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Company Announcement

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SECOND QUARTER ACTIVITY REPORT TO 31 DECEMBER 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

1. OIL AND GAS EXPLORATION

1.1 PEL-182 - (EBR 37.6% and OPERATOR) ONSHORE PETROLEUM EXPLORATION – COOPER BASIN, S.A

Four (4) wells have now been drilled as year-1 permit obligations in PEL-182

- 1 Emily-1** Small Jurassic oil discovery in L Birkhead Sst - cased and suspended
- 2 Sarahlyn-1** Dry – plugged and abandoned
- 3 Vanessa-1** New Permian Gas Discovery - cased and suspended
- 4 Jasmine-1** Stratigraphic well - dry – plugged and abandoned

JASMINE-1 The PEL-182 JV completed the 4th exploration well in this permit with the drilling of the high risk - high reward Jasmine-1 stratigraphic well during December 2007. Specific 2D reprocessing and sophisticated 2D geophysical inversion work was carried out to optimise a preferred drill location, and this work appeared to confirm the presence and oil bearing nature of these objective Patchawarra sands. (These same sands had oil shows downdip at the Darter-1 exploration well, drilled 8 km to the south by Santos in 1995.)

The Jasmine-1 well was therefore relocated and subsequently drilled at this new optimum location at SP343 on seismic line 860ZXX. Regrettably, the objective Patchawarra sands were absent at this Jasmine-1 location, demonstrating the high risk in drilling these stratigraphic wells based on 2D seismic.

A weak oil show was encountered in the deeper Mirramelia Sandstones, and a drill stem test (DST) was conducted, but failed to produce hydrocarbons, as this deeper formation was too tight to flow oil. The Jasmine-1 well was plugged and abandoned as a dry hole.

VARIATION to YEAR-1 WORK PROGRAM - 1 Well for 3D Seismic

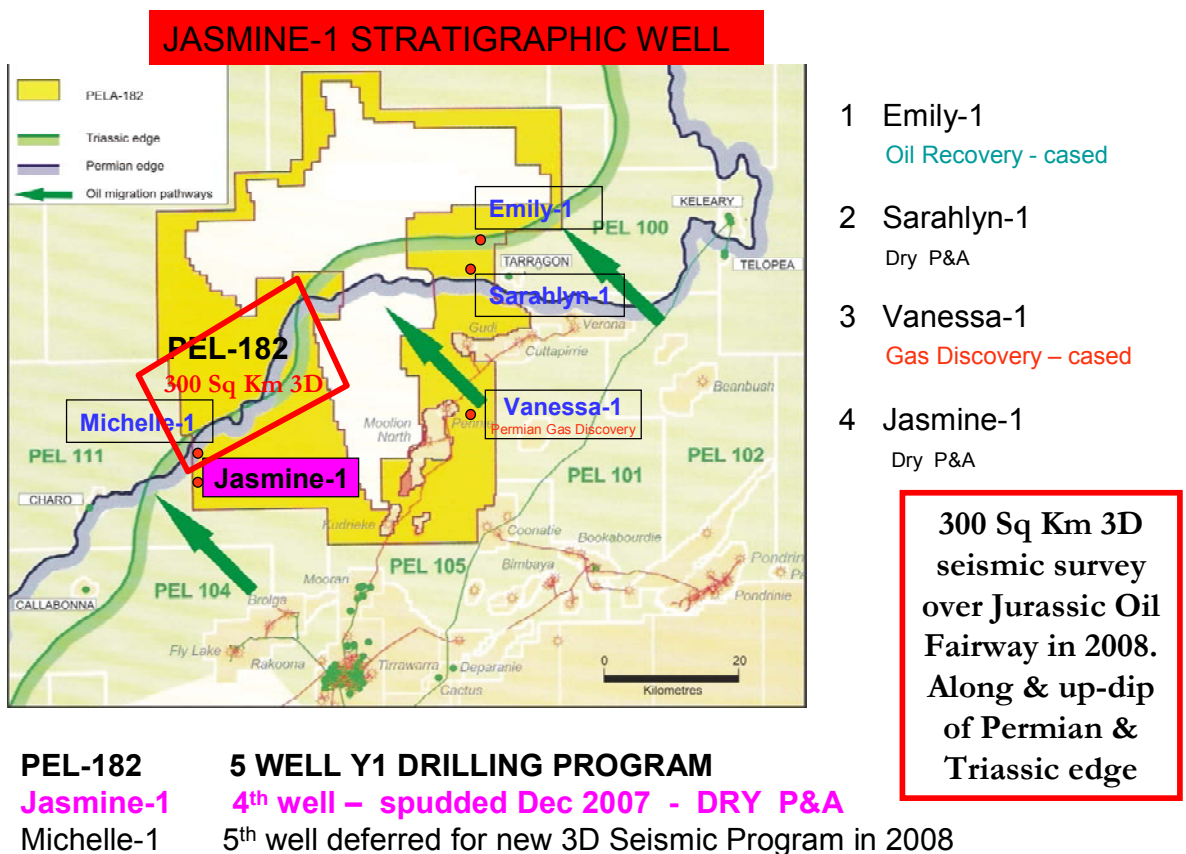
Due to the uncertainties inherent in drilling exploration wells on older multi vintage 2D seismic data, the 5th obligation well at Michelle-1 was swapped for a new 300+ Sq Km 3D seismic program - to be recorded in 2008.

