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ACTIVITY 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

The Ocean Bounty has now been eliminated as a drill rig candidate for the Gippsland in 2004.

BSOC Eagle Bays Farminee has moved to formalise negotiations for what is now believed to be the most likely available rig. On 19th February BSOC followed up on earlier discussions with other operators by formally approaching them with regard to the use of the Ensco 102 during 2004. They replied on 27th February that they were interested to explore this further and agreed to a meeting to discuss the issue. It is likely a rig availability window will open at short notice in the rigs 2004 program when the major operator requires assessment time to evaluate drilling results. It is this unpredictable window of opportunity which will allow EBR to drill Moby without the A\$20 million Mob-Demobilisation costs associated with bringing a new rig into the Basin.

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.

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 handling several farmin inquiries.

For and on behalf of the Board

Anthony Rechner
Director