

# ASX RELEASE

7 October 2008

**The Largest Calcrete  
Uranium Exploration  
Portfolio In Western  
Australia**

Website

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## OLD STATION PROJECT

### DRILLING INTERSECTS CALCRETE UP TO 24 METRES THICK ASSOCIATED WITH MAJOR URANIUM CHANNEL RADIOMETRIC ANOMALY

Desert Energy Limited is pleased to announce excellent drilling progress on its 100% owned Old Station West Project (Exploration Licence 57/672) where it is targeting Yeelirrie style uranium mineralisation associated with calcrete.

Drilling commenced late last week and the Company has received drilling logs for the first 3 drill lines. Each of the drill lines has intersected wide, thick zones of the target calcrete.

The calcrete, which is up to 24m thick, had not been previously identified on geology maps as it is buried beneath 1 to 3 metres of sand and soil.

Old Station West project is 150km southwest of the Yeelirrie Deposit located in the northeast Yilgarn region of Western Australia. Yeelirrie is the world's largest known calcrete uranium deposit.

Calcrete is also closely associated with the uranium mineralisation at the Anketell Uranium Deposit located 30kms to the north of Old Station West.

A large, 15 km long uranium-channel radiometric anomaly (refer to attached radiometric map) is guiding Desert Energy in targeting this drilling program.

The radiometric anomaly, identified in a sensitive airborne survey conducted by the Company earlier this year, appears to be following the southern, near-surface expression of the large calcrete body which is being identified in this drilling program.

From the drill hole logs the calcrete appears to continue and thicken markedly to the north of the radiometric anomaly, where it is buried under the sand.

## **Drilling Program Details**

Drilling is being conducted on lines spaced 1,600m apart with holes spaced between 100m and 200m along each line. To date 49 holes have been drilled for a total of 1,066 metres. The current average logged hole depth is 23 metres.

Preliminary logging of the first 3 lines of drilling has identified wide zones of calcrete between 900m and 2,000m in width.

Thickness varies between 1m and 24 thick, averaging approximately 9m.

The calcrete body remains open to the west, east and north under sand covered paleodrainages and more drilling will be required to test how far it extends. The current drill program is planned to continue tracking the calcrete to the east along the radiometric anomaly (see Radiometric image).

Radiogenic granites are noted to the north and south of the calcrete basin at Old Station West and are potential source rocks for uranium.

Further assessment of the geology is ongoing.

## **Assay Results**

Standard 4 metre composite drill samples will be sent to the laboratory in Perth for assay at the conclusion of the program. Duplicate samples from selected holes will be sent to a separate laboratory for quality assurance.

## **The exploration model**

The identification of extensive calcrete in an area of widespread soil and sand cover gives further weight to the Company's exploration model which is to focus on areas hidden under cover in similar interpreted geological settings to that of the Yeelirrie deposit.

This is the second drill campaign undertaken by Desert Energy, the first being at Downs East where assays are currently awaited. Both drilling campaigns have identified large bodies of calcrete under sand and soil cover and represent only a small part of the Company's portfolio of uranium channel radiometric targets for calcrete uranium mineralisation.

At Old Station West Project, Desert Energy also holds Exploration Licence application E58/368, which lies immediately west of E57/672, and which covers a further 5km of strike extension to the uranium-channel radiometric anomaly as shown on the attached map.

Robert Taylor  
Executive Director

Garry O'Hara  
Executive Director

The information in this report 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 and Mr. Garry P O'Hara, a corporate member of the Australasian Institute of Mining and Metallurgy.

Robert Taylor and Garry O'Hara are both executive directors of Desert Energy Limited and consult to the Company through their respective consulting companies Able Kids Pty Ltd and Anketell Pty Ltd.

Robert Taylor and Garry O'Hara have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are 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 and Garry O'Hara consent to the inclusion in the report of the matters based on his information in the form and context in which it appears.

*The Company's website is recommended reading for interested market watchers, brokers and investors. The website contains information on the Company's projects including maps, a list of the Company's announcements to ASX, information on Native Title (including the tenement grant process and heritage surveys) including in the Desert Energy Prospectus, 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 Stock Exchange website at [www.asx.com.au](http://www.asx.com.au)*

