

First Floor, 14 Outram St West Perth
PO Box 913 West Perth Western Australia 6872

Telephone: (08) 9481 3322
Facsimile: (08) 9481 3330

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FOURTH QUARTER ACTIVITY REPORT TO 30 JUNE 2003

THE COMPANY'S ACTIVITIES

1. GOLD EXPLORATION

COPPER/GOLD EXPLORATION DRILLING COMPLETED

Myall Creek Copper Deposit, South Australia
(EBR Earning 75% Interest)

Introduction

Eagle Bay Resources N.L. has signed a letter of agreement with Minotaur Resources Limited regarding a farm-in to a copper/gold prospect located at Myall Creek, which is strategically located in the Olympic Copper-Gold Province. This mineral belt is about 400 kilometres long, stretching from Minotaur's Prominent Hill discovery in the north, through the Olympic Dam, Mount Gunson and Cattlegrid mines to the old Wallaroo and Moonta mines in the south. The Myall Creek deposit is approximately half way between Olympic Dam and Moonta/Wallaroo.

Drill Results

Three dimensional gravity modelling of newly recorded data has defined an attractive size target, which was drilled late last month. The geophysically definite horst was mineralised and encountered at the predicted depth. Assays are awaited. Further gravity surveying along trend of this horst is expected to result in further drilling this year.

2 OIL AND GAS EXPLORATION

GIPPSLAND BASIN OFFSHORE VICTORIA

(EBR 100% and Diluting) VIC/P41 and VIC/P47

Drill Program – 2 Wells

Two separate 3D Seismic surveys (including a survey by Esso Australia Limited) at a cost of some \$6 million have now been completed at no cost to Eagle Bay within VIC/P47. Bass Strait Oil Company Limited (BSOC) has exercised its option over VIC/P47 and is required to drill the Moby prospect (previously known as East Patricia), prior to 27 November 2003, estimated to cost \$6 million, to earn a 75% interest in the permit. To extend this date BSOC would need Government approval which would normally require a firm contractual commitment to the next available drilling rig in order to satisfy the Government work obligations on the permit. BSOC has selected Labrador-Petro-Management Pty Ltd as contractor to provide drilling management services to BSOC for the well.

Lakes Oil NL have completed a Falcon geophysical survey and seismic mapping on the Gilbert structure in VIC/P47 and have committed to drill the prospect within 30 days of the drilling of Moby to earn a 80% interest, 10% free carried to casing point accrues to BSOC and 5% free carried and 5% contributing to EBR. Exact drilling dates will be advised when rig contracts are executed and all environmental and State Government lease conditions have been finalised.

In VIC/P41 BSOC has further committed to pay the cost of a 250²km 3D seismic survey (estimate A\$3 million) to satisfy the Year 5 work commitment on that permit. This will increase BSOC equity in the permit to 75% with Eagle Bay 25% free carried.

2.1 VIC/P47 – Exploration Status Report

Seismic Interpretation and evaluation

Mapping continued over VIC/P47 and a prospect, Moby, has been defined in the permit. The status of mapping is described below:

The following significant seismic events and markers were correlated from well to seismic:

- Top Gurnard Formation Reservoir from Baleen-1 and Patricia-1
- Top Volador Formation after A Partridge correlation in Judith-1
- Top Strzelecki Group in all wells, equals Top Emperor in Judith-1
- In addition, an event at the base of the Gippsland Limestone was interpreted.

The most significant observation on the 3D dataset is that the top Gurnard formation reservoir sequence is nearly always marked by a decrease in acoustic impedance contrast relative to its overburden. When the Gurnard reservoir is gas bearing, as in the Patricia and Baleen Fields, the event experiences a sharp drop in acoustic impedance compared to water filled sands.

This significantly increases the confidence in its interpretation and identifies areas most likely to be gas filled.

The data were exported to Petrosys.

Depth structure maps have been produced for the following horizons:

- Top Gurnard Formation Reservoir
- Top Volador Formation
- Top Strzelecki Group

Well Planning

On 25 June 2003 BSOC and Labrador-Petro-Management Pty Ltd (LPM) executed a contract whereby LPM agrees to provide drilling management services to BSOC, including for the VIC/P47 Year 2 well.

Tom Brand of LPM visited BSOC offices from 24 – 26 June 2003 inclusive. The visit was one of reconnaissance – to meet BSOC staff, to familiarise himself with VIC/P47, and obtain information on previous wells drilling in the area.

At month's end LPM was engaged in reviewing offset well data and preparing an updated assessment of rig availability and demand for the Bass Strait.

2.2 VIC/P41 Exploration Status Report

Seismic Acquisition

On 3 June 2003, following acquisition data for the GBS02 2D seismic survey the following basic data was received from Santos Ltd:

1. Field data tapes.
2. Processed navigation data.

BSOC continues to monitor seismic vessel availability with respect to the VIC/P41 3D seismic commitments.

