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Vic/P41 – Gippsland Basin, Australia**
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EAGLE BAY ENTERS INTO FARMIN AGREEMENT
VIC/P41 – GIPPSLAND BASIN, AUSTRALIA

Eagle Bay Resources NL (“Eagle Bay”) (ASX Code : EBR) advises that Oil Basins Limited (ASX Code : OBL) has entered into a Farmin Agreement with Eagle Bay whereby Oil Basins may earn a 7.5% interest in Vic/P41.

Pursuant to the Farmin Agreement Oil Basins is required to:

- (1) fund 18.75% of the costs associated with the drilling of the next well in Vic/P41;
- (2) pay \$500,000 for backcosts incurred to date including shooting and processing of the Oscar 3D seismic. This amount has now been paid to Eagle Bay; and
- (3) pay pro rata (7.5%) of the Vic/P41 joint venture costs incurred between 3 April 2006 and the date of commitment to drill the next well in Vic/P41.

The farmin well promote costs (18.75%) due by Oil Basins with respect to the 7.5% interest will be capped at an amount of \$2,437,500 (ie, total well cost of \$13,000,000). Thereafter, such well costs shall be funded pro rata as to 7.5% by Oil Basins.

The farmin transaction is subject to the necessary consents pursuant to the Petroleum (Submerged Lands) Act.

The present participants in Vic/P41 are:

Bass Strait Oil Company Ltd (Operator)	40%
Moby Oil & Gas Limited	30%
Eagle Bay Resources N.L.	25%

Following conclusions of all formalities and the earning of the interest, Eagle Bay’s interest in Vic/P41 shall reduce from 25% to 17.5%.



Anthony Rechner
Chairman