



AOC



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ANNOUNCEMENT TO ASX

**DRILLING RELEASE 6: EMILY#1
PEL-182, COOPER / EROMANGA BASIN S.A.**

Eagle Bay Resources advises that the Emily-1 oil and gas exploration well is drilling ahead in the Lower Hutton Sandstone in 8 ½” hole. A fair oil show was noted in the Primary Objective at the Basal Birkhead/Top Hutton? at 1901.5m. This zone warrants testing at Emily-1.

Rain in the area has closed all roads and prevented the testing equipment arriving at the Emily-1 location in time to run a bottom hole drill stem test (DST) over this section as was originally planned. This zone will now be evaluated by wireline logs and a possible post logging straddle Drill Stem Test.

The status of Emily-1 at 06:00 hrs (CST) on 16th January 2006 was:

Location: PEL-182
Planned Total Depth: 2364 metres (TVD)
Current Depth: 2027 metres - in Hutton SS.
Operation: Drilling ahead in 8 ½” hole.
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