YEAR-2 and YEAR-3 Work Program. It is believed that this new 3D seismic program, combined with depth conversions, will result in many new lower risk oil prospects being matured for drilling late in year-2 and into year-3 (2008 - 2009).

These new prospects will be a combination of shallower Jurassic structural oil plays (similar to the Santos Charo-2 & 3 new oil discoveries 15 km to the west of Jasmine-1) and also Permian Patchawarra and Triassic Tinchoo stratigraphic/structural plays.

A multi well back to back drilling program is anticipated for late 2008 and into early 2009 to drill and test these new lower risk targets.

This will be an exciting phase in exploring this block, and we are optimistic in making several new oil discoveries in this region, particularly along the Jurassic Oil Fairway which is largely untested in the north western part of the Cooper Basin



VANESSA-1 PERMIAN GAS DISCOVERY

The Vanessa-1 was a new Permian Gas Discovery - with an estimated gas resource of 15 BCF - and was cased and suspended for future gas production.

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.

At present, the only possible sales outlet for gas is to Santos at Moomba.



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

EBR has been approached by a new company seeking to establish a gas processing facility in the Cooper Basin – to process and sell gas on behalf of the several smaller companies (non Santos) with recent gas discoveries in the area.

These discussions are ongoing to confirm a pooled gas resource of approximately 75 BCF – deemed the minimum required to justify the capital expenditure to design, build, commission and operate a new gas processing facility, complete with a CO₂ removal and sequestration component, and sell clean dry gas to end users.

1.2 VIC-P65 OFFSHORE GIPPSLAND BASIN (PREVIOUSLY VO6-4) (EBR 100%)

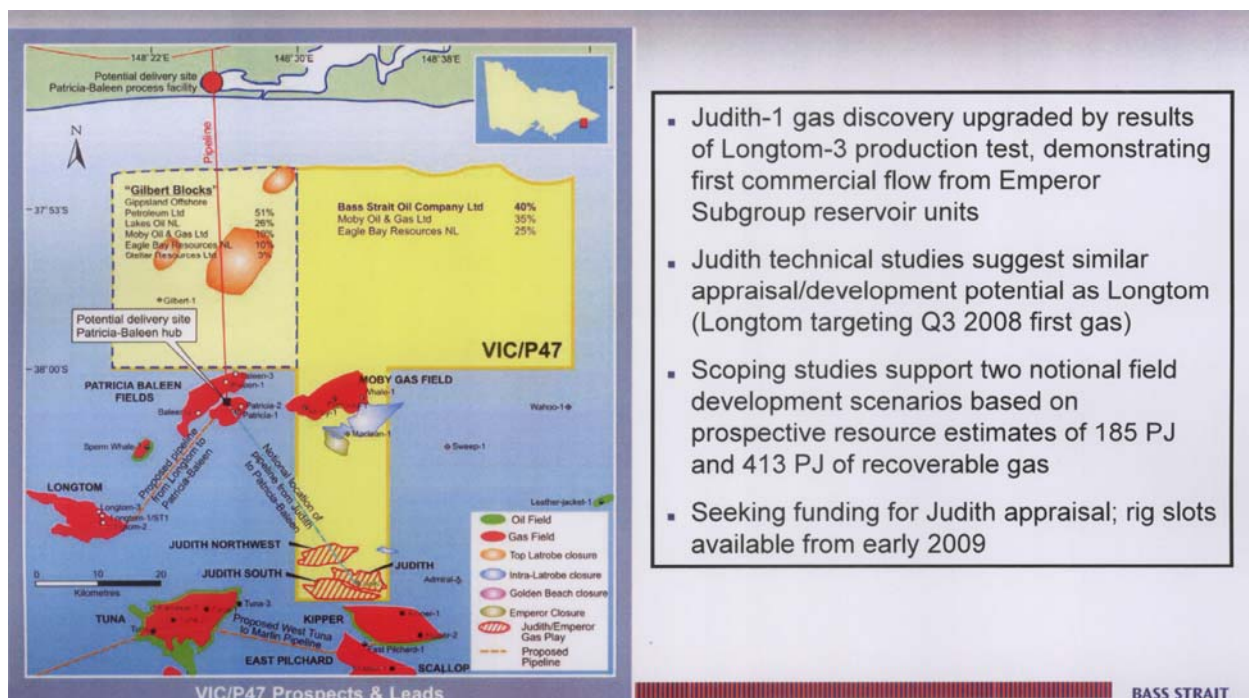
This permit has been offered and accepted. A large deep water structure has been mapped, and a final report is being finalised. Some 5 wells will be drilled to the immediate North or East of the permit by others in the current round of Offshore Gippsland Drilling, the results of which may affect VIC P65. The MV CGG Pacific Titan seismic vessel has been contracted to record 300 kilometres of new 2D seismic in this permit, as part of a group shoot, currently scheduled for late second quarter in 2008. (and will also record 250KM of new 2D in VIC-P41 see below)



