



Company Announcement

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THIRD QUARTER ACTIVITY REPORT TO 31 MARCH 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

The Company is busy acquiring and maturing a portfolio of exploration assets which ensure a diversified supply of immediate, short-medium and longer term opportunities. The directors believe that success in any one or more of these assets would add significant value to our shareholders. The recent capital raising ensured we are in a sound financial position to fund ongoing work and take advantage of new opportunities while maintaining a capital structure which gives shareholders significant leverage to exploration success.

Please review the details below noting the increase in Uranium, Nickel, Copper & Gold tenements, progress with Uley Graphite, as well as the exciting deepwater Offshore Gippsland permit and the current drilling on PEL-182.

1. OIL AND GAS EXPLORATION

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

Century Rig-3 has been mobilised from Moomba to the first drilling site and Century spudded the first well on 16 April 2007. During drilling, daily reports will be sent to the ASX.

Eagle Bay makes no representation that oil and gas is present but mathematical calculations based on the assumptions stated are expressed in the table below if oil and/or gas is present.

	Discovery value/ share (cents)	Prospect		Whole Prospect NPV A\$M
		Oil MMBO	Gas BCF	
Sarahlyn-1	29	9	-	225
Vanessa (gas)	2	-	10	15
Michelle	13	4	-	100
Jasmine	20	6	-	150

General assumptions

- EBR's interest 66% free carried to commercial production
- Gas pipe line length 4 km
- Issued cap 288m shares – no option exercise dilution
- No oil is found in Vanessa

Price assumptions

A \$/Barrel		A \$/GJ	
Cooper Oil	Spot Oil	Cooper Gas	Spot Gas
\$25	\$76	\$1.50	\$2.50

Geological Summary

Sarah-Lyn No. 1 – is a simple 4 way dip closure 4 km south west of the Tarragon oil well which flowed a cumulative 2,000 barrels of oil per day on initial test, 3.5 km south of the Emily-1 well where the production of a few barrels of oil on test is being evaluated and 1km north west of the off structure Coruna 1 well. The Tarragon 1 and Coruna 1 wells intersected excellent Jurassic Hutton Sandstone and Poolowanna Formation Reservoirs, and Triassic Tinchoo Formation reservoirs. The Coruna 1 well recorded a wireline log resistivity anomaly in sand within the Poolowanna Formation. The prospect is closed at depth at Top Triassic-Tinchoo and Poolowanna Formations and at Near Top Birkhead-Hutton Sandstone. It is ideally located with respect to hydrocarbon recharge. The oil reserves are Hutton – 1 mmbbls, Poolowanna – 4 mmbbls, Tinchoo – 4 mmbbls. The risk of finding oil is 1 in 5 for each of the above objective levels.

Vanessa No. 1 – lies 4 km south east of the producing Pennie gas field. The lead lies on a pronounced south east – north west trending structural nose. It is ideally located with respect to hydrocarbon charge and is located only 4 km from the existing gas infrastructure. The Pennie 1 well tested 18.9 mmCFD of gas from the Epsilon formation and intersected 6.7 metres of net gas pay in the Epsilon formation, 10.4 metres of net gas pay in the Toolachee Formation and 1.5 metres of net gas in the Patchawarra Formation. The lead is geologically low risk although it is not optimally defined due to seismic uncertainties and therefore structurally medium risk. The P50 gas reserves are 10 Bcf and the risk of finding gas is 1 in 2. The chances of finding oil have not been considered in the above table even though the well is down dip of the Pennie field.

Jasmine No. 1 – Lies 6 km up dip from the Darter 1 well. Darter 1 intersected a single 9.1 metre sand that exhibited 80% visual oil fluorescence in cutting and side wall cores from the Patchawarra Formation. The sand is sealed vertically by 36.5 metres of overlying inter-bedded claystone and coals and is underlain by 18.3 metres of inter-bedded claystone and coals. The sand is well developed, clean, very fine – fine grained, well sorted, hard. The well was not tested. The play type for Jasmine is a truncation of

the Patchawarra Formation by the Daralingie Unconformity. The Patchawarra “oil sand” is truncated up dip and forms an accurate shaped closure. The closure covers an area of 17 km² and has a verticle height of 60 milliseconds with 10 metres of net pay. The P50 oil reserves are 6 mmbbls and the risk of finding oil is 1 : 5.

