

# Eagle Bay Resources N.L.

ACN 051 212 429

# Company Announcement

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Dear Sir

**Cooper Basin - Emily No. 1 - AuDAX Resources Ltd 49.9%, Eagle Bay Resources NL 37.6%, Australian Oil Company Ltd 12.5% (White Sands Petroleum - option to earn 10% by contributing 20%)**

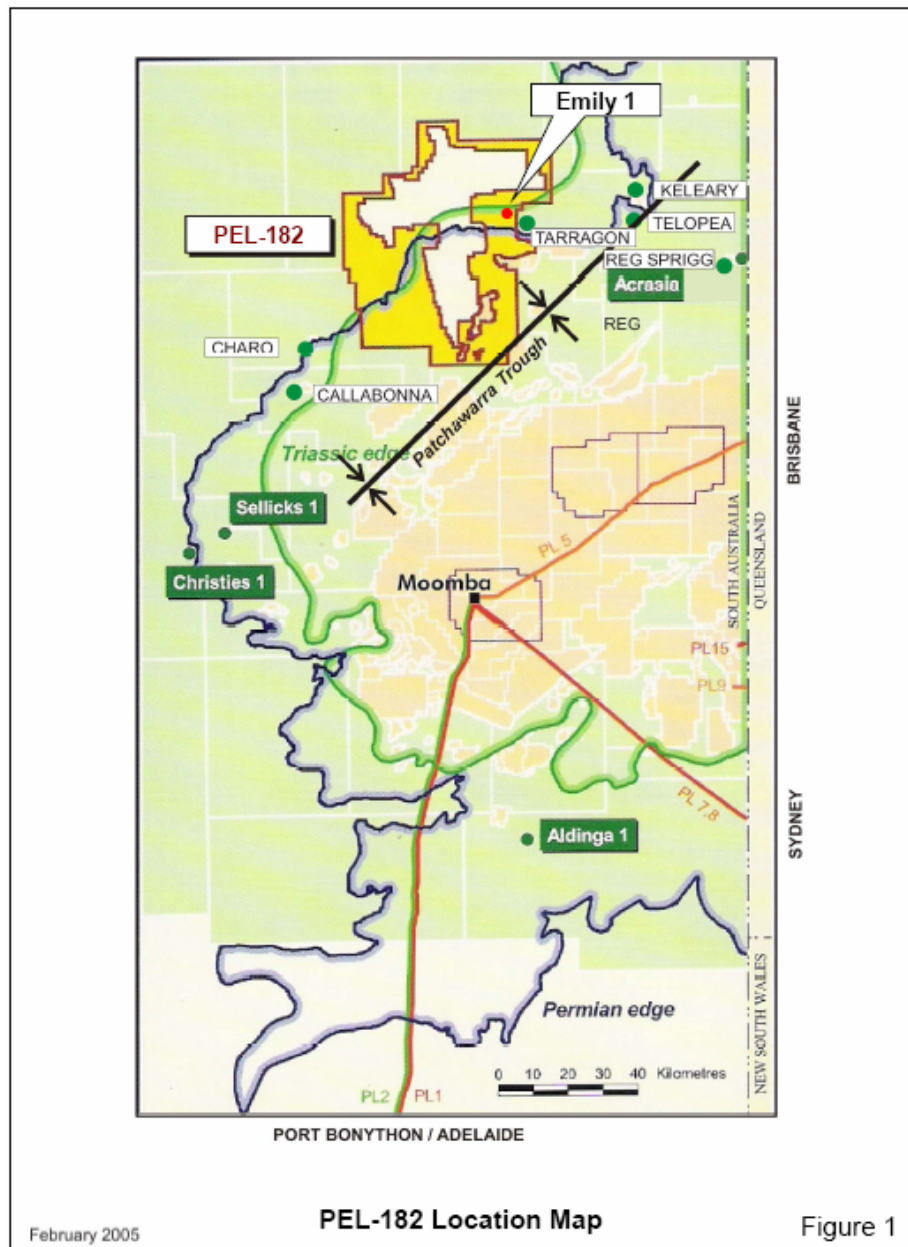
The Joint Venture parties (JV) in PEL 182 have agreed, and a contract has been signed for the drilling of Emily No. 1 in PEL 182 in the onshore Cooper Basin of South Australia.

The well will be drilled with the high capacity Century Rig 18 on secondment from Stuart Petroleum Ltd (Stuart) who will operate the well in accordance with the JV's drilling program. The well cost has been approved by the joint venture.