CGG Veritas Pacific Titan 2D Seismic vessel

1.3 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 preliminary commercial potential of Judith has been evaluated in an initial scoping study, and a detailed study by Gaffney Cline & Associates has been initiated. Farminee interest continues to be evaluated.

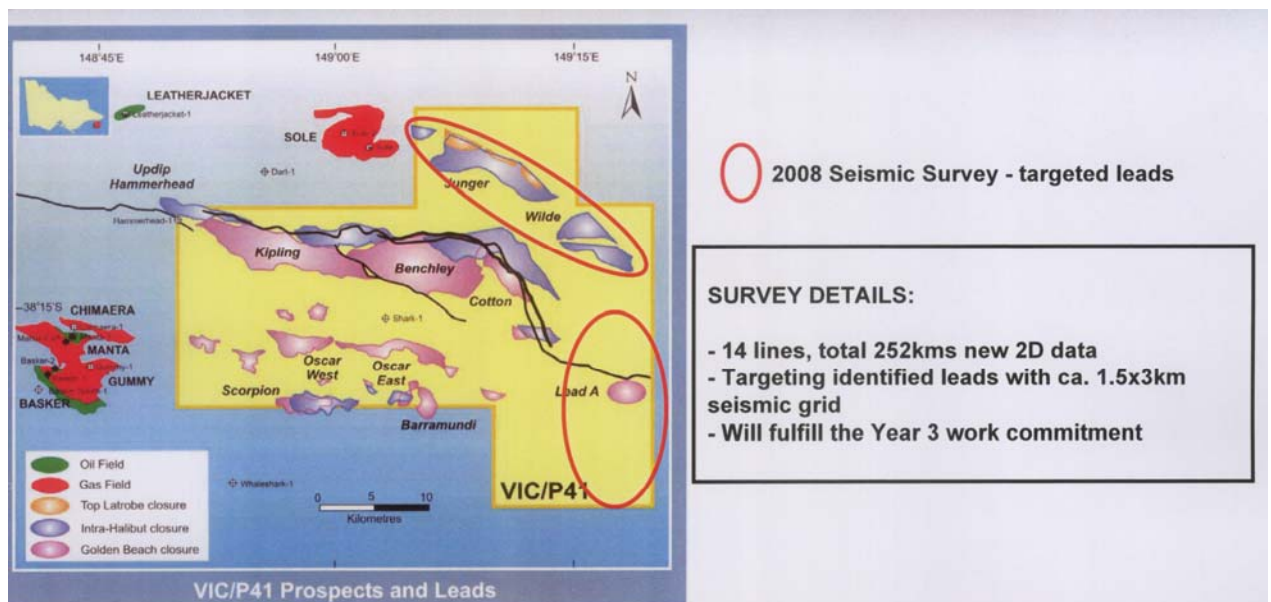


1.4 VIC/P41 - EBR 25% (Diluting to 17.5% Free Carried for the drilling of the first well) GIPPSLAND BASIN OFFSHORE VICTORIA

Final interpretation of the 500 Km² 3D has been completed 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 has been mapped over VIC/P41, significantly upgrading further the potential in this permit.

