

ASX

RELEASE

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ABN: 56 123 102 974

ASX: DSN
Large Diversified
Exploration Portfolio In
Western Australia

Substantial Shareholder
Aurora Minerals Limited
40%

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Dalgety Prospect 2 oz/tonne Gold Rock Chip Sample

Camel Hills Joint Venture Update

Copper/Gold Exploration Highlights

- Dalgety prospect yields further high grade gold and copper up to 62g/t Au (~2oz/t) and 3.9% Cu in surface rock chip samples
- Drilling to commence in Q4 2011 subject to necessary approvals
- Helicopter supported field reconnaissance identifies several new gold and copper targets

Desert Energy Limited is pleased to report on follow up prospecting at its Camel Hills Joint Venture project located in the central mid-west region of Western Australia (Figure 1).

In August this year the company reported significant copper and gold rock chip samples (with grades up to 5% Cu and 3.7g/t Au) from the Dalgety Copper tenement E09/1718. Follow up work has returned further excellent surficial samples as in the table overpage. The high grade copper and gold mineralisation occurs in broadly east-west striking gossanous quartz veins over a strike length of approximately 500m. Drill targets are now being prepared for a campaign expected to commence later in the 2011 field season (subject to obtaining necessary consents).

The Dalgety Copper-Gold prospect covers approximately 12kms of the regional Deadman Fault which hosts a number of zones of anomalous gold and copper mineralisation. Several copper occurrences and a portion of the prospective Mt James Formation also occur on the tenement.

Gascoyne Resources Limited has announced a significant gold resource directly southwest of the Dalgety tenement. There the gold occurs in ferruginous quartz filled shears generally striking ~070° which appear to be represented on the magnetic images as distinct highs, running off the Deadman Fault. There are several similar features on Desert's E09/1718 tenement which contain quartz veins with associated copper sulphides/oxides and ferruginous staining; some have associated alluvial gold workings. One major system running over a strike length of over 500m consists of outcrops of malachite stained quartz with disseminated pyrite and chalcopyrite, very gossanous quartz and numerous small pits and shafts.

From one such location Desert geologists collected the 2oz/t rock chip (see table overpage).

Desert conducted reconnaissance rock chip sampling over the tenements in June (refer ASX announcement 10 August, 2011) and followed up with 2 more campaigns in July-early September. Highlighted samples which returned high grade copper and gold values are shown in the table below:

Camel Hills West Dalgety Copper/Gold				E09/1718
Easting MGA	Northing MGA	Au g/t	Cu %	Comments
424278	7200853	62.8	0.08	Light brown quartz with abundant pyrite clasts, Fe staining and boxworks, minor malachite
424128	7200746	1.4	1.17	Laminated quartz biotite rock, laminae and veinlets of quartz, Fe spots trace malachite on veinlets
424266	7200802	1.1	3.88	Light brown quartz with abundant pyrite clasts, Fe staining and boxworks, minor malachite
423901	7200674	0.6	0.12	White quartz with common pyrite clasts and Fe stains, sulphide stains, minor malachite
423843	7200700	0.5	1.57	White and brown quartz, pyrite clasts, Fe and sulphide stains, minor malachite and cuprite
424216	7200774	0.3	1.08	Light brown quartz with abundant pyrite clasts, Fe staining and boxworks
<i>results previously reported</i>				
424123	7200745	1.8	5.04	White quartz with disseminated blebs of cuprite, malachite and azurite
424100	7200711	2.2	4.83	White quartz with disseminated blebs of cuprite, malachite and azurite
424178	7200761	0.8	4.13	Gossanous quartz, minor cuprite and malachite spots
424063	7200710	3.7	2.54	White quartz with disseminated blebs of cuprite, malachite and azurite
423835	7200694	2.2	0.73	Brown white quartz with abundant Fe filled clasts and boxworks, malachite staining

Selected Rock Chip samples collected from tenement E09/01718

Prospecting is ongoing including a recently completed helicopter survey of locations not easily accessible by vehicle. Several new copper and gold targets have been identified and further rock chip samples of prospective outcrop and subcrop have been submitted for assay.

Necessary consents are now being obtained to commence a reverse circulation drill program scheduled for Q4 2011.