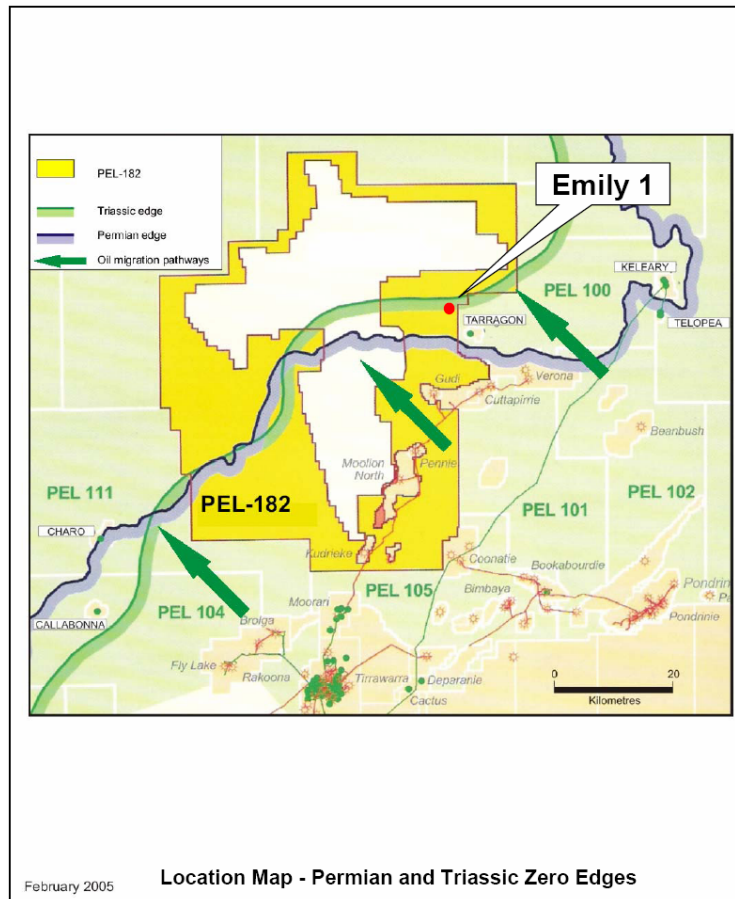
Rig 18 has completed the Harry-1 well for Stuart (100%) and is now moving to Rogan-1 which is scheduled to take some 22 days before drilling Emily 1 thereafter.

## **LOCATION**

It is proposed that the Emily-1 well be drilled as a vertical well 6 km to the northwest of the Tarragon oil discovery in the north eastern portion of the PEL-182 license, in northern South Australia (Fig. 1).



**Figure 1. Well Location**



**Figure 2. Location Map – Permian and Triassic Zero Edges**

The Tarragon 1 well was drilled in January 1997 and tested a simple four way fault independent closure over a significant basement high on the southern end of the broad fault bounded Deramookoo Platform. The well was ideally located with respect to hydrocarbon charge out of the underlying Permian source rocks into the overlying Triassic and Jurassic reservoirs. The well intersected 6.5 ft of intra Birkhead Formation oil pay; 12 ft of Hutton Sandstone oil pay; and 11.5 ft of Tinchoo Formation oil pay. DST 1 in the Tinchoo Formation flowed 500 BOPD (52° API & 12° F pour point); DST 2 in the Hutton Sandstone flowed 1,580 BOPD (50.7° API & 27° F pour point)

**Structure**

The Emily Prospect is a simple four way fault independent basement related anticlinal closure (Figs. 3 & 4). The closure lies on a northwest southeast trending nose located on the up thrown side of a major basement fault. Lead H lies on the north western end of the nose and the Tarragon 1 well lies on the south eastern end. The Emily Prospect lies mid way between Lead H and the Tarragon 1 well.