The operator has also advised the Joint Venture will take advantage of the MV CGG Pacific Titan seismic vessel during a group shoot in the Gippsland Basin, and will record a further 250 Km of new 2D seismic late in the 2nd quarter of 2008.

The JV operator is continuing with efforts to farmout an exploration well in this permit, which should leaving the existing partners free carried through this drilling program.



1.5 ROMANIA – (EBR 100%)

An application has been made to acquire petroleum permits in Romania. We will be informed during February 2008 if we have been successful.

2. ULEY GRAPHITE MINE – PORT LINCOLN, SA
(EBR 100% and diluting to 25% free carried to commercial production)
GRAPHITE USE IN RENEWABLE ENERGY HEAT SINKS

In September 2007 drill testing took place at the Uley Graphite Mine and the drill samples have been completed and forwarded for analysis. Our Joint Venture partner Mikkira Graphite Pty Ltd has until November 2008 to decide if it wishes to purchase 75% of the tenements to move forward to commercial production. Eagle Bay understands that the graphite is to be used to make high purity graphite blocks for use in storing solar and wind power. The ability to store energy produced by solar and wind power in off peak times for on peak utilisation has been a major hindrance to the replacement of coal/oil energy sources with zero CO₂ emission renewable energy sources and the new technology offers a possible solution to that problem.