Seismic processing

On 6 June 2003, processed data was received for the GBS02 survey from Santos, in several formats:

1. Raw and Final, Filtered and Scaled PSTM Stacks.
2. Processing Report on CD.
3. Final Migrations (CGM files) on CD.
4. AVO Attributes in SEG Y format on CD.

Seismic interpretation and evaluation

On 10 June 2003, loading of GBS02 2d data onto the workstation began. The top Latrobe horizon was interpreted on the new lines, and faults were mapped. Horizons and faults were exported from IESX and imported into Petrosys. Preliminary TWT maps at Top Latrobe, Top Kate Shale and Top Golden Beach have been produced.

3. ULEY GRAPHITE MINE (EBR 100%) PORT LINCOLN SOUTH AUSTRALIA

3.1 History of Company's Graphite Mine

The Uley Graphite project contains a world class resource of high grade flake graphite. The reserves and resources are sufficient to support a mine life in excess of 100 years. Uley is located 23km from Port Lincoln and is well served by existing infrastructure including an established deep water port.

During the early 1990's, approximately \$14 million was spent by Pittston Mineral Ventures, our previous North American joint venture partner, on the construction and commissioning of a 14,000 tonnes per annum capacity processing plant.

An option agreement has been entered into with Mr Jeff Hull the original owner of the mine whereby he has paid a non refundable deposit, and pays all operating costs while he conducts due diligence until 23 September 2003 when a further payment of \$250,000 is required to extend the option.

The information contained in this Report as it relates to mineralisation is based on information compiled by Mr A Rechner who is a Director and a competent person as described in Appendix 5A to the ASX Listing Rules. The report accurately reflects the information compiled by Mr Rechner. Mr Rechner has been involved in several oil discoveries in his 30 years as a geologist including as operations manager for West Australian Petroleum and Chevron Oil in North Africa. Mr Rechner's previous involvement as Chairman and Managing Director of Windsor Resources NL, Brunswick NL and Geographe Resources Ltd resulted in these company's evolving from small explorers to major producers at Mount Percy, Galtee More and Chalice respectively.

Anthony Rechner

Director

For Further Information Please Contact

Mr Anthony Rechner
Eagle Bay Resources N.L.
Ph: (08) 9481 3322
Fx: (08) 9481 3330
Email: ebr@indigo.net.au

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97.

Name of entity

Eagle Bay Resources NL

ACN or ARBN

051 212 429

Quarter ended ("current quarter")

30 June 2003

Consolidated statement of cash flows

		Current quarter \$A'000	Year to date (9 months) \$A'000
Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors		
1.2	Payments for (a) exploration and evaluation	(91)	(395)
	(b) development	(18)	(121)
	(c) production	—	—
	(d) administration	(100)	(375)
1.3	Dividends received	—	—
1.4	Interest and other items of a similar nature received	6	19
1.5	Interest and other costs of finance paid	—	—
1.6	Income taxes paid	—	—
1.7	Reallocation to financing	—	—
1.8	Net GST Refund/(Paid)	(7)	(5)
Net Operating Cash Flows		(210)	(877)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a)prospects	—	—
	(b)equity investments	—	—
	(c)other fixed assets	—	—
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	—	—
1.12	Other (provide details if material)	—	—
Net investing cash flows		—	—
1.13	Total operating and investing cash flows (carried forward)	(210)	(877)

1.13	Total operating and investing cash flows (brought forward)	(210)	(877)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	786	1,118
1.15	Proceeds from sale of forfeited shares	—	—
1.16	Proceeds from borrowings	—	—
1.17	Repayment of borrowings	—	—
1.18	Dividends paid	—	—
1.19	Capital raising costs	(58)	(71)
	Net financing cash flows	728	1,047
	Net increase (decrease) in cash held	518	170
1.20	Cash at beginning of quarter/year to date	244	592
1.21	Exchange rate adjustments to item 1.20	—	—
1.22	Cash at end of quarter	762	762

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	118
1.24 Aggregate amount of loans to the parties included in item 1.10	—

1.25 Explanation necessary for an understanding of the transactions

Fees for Technical and management services

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

None

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

None

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	50
4.2 Development	15
Total	65

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	23	(8)
5.2 Deposits at call	739	252
5.3 Bank overdraft	—	—
5.4 Other (provide details)	—	—
Total: cash at end of quarter (item 1.22)	762	244

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 Issued during quarter				
7.3 +Ordinary securities	117,912,935	117,912,935		
7.4 Issued during quarter	39,304,300	39,304,300		
7.5 +Convertible debt securities <i>(description and conversion factor)</i>				
7.6 Issued during quarter				
7.7 Options <i>(description and conversion factor)</i>	100,000	—	<i>Exercise price</i> 39c	<i>Expiry date</i> 24/11/2005
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: 25 July 2003
(Company Secretary)

Print name: Paul Fromson

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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