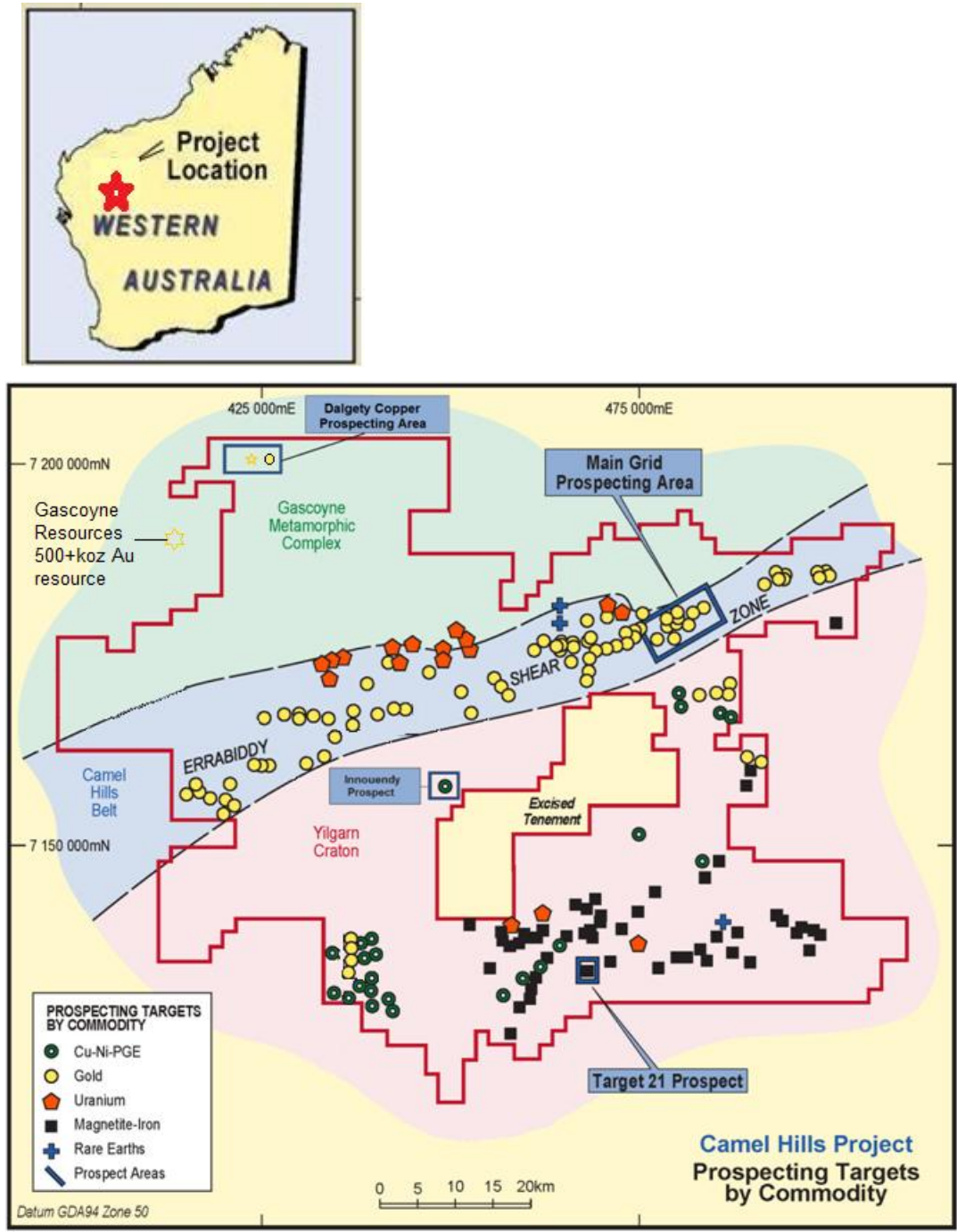
Camel Hills Joint Venture

Under the terms of the joint venture agreement, Desert can earn a 51% interest in the Camel Hills Project from Aurora Minerals Limited by sole funding the first \$3.8 million of exploration expenditure. Desert can elect to continue sole funding to earn an additional 19% interest in the project, for a total 70% interest.

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Robert Taylor
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Figure 1: Camels Hills Location Map showing Prospecting Targets by Commodity



The information in this presentation that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Dr Robert S Taylor, a Member of The Institute of Materials, Minerals and Mining. Executive Director of Aurora Minerals Limited and Desert Energy Limited, Robert Taylor, consults to the Companies through his consulting company Able Kids Pty Ltd.

Robert Taylor has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as Competent Persons as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Robert Taylor consents to the inclusion in the presentation of the matters based on this information in the form and context in which it appears.

The Company's website (www.desertenergy.com.au) is recommended reading for interested market watchers, brokers and investors. The website contains information on the Company's projects, project maps, a list of the Company's announcements to ASX, information on Native Title (including the tenement grant process and heritage surveys), the legislative environments under which the Company operates, Corporate Governance, a section on risks, many of which are common to exploration companies, and other useful information. A list of the Company's announcements is also obtainable from the Australian Securities Exchange.

If you would like copies of announcements emailed to you, please contact Ken Banks.