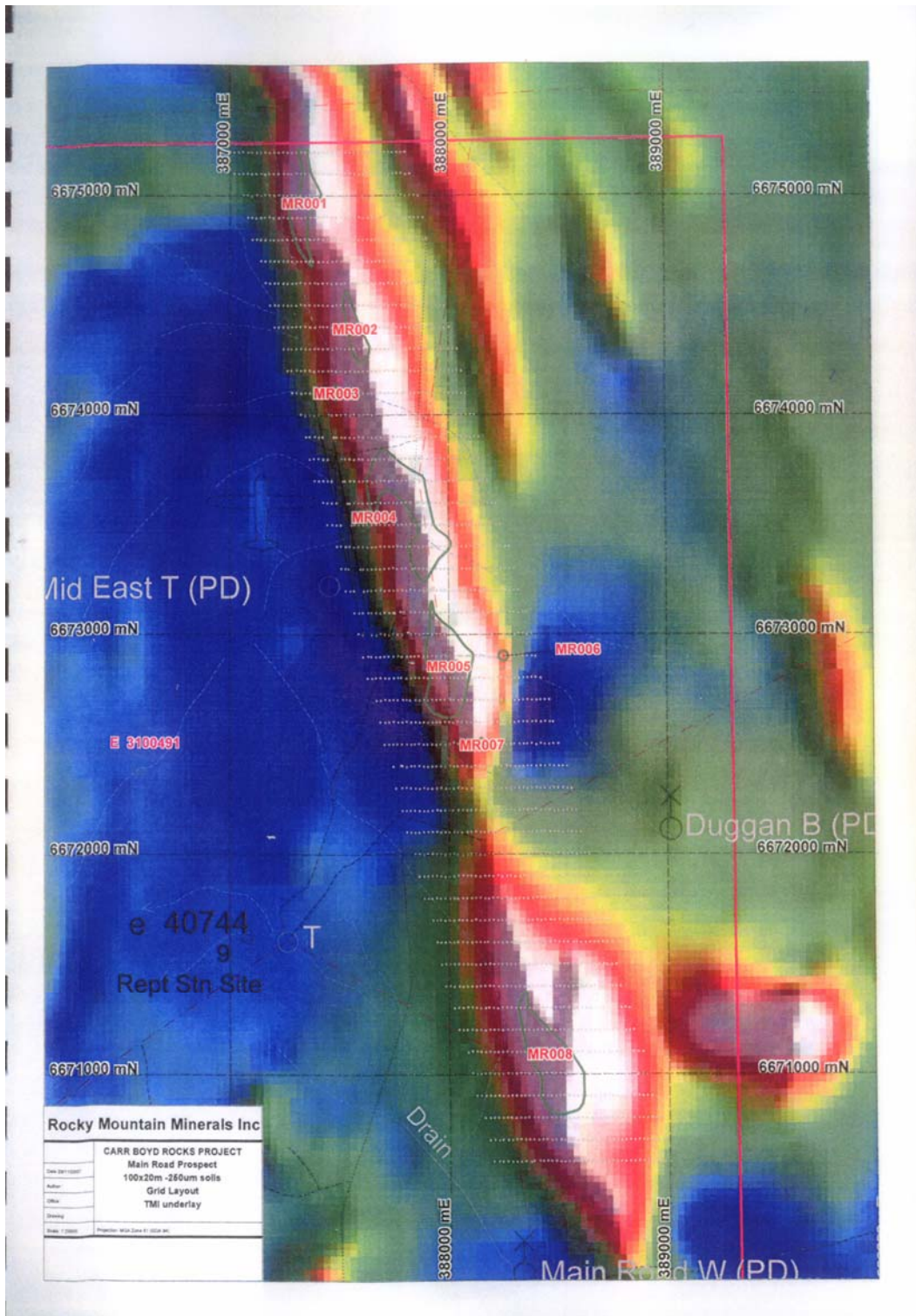
3. NICKEL EXPLORATION

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

A detailed soil geochemistry program was completed with 36 element analysis done in Vancouver. Some 8 nickel plus copper and cobalt anomalies coincident with magnetic highs and the presence of primary komatiite outcrop and/or serpentites were mapped. Selected geochemical results representative of the anomalies are set out below:-

Line	Sampled	Y	X	Au_ppb	Co_ppm	Cr_ppm	Cu_ppm	Fe_pct	Mn_ppm	Ni_ppm	Zn_ppm	NiCr	KR	Anom
44	101886	6674898	387281	0.5	62.6	631	34.5	4.4	622	545.9	43	0.87	0.69	MR001
44	101887	6674899	387302	2.1	84.9	1009	28.1	4.75	580	768.4	42	0.76	0.51	MR001
47	102023	6675199	387322	2.3	23.2	340	20.8	3.37	264	408.8	22	1.2	1.14	MR001
39	101677	6674398	387558	1.6	30	410	23.3	3.32	406	207.5	22	0.51	0.54	MR002
39	101678	6674401	387577	4.4	32.1	315	27.5	3.3	497	205.8	24	0.65	0.75	MR002
36	101538	6674101	387478	1.9	19.1	310	35.3	4.13	238	226.2	28	0.73	0.92	MR003
29	101241	6673401	387839	1.2	39	402	24.3	3.35	262	438	27	1.09	0.98	MR004
29	101242	6673398	387858	0.8	29	456	23.5	3.64	268	408	27	0.89	0.78	MR004
29	101243	6673400	387878	2.1	52.4	566	24.7	4.26	417	479.8	27	0.85	0.78	MR004
29	101244	6673400	387898	0.8	70	558	26.6	3.97	426	637.6	26	1.14	1.17	MR004
29	101245	6673398	387918	1.1	44.1	578	21.5	4.07	398	465.7	24	0.81	0.72	MR004
30	101288	6673500	387880	1.7	52.8	774	29.4	4.78	498	486.9	28	0.63	0.66	MR004
22	100931	6672701	387940	7	79.5	924	30.4	4.61	454	361.6	26	0.39	1.46	MR005
22	100932	6672702	387959	5.4	101.5	768	29.4	4.81	5.23	253.2	18	0.33	0.54	MR005
23	100978	6672801	387959	1.9	26.2	321	25	3.78	406	308.6	24	0.96	1	MR005
23	100982	6672798	388040	6.6	36.4	271	23.8	3.66	354	371.3	22	1.37	1.48	MR005
23	100983	6672801	388060	5.4	43.7	261	25	3.28	300	383.9	23	1.47	1.6	MR005
24	101023	3372902	387981	2.1	51.8	343	30.6	4.03	807	330	34	0.96	0.87	MR005
24	101024	6672899	387997	1.7	49.4	328	31.7	4	765	310.6	31	0.95	0.97	MR005
24	101025	6672900	388023	1.8	60.6	366	30.5	3.89	702	362.1	33	0.99	0.91	MR005
24	101026	6672903	388042	2.4	62.6	363	32	4.01	670	351.3	34	0.97	0.91	MR005
25	101067	6673002	387941	2.2	29.7	244	24.2	3.51	376	284.7	25	1.17	1.13	MR005
25	101068	6673000	387958	1.8	32.5	253	24.6	3.46	387	281.5	27	1.11	1.01	MR005
24	101038	6672901	388240	3	41.7	398	33.9	4.56	601	246.8	35	0.62	0.6	MR006
24	101039	6672901	388260	3.1	28.2	351	28.3	4.03	462	169.3	28	0.48	0.49	MR006
20	100852	6672498	388142	3.7	21.9	430	26.8	4.48	506	187.5	23	0.44	0.51	MR007
4	100148	6670900	388443	7.1	42.9	366	23.1	3.47	411	316.8	23	0.89	0.89	MR008
4	100149	6670900	388459	5.9	46	375	18.3	3.28	338	336	22	0.9	0.75	MR008
4	100150	6670900	388481	10.5	71.7	445	18.4	3.39	449	394.5	21	0.89	0.78	MR008
4	100151	6670902	388499	10.5	49.5	438	19.7	3.29	419	369.9	21	0.84	0.79	MR008
4	100152	6670903	388517	9.3	61.6	425	20.4	3.35	415	375	22	0.88	0.82	MR008
4	100153	6670902	388540	5.4	35.1	420	18.8	3.44	340	315.6	23	0.75	0.61	MR008

