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Company Announcement

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FOURTH QUARTER ACTIVITY REPORT TO 30 JUNE 2007

This report is technical and shareholders may wish to seek independent, professional advice before reaching any conclusions. Statements may be forward looking and speculative.

THE COMPANY'S ACTIVITIES

The Company is busy acquiring and maturing a portfolio of exploration assets which ensure a diversified supply of immediate, short-medium and longer term opportunities. The directors believe that success in any one or more of these assets would add significant value to our shareholders. The recent capital raising ensured we are in a sound financial position to fund ongoing work and take advantage of new opportunities while maintaining a capital structure which gives shareholders significant leverage to exploration success. The recent Permian Gas discovery at Vanessa-1 in PEL 182 in the Cooper Basin, S.A. is an early example of this success.

Eagle Bay Resources NL (EBR) has received two significant written offers for various petroleum assets, both of which included EBR's interests in PEL-182, and one of which was for cash.

The Board of EBR has formally rejected both offers as it believes that greater shareholder value can be created with further development work on the Vanessa Gas Discovery in PEL-182 and developments coming up in the offshore Gippsland Basin where EBR holds interests in three permits – VIC P41, VIC P47 and VIC P65.

Please review the details below, noting the increase in Uranium, Nickel, Copper & Gold tenements, progress with Uley Graphite, as well as the exciting deepwater Offshore Gippsland permit and the current drilling success on PEL-182.

1. OIL AND GAS EXPLORATION

1.1 PEL-182 - (EBR 37.6% AND OPERATOR) ONSHORE PETROLEUM EXPLORATION – COOPER BASIN, S.A VANESSA-1 - NEW PERMIAN GAS DISCOVERY

Century Rig-3 was mobilised from Moomba in April 2007 for a 2 well drilling program in the Eastern part of PEL-182 in the Cooper Basin, S.A.

The first well, Sarahlyn-1, was to target shallow oil reservoirs in the Eromanga Basin Jurassic Birkhead and Hutton and the Triassic Tinchoo oil sands as the primary objectives – as these reservoirs have produced oil at 500 BOPD and 1600 BOPD respectively on DST in the nearby Tarragon-1, and EBR's very first well at Emily-1 had also encountered sweet light crude oil in the Lower Birkhead sands.

The second well, Vanessa-1, was to target the deeper Permian Gas reservoirs in the Toolachee, Epsilon and Patchawarra sands, 4 km down-dip from the Santos Pennie-1 gas field which has been on production since 1995.

1.1.1 SARAHLYN-1 TD 2761m P&A

Sarahlyn-1 was spudded on 16 April 2007, and reached TD in 'Basement' at 2761m. All objective reservoirs were encountered as prognosed, but evaluation of all the wireline and mudlog data indicated that no economic hydrocarbons were present, with all zones to being either water wet or tight. The well was plugged and abandoned on 7th May 2007.

1.1.2 VANESSA-1 TD 3157m NEW PERMIAN GAS DISCOVERY

The second well, Vanessa-1, spudded on 12th May 2007, and drilled to TD of 3061m. Vanessa-1 encountered the primary Permian gas objectives in the Toolachee, Epsilon and Patchawarra sands, with each sand recording gas shows in the mud while drilling - although sometimes masked by high gas readings from the coal seams. Electric logs could only be run from 3025m up, as a thick coal seam in the Patchawarra Fm obstructed the logging tools passing deeper to TD.

Two Epsilon gas sands were open hole straddle drill stem tested (DST'd). DST-1A over Epsilon sand 1 flowed gas to surface in 3.5 minutes with a strong gas flow to flare pit. DST-1B over Epsilon sand 2 had a tool malfunction (and no flow?). DST-1C was then run over the top of the Toolachee gas sand, flowed gas to surface in 11 minutes, and a strong gas flow to flare pit - before tools stuck! (see DST-1A, IB & 1C production figures below)

The DST tool malfunction during DST-1B, re-occurred later in DST-1C, and resulted in the DST tools becoming irretrievably stuck down hole.

