

Eagle Bay Resources N.L.

ACN 051 212 429

Company Announcement

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The Directors of Eagle Bay Resources NL (ASX code: EBR) are pleased to provide an update of progress concerning a Sale and Purchase Agreement with U Energy Pty Ltd (“UEP”) for Eagle Bay’s interests in three tenements near Port Augusta in central South Australia (Figure 1). Details of the Agreement were outlined in an announcement to the Australian Stock Exchange on 8th April 2008.

Under the agreement, UEP may purchase the Company’s 50% beneficial interest in EL 3538 (Tregalana), 75% beneficial interest in EL 3547 (Cultana) and 100% interest in EL3098 (Whyalla) for a consideration of 4 million fully paid ordinary shares in UEP. The sale is subject primarily to UEP obtaining access permission from the Department of Defence by the 31st August 2008 for the drilling of at least one hole to 800 metres depth, and to UEP receiving conditional approval from the Australian Stock Exchange by 31st January 2009 for its ordinary shares to be listed for quotation on the ASX.

UEP has successfully obtained conditional approval from appropriate federal government departments for access to the Cultana Training Area to conduct field exploration and drilling programs and is actively working towards satisfying the remaining conditions associated with the Agreement.

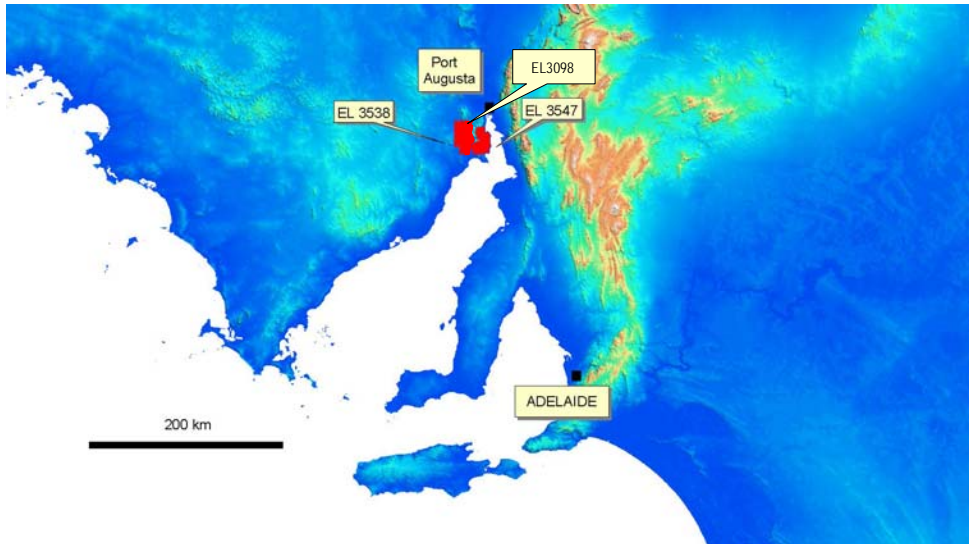


Figure 1: Location of Tregalana, Cultana and Whyalla tenements, South Australia

**BY ORDER OF THE BOARD OF
EAGLE BAY RESOURCES NL**