



Company Announcement

ACN 051 212 429

Suite 3 First Floor, 610 Murray St West Perth
PO Box 913 West Perth Western Australia 6872

Telephone: (08) 9481 3322
Facsimile: (08) 9481 3330

Date: 26 November 2007
To: Companies Announcements Office, ASX
Electronic Lodgement:
Subject: Graphite Project Update
Number of pages: 1

Our joint venture partner Mikkira Graphite Pty Ltd has announced that they are commencing the demonstration of the graphite refining process of the ore from the Uley deposit early in the New Year. We quote:

“We are due to start our 10,000 tpa pilot plant project on Feb 1, 2008, we have a 24 month design & construct programme followed by a minimum of 6 months trials. The plant will be built and operated in Townsville. The proposed 50,000 tpa graphite refinery will follow shortly thereafter as the first example of the refining process being used on a commercial scale.”

The graphite produced via a two stage process comprising mechanical beneficiation, followed by a chemical refining process, will be very close to 100% pure.

Lloyd Energy Storage Pty. Ltd. intends using graphite as the central core of large graphite heat sinks. Using layman’s terms the heat sink is designed to store heat in the vicinity of 1800°C. Such heat is to be converted to electrical energy at a later time. A heat sink is the “large capacity battery” which was previously unavailable to renewable energy sources to store the energy when the wind does not blow, or the sun shine. Graphite heat sinks are a major breakthrough for renewable energy sources to replace conventional CO₂ emitting power stations.

**BY ORDER OF THE BOARD OF
EAGLE BAY RESOURCES N.L.**