Michelle No. 1 – Lies 3 km west and up dip from the Arosa well. Arosa 1 intersected well developed clean sands of the Merrimella Formation – Tirrawarra Sandstone section that had fair to good oil shows of up to 10% visual oil fluorescence. The sands are very well developed, clean, fine-very coarse, poorly sorted, hard friable to loose in part. The well was not tested. The play type for Michelle is the onlap of the Merrimella Formation – Tirrawarra Sandstone interval with the possible truncation of the interval by the overlying Daralingie Unconformity. The closure at Michelle covers an area of 13sq km and has a verticle height of 35 metres with 10 metres of net pay. The P50 oil reserves are 4 mmbbls and the risk of finding oil is 1 in 7.

Emily Re-entry – EKR No.1

A detailed study to evaluate the oil discovery in our first well Emily No 1 is underway and the hole is cased to below the level of oil production which will facilitate any further development.

1.2 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 commercial potential of Judith is being evaluated in a scoping study the first draft of which was received on 13 April 2007. The project was presented for farmout at the APPEA conference in Adelaide April 16-18, 2007.

1.3 VIC/P41 - EBR 25% (Diluting to 17.5% Free Carried for the drilling of the first well)

GIPPSLAND BASIN OFFSHORE VICTORIA

The 500km² 3D seismic using the Western Trident has been completed by the operator pursuant to their earning requirements in the permit. A status report on processing and interpretation has been received. Final interpretation is complete 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 is to be mapped over VIC/P41 to enhance the farmout presentation by the operator at the APPEA conference.

2. NICKEL EXPLORATION

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

A Geochemistry review has been received which defined 5 targets. Field investigation is planned for the last week of April to finalise the ongoing exploration.

2.2 VICTORIAN JOINT VENTURE EL 5039 AND EL 5040 (EBR 50% AND CONTRIBUTING)

Eagle Bay is “First in time” on the above application areas in Victoria and awaits relevant state authority granting of the permits. The areas were applied for on the basis of a review of prior base metals exploration by CRA and others on known Greenstone belts exhibiting anomalous Nickel geochemistry some under sufficial cover. These areas were two of our top three selections in Victoria and demonstrate superior ground availability in Victoria as apposed to Western Australia.

2.3 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.

3. ULEY GRAPHITE MINE - PORT LINCOLN, SA (EBR 100% and diluting to 25% free carried to commercial production)

The Uley Graphite project contains a world class resource of high grade flake graphite. Uley is located 23km from Port Lincoln and is well served by existing infrastructure including an established deep water port. Some \$14 million has been spent on mining and the processing plant. The farminee’s due diligence ends on or before 9 May 2007 at which point they must pay EBR \$200,000 and commit to \$400,000 expenditure to earn an option which on exercise will bring the plant into commercial production with a take of pay contract on graphite produced.

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%)

Minotaur had agreed to operate the first phase drilling over the Falcon™ defined targets. Access negotiations made little progress and have recently recommenced under a new formal Exploration Licence. The application has been made to test a number of Falcon gravity anomalies.

4.2 MYALL CREEK JOINT VENTURE EL 3538 (formerly EL 2800) WHYALLA SOUTH AUSTRALIA (EBR 50%, Minotaur 50%)

Trial electrical geophysical surveys at the Myall Creek copper prospect, discovered in 1975 by Australian Selection Pty Ltd, were able to delineate mineralization recorded in historic drilling. Additional electrical geophysics have been undertaken to map key features in the subsurface. Some \$75,000 of State Government funding has been attracted on the basis of the project’s geology. Drilling is planned in Minotaur’s current drilling program.

