

Eagle Bay Resources N.L.

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Company Announcement

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NON RENOUNCEABLE PRO RATA ISSUE

The Directors of Eagle Bay Resources NL advise that the Company has entered into an underwriting agreement with Kefu Underwriters Pty Limited (Kefu) for a Non Renounceable Pro Rata Issue on the basis of one share for every four shares held at a price of 6 cents for every new share with a free attaching option.

The Company's existing capital structure and the basic sequence of events for the proposed issue of shares is outlined as follows:

1. The Company currently has on issue 230,577,999 shares plus 31,288,345 listed options and 3,250,000 unlisted options.
2. The Company will lodge a Prospectus for the Non Renounceable Pro Rata Issue shortly. A prospectus and entitlement form will be sent to all shareholders at the Record Date, which will be advised shortly.
3. In accordance with ASX Listing Rules a minimum notice of 7 business days must be given to shareholders of the Record Date to identify shareholders able to participate in the Pro Rata Issue.
4. The Pro Rata Issue, which is fully underwritten, on the basis of one share for every four shares held at the record date, will result in approximately 57,644,500 shares being issued at 6 cents each raising a total of approximately \$3,458,670 less capital raising costs.
5. The options to be issued with the new shares will entitle the holder to subscribe for one fully paid share upon payment of 15 cents per share on or before 30 June 2009 and are identical to listed options currently on issue (ASX code: EBROA).

The Underwriter has the right to nominate and determine, in its absolute discretion, who is to receive the shortfall, if any. The Underwriter will be paid a fee of 5% of the amount raised which is equivalent to a fee of approximately \$172,935.

In accordance with ASX Listing Rules the Company advises the following:

- The classes of securities to be issued are ordinary fully paid shares (EBR) and listed options (EBROA).
- The number of securities to be issued is approximately 57,644,500 shares and 57,644,500 options under the Pro Rata Issue with entitlements being rounded up.
- The principal terms of the shares are that they are ordinary fully paid shares ranking equally with all fully paid shares on issue.
- The principal terms of the options are that they are listed options ranking equally with currently listed EBROA options on issue.
- The Non Renounceable Pro Rata Issue does not require shareholder approval because the issue will be made to existing shareholders on the register at the Record Date.

APPLICATION OF FUNDS

The funds to be raised by this issue will be applied principally to the Cooper Basin drilling program. Details will be contained in the Prospectus.

Full details of the Company's planned activities in these exploration areas is set out in the September quarterly activities report previously lodged with ASX.

Yours Faithfully



Anthony Rechner
Director