9)
1.9 Proceeds from sale of: (a)prospects	--	--
(b)equity investments	--	--
(c)other fixed assets	--	37
1.10 Loans to other entities	--	(1,203)
1.11 Loans repaid by other entities	1,203	1,203
1.12 Other (provide details if material)	--	--
Net investing cash flows	1,201	28
1.13 Total operating and investing cash flows (carried forward)	638	(2,050)

1.13	Total operating and investing cash flows (brought forward)	638	(2,050)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	--	--
1.15	Proceeds from sale of forfeited shares	--	--
1.16	Proceeds from borrowings	--	--
1.17	Repayment of borrowings	--	--
1.18	Dividends paid	--	--
1.19	Other (provide details if material)	--	--
	Net financing cash flows	--	--
	Net increase (decrease) in cash held	638	(2,050)
1.20	Cash at beginning of quarter/year to date	3,849	6,537
1.21	Exchange rate adjustments to item 1.20	--	--
1.22	Cash at end of quarter	4,487	4,487

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	94
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 transactions involving directors and associates were 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

Nil

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

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	952
4.2 Development	--
Total	952

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	450	720
5.2 Deposits at call	4,037	3,129
5.3 Bank overdraft	--	--
5.4 Other (provide details)	--	--
Total: cash at end of quarter (item 1.22)	4,487	3,849

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	E74/403	Relinquished	100%	0%
	E74/404	Relinquished	100%	0%
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 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	288,222,499	288,222,499		Fully paid
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.5 +Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.7 Options <i>(description and conversion factor)</i>	88,932,845 3,250,000	88,932,845 --	<i>Exercise price</i> 15c 15c	<i>Expiry date</i> 30/6/2009 30/6/2010
7.8 Issued during quarter	2,000,000	--	10c	12/12/2012
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: 29 April 2008
(Company Secretary)

Print name: Linda Bell

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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