This 'fish' would prevent 7" casing being run down hole to complete the well as a Permian gas producer.

The original hole was therefore plugged back, and the new sidetrack Vanessa ST-1 was successfully drilled to a new TD of 3157m.

Schlumberger also successfully ran wireline logs - this time across the entire new sidetrack interval from TD up – including the entire Patchawarra Fm.

(In the original hole, the prospective Patchawarra Fm could not be logged, as logging tools were unable to pass deeper than 3027m due to obstruction at a thick coal bed).

Halliburton successfully ran and cemented 7" production casing in the new sidetrack hole to TD, and the Vanessa-1 gas well is now cased and suspended as a future Permian Gas Producer.

Century Rig-3 was released at midnight on Tuesday 17th July 2007.

1.1.2.1 DST GAS PRODUCTION (from 2 of 3 zones)

The latest wireline logs in the sidetrack hole have confirmed the presence of the same productive reservoir sands in the Toolachee and Epsilon formations that were earlier Drill Stem Tested in the original hole, which flowed gas to surface at following rates:

DST-1A	Epsilon Sand	2977 -2980m	5.1 MMscfd on ½" choke at 800 psi FP
DST-1B	Epsilon Sand	2960 -2963m	No Flow-Tool Plugged? (should flow?)
DST-1C	Toolachee Sand	2239 -2932m	3.9 MMscfd on ½" choke at 525 psi FP

No DST's were run in the deeper Patchawarra Fm, as blocked by coal obstruction.

These are similar intervals as are producing from the Pennie-1 Gas Field, 4 Km updip from Vanessa-1, discovered by Santos in 1995 and on production ever since.

The gas gathering pipeline to Moomba passes through the Pennie-1 location.

1.1.2.2 POTENTIAL FOR PATCHAWARRA GAS

The latest sidetrack logs have finally provided data across the Patchawarra interval, and indicate several additional prospective gas sands in the Patchawarra Fm.

These sands will be production tested through production casing at a later date and their flow rates determined, when a work over rig is brought on site to develop the well and bring it into production.

1.1.2.3 ESTIMATED GAS RESOURCE

Preliminary analysis of log and DST data indicates the Vanessa-1 well appears to have achieved a source potential in the order of 15Bcf of gas, based on pre-drill mapping. In conjunction with future cased hole production testing, the operator is currently undertaking detailed geological and geophysical studies, to define the reserve potential of the Vanessa gas pool.

Similar follow up prospects also lie nearby to the Vanessa-1 location in PEL-182, and in the event of success could be tied into Vanessa 1 to increase proven reserves and gas deliverability to point of sale, using nearby infrastructure.

**EAGLE BAY RESOURCES JV PEL-182
New Gas Discovery at Vanessa-1**



Century Rig3 at Vanessa-1 Gas Discovery



Vanessa-1 Gas Discovery – Flaring at 4.9 MMCFD at 750 PSI on ½” choke

1.2 VIC/P47 – EBR 25%
GIPPSLAND BASIN OFFSHORE VICTORIA

Vic/P47 contains the 1989 Shell Judith-1 Emperor Subgroup gas discovery. Judith-1 was evaluated with a full suite of wireline logs, a velocity survey, and 35 formation pressure tests in Emperor gas sands between 2300m and total depth of 2958m. Judith-1 petrophysical analysis indicates a number of potential gas columns. Judith has also been remapped using modern 3-D seismic data. The commercial potential of Judith is being evaluated in a scoping study, the first draft of which was received on 13 April 2007. The project was presented for farmout at the APPEA conference in Adelaide April 16-18, 2007. Farminee interest continues to be evaluated.

