



8 August 2007

Company Announcements Office
ASX Limited
PO Box H224 Australia Square
SYDNEY NSW 2000

Dear Sir/Madam

**Condition Precedent for the Official Quotation of 40,000,001 Ordinary Shares:
Statement Providing Confirmation and Completion of the Sale Agreement with
Aurora Resources Pty Ltd**

We confirm that all conditions to the Sale Agreement between Aurora Resources Pty Ltd and the Company ("Sale Agreement") which must be satisfied before completion of the sale of the granted exploration licences the subject of that Sale Agreement have now been satisfied or waived.

We confirm that completion of the sale of granted exploration licences 08/1674, 09/1316, 09/1334, 09/1348 to 1352, 09/1360, 09/1366, 09/1367, 51/1153, 51/1171 and 51/1172 has occurred in accordance with the Sale Agreement. The Minister for Industry and Resources has consented in writing to the transfer of such granted exploration licences. At the time of completion, an amount of approximately \$73,346.60 was paid by the Company to Aurora Resources Pty Ltd by way of consideration for the purchase of such granted exploration licences (being reimbursement of certain expenses as specified in the Sale Agreement). The granted licences referred to above are those for which the funds raised will be utilised.

In relation to the balance of the applications of exploration licenses which are the subject of the Sale Agreement, completion of the sale of such exploration licenses in accordance with the Sale Agreement will occur once such exploration licences are granted under the Mining Act and the Minister for Industry and Resources has consented under section 64 of the Mining Act to the transfer of such exploration licences.

Yours sincerely

Peter Rutledge
Company Secretary
Desert Energy Limited