SEISMIC LINE 95-FPS THRU PROSPECT EMILY

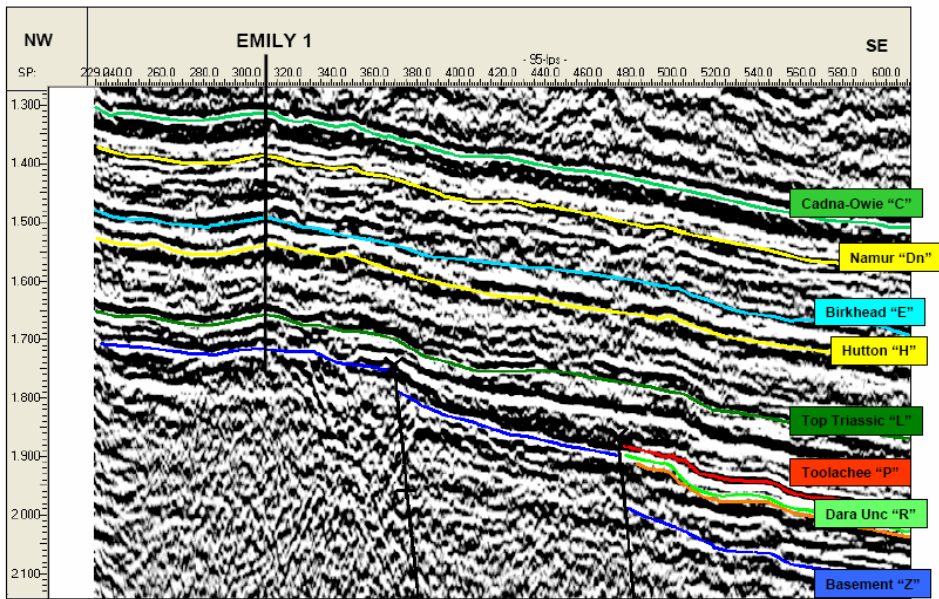


Figure 4

Figure 3 Seismic Line 95-FPS through prospect Emily

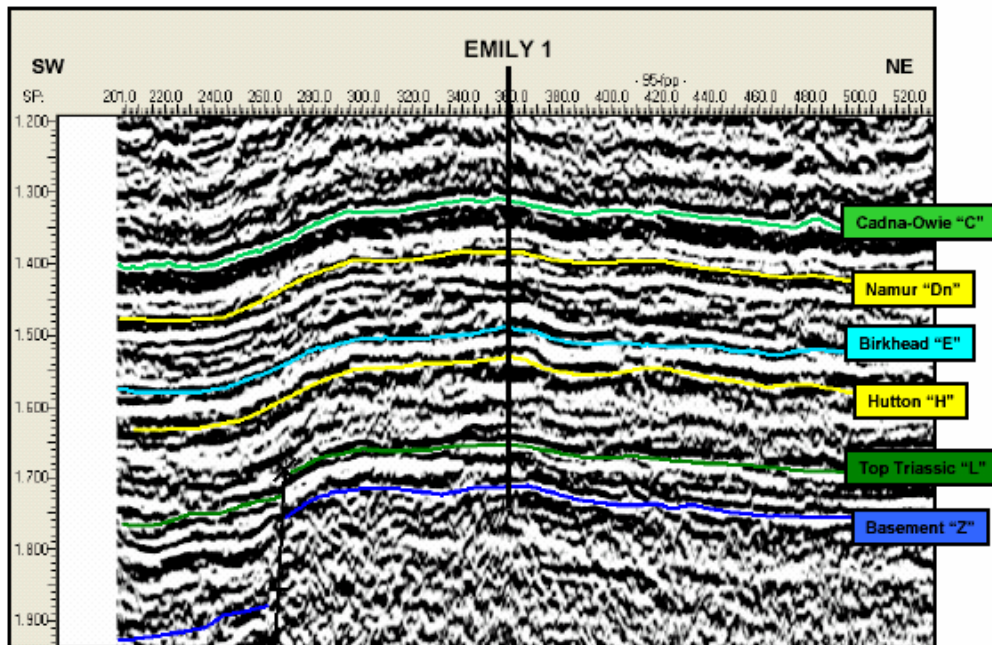


Figure 4 Seismic line 95-FPP through prospect Emily

## SUMMARY

The Emily 1 drilling location is at the intersection of seismic lines 95-FPS and 95-FPP (Figs. 3 & 4). The Emily Prospect is a well defined structural closure, and structure is a relatively low risk factor in evaluating the prospect.

The Emily Prospect has three potential reservoirs, which if successful, can each on their own provide an economic oil field. There is high chance of stacked reservoirs within the Tinchoo Formation together with pay in more than one of the four primary objective intervals.

## HYDROCARBON POTENTIAL

The probabilistic reserves estimates for the Emily Prospect have been calculated for the Hutton Sandstone, the Poolowanna Formation and the Tinchoo Formation. The reserve estimates are based on the most recent JV mapping, the adjacent well control and the regional geological model. The results of these estimates for recoverable P90-P50-P10 are as follows (if oil is present): -

Trap	Objective	P90 MMbbls	P50 MMbbls	P10 MMbbls
Anticline	Hutton	3.0	5.5	11.0
Anticline	Poolowanna	1.5	3.0	6.0
Anticline	Tinchoo	1.0	2.0	4.5

\* *White Sands Petroleum has an option to earn 10% from ADX in the Emily Prospect by contributing 20% of the costs of the well.*

*White Sands Petroleum remains contracted to drill 5 wells in PEL-182 to earn 10% of PEL-182 in accordance with the drilling contact between ADX, EBR and WSP, using the recently imported state of the art EDM drilling rig.*

*A fully underwritten prospectus to raise A\$8million for WSP has been lodged with ASIC and may be viewed on [www.whitesandspetroleum.com](http://www.whitesandspetroleum.com)*

### **Disclaimer:**

*The Oil and Gas information in this report is based on information compiled by Mr Ian R Barr who is a geophysicist and consultant to the company and a Competent Person as described in Appendix 5A to the ASX Listing Rules. Note\*: 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 unrisks 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 practice for ASX listed companies is to qualify P50 reserve statements as follows: Chapter 19 "definitions" of the ASX listing rules indicate a "pre hydrocarbon reserve stage" however no hydrocarbons are claimed to be present.*

Yours faithfully



TONY RECHNER  
For and on behalf of the Board