1.3 VIC/P41 - EBR 25% (Diluting to 17.5% Free Carried for the drilling of the first well)
GIPPSLAND BASIN OFFSHORE VICTORIA

The 500km² 3D seismic using the Western Trident has been completed by the operator pursuant to their earning requirements in the permit. A status report on processing and interpretation has been received. Final interpretation is complete and a direct hydrocarbon indicator (DHI) – amplitude versus offset study has been reviewed by the Joint Venture partners. A high quality sand observed in the Judith 1 well in VIC/P47 is has been mapped over VIC/P41 which enhanced the farmout presentation by the operator at the APPEA conference. Farminee interest continues to be evaluated.

2. NICKEL EXPLORATION

2.1 CARR BOYD JOINT VENTURE - EL 39/491 & EL 39/492
(EBR 70% AND DILUTING)

A Geochemistry review has been received which defined 5 targets. Field investigation was completed to finalise the ongoing exploration. A major geochemical survey is about to commence.

2.2 VICTORIAN JOINT VENTURE EL 5039 AND EL 5040
(EBR 50% AND CONTRIBUTING)

Eagle Bay has been granted the above application areas in Victoria and awaits relevant state authority granting of the permits. The areas were applied for on the basis of a review of prior base metals exploration by CRA and others on known Greenstone belts exhibiting anomalous Nickel geochemistry some under surficial cover. These areas were two of our top three selections in Victoria and demonstrate superior ground availability in Victoria as opposed to Western Australia. Further government requirements are in the process of being complied with.

**2.3 FALCON BRIDGE JOINT VENTURE
(EBR AND ROCKY MOUNTAIN MINERALS INC 50% EACH)
WESTERN AUSTRALIA EL38/1970, P38-3381-4 – APPLICATIONS**

Nickel anomalism in ultramafics will be drill tested with the Carr Boyd project when preliminary assessment and grant are completed.

**3. ULEY GRAPHITE MINE - PORT LINCOLN, SA
(EBR 100% and diluting to 25% free carried to commercial production)**

The Uley Graphite project contains a world class resource of high grade flake graphite. 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. The farminee has paid EBR \$200,000 and committed to \$400,000 expenditure to earn an option which on exercise will bring the plant into commercial production with a take of pay contract on graphite produced. Drilling will commence soon.

4. URANIUM / COPPER / GOLD EXPLORATION

**4.1 CULTANA JOINT VENTURE EL 3547 (formerly ELA 105/2000)
WHYALLA SOUTH AUSTRALIA – THE ARMY TRAINING AREA
(EBR 75%, Minotaur 25%)**

No progress has been made in obtaining access from the Department of Defence.

**4.2 MYALL CREEK JOINT VENTURE EL 3538 (formerly EL 2800)
WHYALLA SOUTH AUSTRALIA
(EBR 50%, Minotaur 50%)**

A drilling program of 4 reverse circulation and 2 diamond drillholes (497 metres) tested strong geophysical targets (IP) in the Myall Creek area. The rock types intersected indicate the geophysical anomalies are caused by iron rather than copper-bearing sulphides. The drilling was supported through a PACE drilling initiative grant.

**4.3 MUNGLINUP URANIUM EXPLORATION WESTERN AUSTRALIA E74/403
AND E74/404**

Based on government airborne spectrometer results two exploration licences have been taken out over areas of uranium anomalism. These were field tested with the company's new uranium spectrometer and assays are awaited.

**5. VIC P65 OFFSHORE GIPPSLAND BASIN (PREVIOUSLY VO6-4)
(EBR 100%)**

This permit has been offered and accepted. A large deep water structure has been mapped with a report due in early August 2007. Some 5 wells will be drilled to the immediate North or East of the permit by others in the current round of Offshore Gippsland Drilling the results of which may affect VIC P65.

Disclaimer: *The hard rock and mineral information in this report to the extent it is not copied from other Joint Venture partners is based on information compiled by Mr Anthony Rechner who is a geologist of the company and a Competent Person as described in Appendix 5A to the ASX Listing Rules. The report accurately reflects the information compiled by Mr Anthony Rechner.*

The Oil and Gas information on VIC P41/47 is supplied by the Operator BAS and the VIC/P47 text has been compiled by Mr John Roy. The Oil and Gas information on PEL-182 in this report is based on information compiled by Mr Ian R Barr who is a geophysicist of the company and a Competent Person as described in Appendix 5A to the ASX Listing Rules. The report accurately reflects the information compiled by Mr Ian R Barr..

