



20 March 2007

Company Announcements Office
Australian Stock Exchange Limited
20 Bridge Street
Sydney NSW 2000

Dear Sir

Weather Delays Drilling PEL182

The Operator Eagle Bay Resources NL has advised that all is in readiness to contract Century Rig 3 and commence drilling on PEL182.

Unfortunately the drilling rig must cross the Cooper Creek at Innamincka in order to access the planned wells Sarahlyn-1 and Vanessa-1.

A field inspection by the Manager for Oil and Gas, "confirmed flood waters coming down Cooper Creek have flooded the upper crossing east of Ballera to a depth of 2 metres and is almost level with the main Ballera Gas Centre bridge crossing on the Jackson road. This flood deviates into some 16 streams in the "Channel Country" down stream of Ballera which coalesce at the Innamincka crossing. It is not possible to predict with certainty when and at what level this flood will affect the crossing but its arrival is eminent".

Localised flooding has also closed roads in the area and access is severely restricted.

Century rig 3 has completed its recent drilling contract and is currently stacked at Moomba.

The option to the Century rig continues in force and negotiations are in hand to sign a contract with mobilisation to take place immediately access to the sites is available.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Roper', is written over the typed name.

GARY J ROPER
Managing Director