Of these anomaly 4 (500 x 250 meters), anomaly 5 (400 x 200 meters) and anomaly 8 (400 x 200 meters) are shown on the attached plan of total magnetic intensity. These 3 anomalies have been recommended to have an electro-magnetic survey conducted prior to drilling.



**3.2 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.

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.

4.4 ULEY SOUTH URANIUM PROJECT – SOUTH AUSTRALIA - EBR 100%

Field recognisance in Sept-Oct 2007 resulted in the identification of a high quality uranium resource in the Lincoln Granite which has eroded into the shoulder area of an existing lake. This higher elevation shoulder had anomalous uranium radioactivity counts and samples are being assayed.

5. CORPORATE MATTERS

5.1 The board has initiated a search for a Managing Director, but a suitable candidate has not yet been found and the search continues. In the interim, the current board is progressing the company projects.

5.2 During the quarter, the company made a loan of \$1,202,989 to a joint venture partner to assist with drilling costs. This loan was repaid to EBR on 25 January 2008.

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

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 Barr consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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")

31 December 2007

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (6 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors - Management fees received	259	259
1.2 Payments for (a) exploration and evaluation (b) development (c) production (d) administration (e) bank guarantee	(610) -- -- (174) --	(1,367) -- -- (565) --
1.3 Dividends received	--	--
1.4 Interest and other items of a similar nature received	68	158
1.5 Interest and other costs of finance paid	--	--
1.6 Income taxes paid	--	--
1.7 Other – legal fees (subsequently reimbursed to company in October) JV Contribution Sundry	380 -- --	-- -- --
Net Operating Cash Flows	(77)	(1,515)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a)prospects (b)equity investments (c)other fixed assets	-- -- (7)	-- -- (7)
1.9 Proceeds from sale of: (a)prospects (b)equity investments (c)other fixed assets	-- -- 37	-- -- 37
1.10 Loans to other entities (loan was repaid 25 Jan 2008)	(1,203)	(1,203)
1.11 Loans repaid by other entities	--	--
1.12 Other (provide details if material)	--	--
Net investing cash flows	(1,173)	(1,173)
1.13 Total operating and investing cash flows (carried forward)	(1,250)	(2,688)

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(1,250)	(2,688)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	--	--
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	--	--
	Net increase (decrease) in cash held	(1,250)	(2,688)
1.20	Cash at beginning of quarter/year to date	5,099	6,537
1.21	Exchange rate adjustments to item 1.20	--	--
1.22	Cash at end of quarter	3,849	3,849

Note – a loan repayment of \$1,202,989 was received by the company on 25 January 2008.

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	83
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	426
4.2 Development	--
Total	426

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	720	353
5.2 Deposits at call	3,129	4,746
5.3 Bank overdraft	--	--
5.4 Other (provide details)	--	--
Total: cash at end of quarter (item 1.22)	3,849	5,099

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	EL5039	Acquisition of Victorian Nickel Tenements	0%	50%
	EL5040		0%	50%


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	2,000,000	--	10c	12/12/2012
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: 31 January 2008
(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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