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 unrisksed 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.

Statements attributed to third parties do not necessarily reflect the opinions of Eagle Bay Resources but are statements by qualified people on the public record and are included for completeness of the company’s obligations under continuous disclosure.

The contents of this report are not and should not be used as a substitute for independent professional advice in making an investment decision involving Eagle Bay Resources NL or any of its associated entities. This is particularly true for online and day traders who do not access the professional advice available from licensed stockbrokers and consequently investment in this company’s securities may not be an appropriate investment. The company does not give ‘plain English’ translation of technical reports. Eagle Bay Resources NL shall not be liable and the reader shall indemnify the company and its Directors for any loss or damage caused by or owing directly or indirectly as a result of the reader’s use of the information contained within the documents that comprise this report without first accessing professional advice.

By order of the Board
Eagle Bay Resources N.L.

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

Eagle Bay Resources NL

ABN

14 051 212 429

Quarter ended ("current quarter")

30 June 2007

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (12 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors - Management fees received	--	296
1.2 Payments for (a) exploration and evaluation (b) development (c) production (d) administration (e) bank guarantee	(466) -- -- (200) --	(1,864) -- -- (878) (26)
1.3 Dividends received	--	--
1.4 Interest and other items of a similar nature received	95	273
1.5 Interest and other costs of finance paid	--	--
1.6 Income taxes paid	--	--
1.7 Other JV Contribution Sundry	200 --	660 2
Net Operating Cash Flows	(371)	(1,537)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a)prospects (b)equity investments (c)other fixed assets	-- -- (1)	-- (110) (20)
1.9 Proceeds from sale of: (a)prospects (b)equity investments (c)other fixed assets	-- -- --	-- -- --
1.10 Loans to other entities	--	--
1.11 Loans repaid by other entities	--	377
1.12 Other (provide details if material)	--	-
Net investing cash flows	(1)	247
1.13 Total operating and investing cash flows (carried forward)	(372)	(1,290)

1.13	Total operating and investing cash flows (brought forward)	(372)	(1,290)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	--	3,286
1.15	Proceeds from sale of forfeited shares	--	--
1.16	Proceeds from borrowings	--	--
1.17	Repayment of borrowings	--	--
1.18	Dividends paid	--	--
1.19	Other (provide details if material)	--	--
Net financing cash flows		--	3,286
Net increase (decrease) in cash held		(372)	1,996
1.20	Cash at beginning of quarter/year to date	6,560	4,192
1.21	Exchange rate adjustments to item 1.20	--	--
1.22	Cash at end of quarter	6,188	6,188

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	94
1.24	Aggregate amount of loans to the parties included in item 1.10	--

1.25 Explanation necessary for an understanding of the transactions

All transactions involving directors and associates were on normal commercial terms

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Nil

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	--	--
3.2 Credit standby arrangements	--	--

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	389
4.2 Development	--
Total	389

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	347	168
5.2 Deposits at call	5,841	6,392
5.3 Bank overdraft	--	--
5.4 Other (provide details)	--	--
Total: cash at end of quarter (item 1.22)	6,188	6,560

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed			
6.2	Interests in mining tenements acquired or increased			

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Number issued	Number quoted	Par value (cents)	Paid-up value (cents)
7.1 Preference +securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	288,222,499	288,222,499		Fully paid
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.5 +Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.7 Options <i>(description and conversion factor)</i>	88,932,845 3,250,000	88,932,845 --	<i>Exercise price</i> 15c 15c	<i>Expiry date</i> 30/6/2009 30/6/2010
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 Debentures <i>(totals only)</i>				
7.12 Unsecured notes <i>(totals only)</i>				

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Law or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:  Date: 27 July 2007
(Company Secretary)

Print name: Linda Bell

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities.** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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