



AOC



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ANNOUNCEMENT TO ASX

**DRILLING RELEASE 10: EMILY#1
PEL-182, COOPER / EROMANGA BASIN S.A.**

Eagle Bay Resources advises that the Emily-1 oil and gas exploration well has completed wireline logging operations. A wiper trip is being run after which drill stem test #1 will be run from 1901m to 1907.5m in the lower Birkhead Formation. This interval corresponds to a wireline log anomaly and the best shows seen while drilling.

The status of Emily-1 at 06:00 hrs (CST) on 20th January 2006 was:

Location: PEL-182
Planned Total Depth: 2364 metres (TVD)
Current Depth: 2324 metres – (TD)
Operation: Wiper trip prior to running DST #1
Spudded: 23:00 hrs 7th January 2006

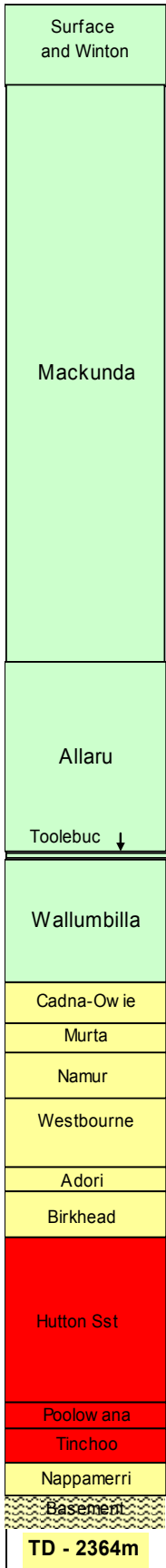
Participants in the Emily-1 well are:

Eagle Bay Resources (Operator) 37.6%
Audax Resources Ltd 39.9%
White Sands Petroleum Ltd 10.0%
Australian Oil Company No2 P/L 12.5%
Rig: Century Rig-18
Target Strata: Hutton SS
Poolowanna SS
Tinchoo SS

Yours sincerely

**TONY RECHNER
DIRECTOR**

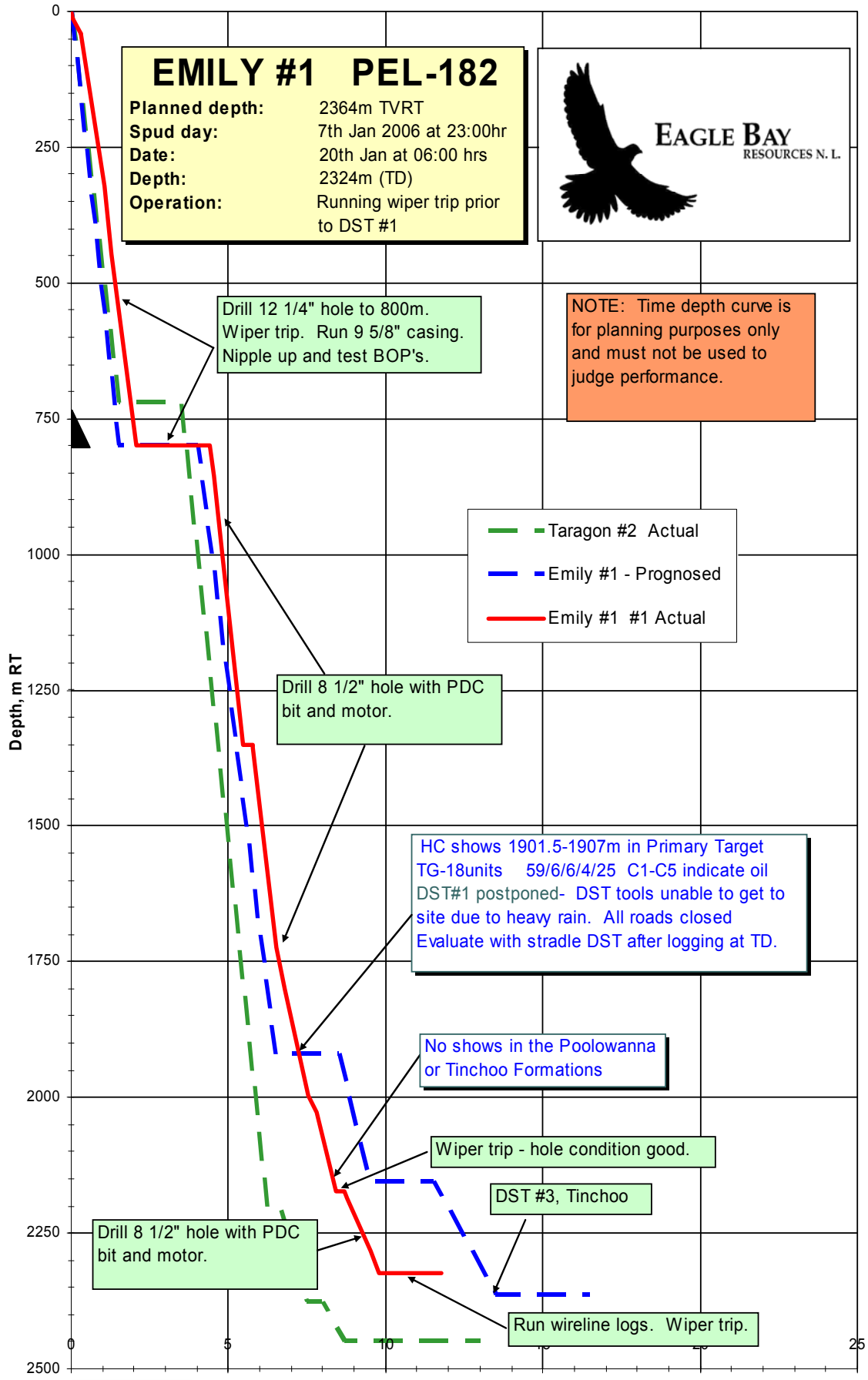
DAYS FROM SPUD



EMILY #1 PEL-182
 Planned depth: 2364m TVRT
 Spud day: 7th Jan 2006 at 23:00hr
 Date: 20th Jan at 06:00 hrs
 Depth: 2324m (TD)
 Operation: Running wiper trip prior to DST #1



NOTE: Time depth curve is for planning purposes only and must not be used to judge performance.



— Taragon #2 Actual
 - - Emily #1 - Prognosed
 — Emily #1 #1 Actual