4.3 MUNGLINUP URANIUM EXPLORATION APPLICATIONS 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 which will be field tested with the company's new uranium spectrometer.

5. VO6-4 OFFSHORE GIPPSLAND BASIN (EBR 100%)

This permit has been offered and accepted. A large deep water structure is being reviewed with a report due in early July 2007.

6. PROSPECTUS

The company has concluded a pro rata 1:4 issue of 57,644,500 shares and free attaching options (EBROA) to raise \$3,458,670 (before underwriting fees) underwritten by KEFU Underwriters P/L.

***Disclaimer:** The hard rock and mineral information in this report to the extent it is not copied from other Joint Venture partners is based on information compiled by Mr Anthony Rechner who is a geologist 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 Anthony Rechner.*

The Oil and Gas information on VIC P41/47 is supplied by the Operator BAS and the VIC/P47 text has been compiled by Mr John Roy. 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 and a consultant Mr Eric Tucker.

Both Mr Eric Tucker and Mr I R Barr and most other publicly listed oil exploration companies use the words "P50 Reserves" in regard to an undrilled exploration prospect. These words indicate the unrisksed oil or gas potential of a prospect if oil or gas is present and do not comply with the definition of reserves as set out in the JORC code which is a reporting code for mineral and coal exploration not for oil and gas exploration. Statements attributed to third parties do not necessarily reflect the opinions of Eagle Bay Resources but are statements by qualified people on the public record and are included for completeness of the company's obligations under continuous disclosure.

The contents of this report are not and should not be used as a substitute for independent professional advice in making an investment decision involving Eagle Bay Resources NL or any of its associated entities. This is particularly true for online and day traders who do not access the professional advice available from licensed stockbrokers and consequently investment in this company's securities may not be an appropriate investment. The company does not give 'plain English' translation of technical reports. Eagle Bay Resources NL shall not be liable and the reader shall indemnify the company and its Directors for any loss or damage caused by or owing directly or indirectly as a result of the reader's use of the information contained within the documents that comprise this report without first accessing professional advice.

Chapter 19 “definitions” of the ASX listing rules indicate a “pre hydrocarbon reserve stage” however no hydrocarbons are claimed to be present.

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

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 March 2007

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	--	296
- Management fees received		
1.2 Payments for (a) exploration and evaluation	(895)	(1,398)
(b) development	--	--
(c) production	--	--
(d) administration	(321)	(678)
(e) bank guarantee	--	(26)
1.3 Dividends received	--	--
1.4 Interest and other items of a similar nature received	65	178
1.5 Interest and other costs of finance paid	--	--
1.6 Income taxes paid	--	--
1.7 Other		
JV Contribution	--	460
Sundry	--	2
Net Operating Cash Flows	(1,151)	(1,166)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a)prospects	--	--
(b)equity investments	--	(110)
(c)other fixed assets	(12)	(19)
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	--	377
1.12 Other (provide details if material)	--	-
Net investing cash flows	(12)	248
1.13 Total operating and investing cash flows (carried forward)	(1,163)	(918)

1.13	Total operating and investing cash flows (brought forward)	(1,163)	(918)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	3,286	3,286
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		3,286	3,286
Net increase (decrease) in cash held		2,123	2,368
1.20	Cash at beginning of quarter/year to date	4,437	4,192
1.21	Exchange rate adjustments to item 1.20	--	--
1.22	Cash at end of quarter	6,560	6,560

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	94
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	1,026
4.2 Development	--
Total	1,026

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	168	628
5.2 Deposits at call	6,392	3,810
5.3 Bank overdraft	--	--
5.4 Other (provide details)	--	--
Total: cash at end of quarter (item 1.22)	6,560	4,438

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	V06-4	Interests in mining tenements acquired or increased	0%	100%


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	57,644,500	57,644,500		Fully paid
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	57,644,500	57,644,500	15c	30/6/2009
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: 19 April 2007
(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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