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

665 000mE

685 000mE

**DESERT ENERGY LIMITED**  
**OLD STATION WEST PROSPECT**  
**RADIOMETRIC ANOMALY**



**20km**



6 880 000mN

6 870 000mN

E58/368

E57/672

Sand  
Cover

Sand  
Cover

Calcrete

**15km Strong Uranium Channel  
Radiometric Anomaly**

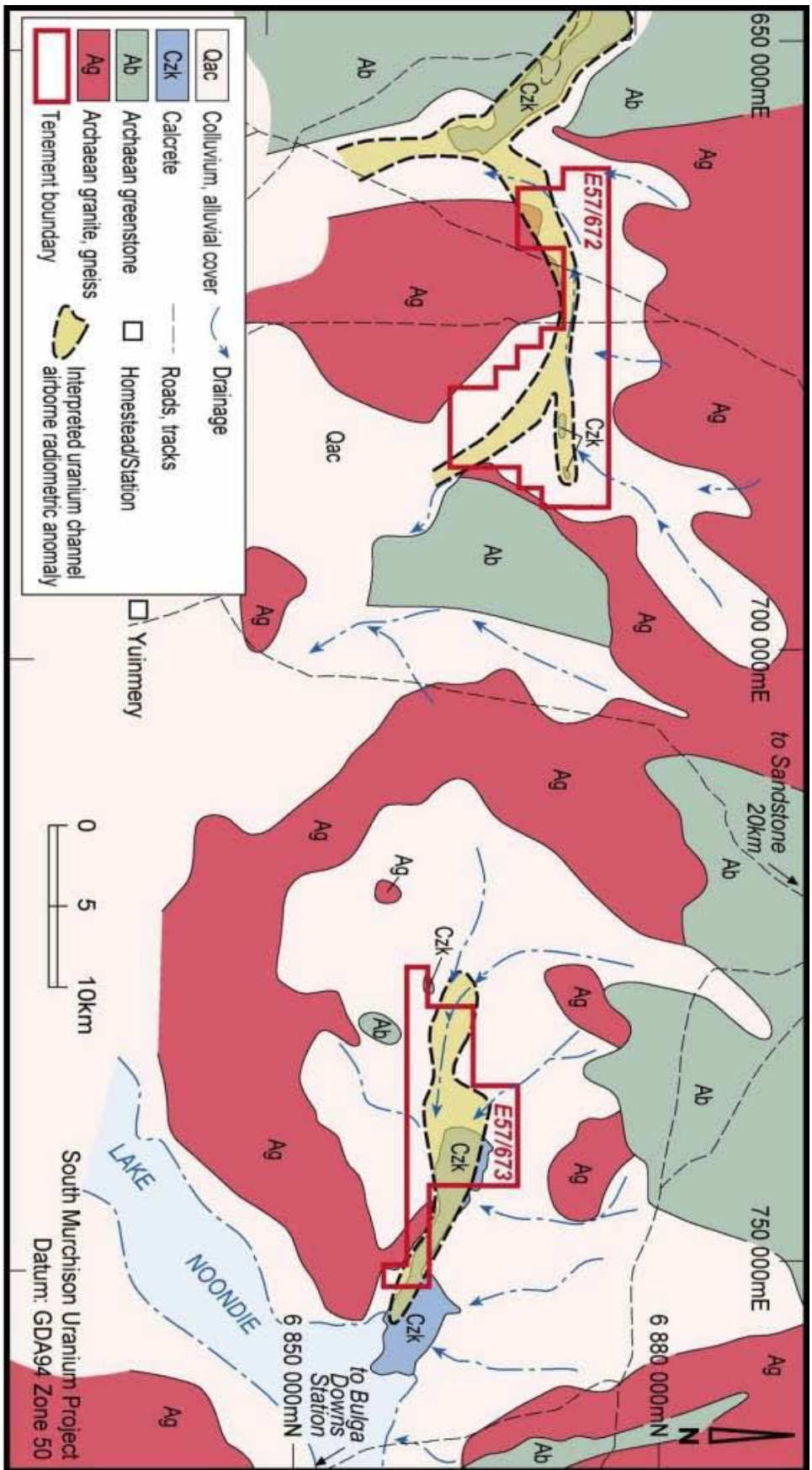
High Red  
Medium Green  
Low Blue

665 000mE

685 000mE







# Old Station Prospect

**Old Station West Drilling - October 2008  
Showing Calcrete Thicknesses**

Hole ID	Line No	Easting	Northing	Depth of Hole (m)	Calcrete Thickness (m)	Depth to Top of Calcrete (m)
OSW AC 01	1	670800	6875600	24	16	1
OSW AC 02	1	670800	6875500	24	21	1
OSW AC 03	1	670800	6875400	24	14	1
OSW AC 04	1	670800	6875300	24	18	1
OSW AC 05	1	670800	6875200	27	15	1
OSW AC 06	1	670800	6875100	27	24	0
OSW AC 07	1	670800	6875000	33	19	0
OSW AC 08	1	670800	6874900	24	18	0
OSW AC 09	1	670800	6874800	46	6	0
OSW AC 10	1	670800	6874700	27	2	1
OSW AC 11	1	670800	6874600	33	0	NA
OSW AC 16	2	672400	6875600	27	2	3
OSW AC 17	2	672400	6875500	Not Yet Logged	Not Yet Logged	Not Yet Logged
OSW AC 18	2	672400	6875400	27	15	2
OSW AC 19	2	672400	6875300	18	14	2
OSW AC 20	2	672400	6875200	15	12	2
OSW AC 21	2	672400	6875100	18	12	1
OSW AC 22	2	672400	6875000	21	12	2
OSW AC 23	2	672400	6874900	18	13	1
OSW AC 24	2	672400	6874800	18	4	1
OSW AC 25	2	672400	6874700	21	2	7
OSW AC 26	2	672400	6874600	18	4	0
OSW AC 27	2	672400	6874500	12	2	1
OSW AC 28	2	672400	6874400	18	3	0.5
OSW AC 29	2	672400	6874300	18	3	1
OSW AC 30	2	672400	6874200	18	1.5	1
OSW AC 31	2	672400	6874100	21	1	2
OSW AC 32	2	672400	6874000	18	3	1
OSW AC 33	3	674000	6875600	24	2	1
OSW AC 34	3	674000	6875500	20	3	1
OSW AC 35	3	674000	6875400	21	15	2
OSW AC 36	3	674000	6875300	21	19	1
OSW AC 37	3	674000	6875200	30	20	1
OSW AC 38	3	674000	6875100	24	7	3
OSW AC 39	3	674000	6875000	27	15	1
OSW AC 40	3	674000	6874900	Not Yet Logged	Not Yet Logged	Not Yet Logged
OSW AC 41	3	674000	6874800	Not Yet Logged	Not Yet Logged	Not Yet Logged
OSW AC 42	3	674000	6874700	Not Yet Logged	Not Yet Logged	Not Yet Logged
OSW AC 43	3	674000	6874600	24	15	0
OSW AC 44	3	674000	6874500	24	12	1.5
OSW AC 45	3	674000	6874400	20	11	1
OSW AC 46	3	674000	6874300	27	10	1
OSW AC 47	3	674000	6874200	20	5	1
OSW AC 48	3	674000	6874100	24	6	1
OSW AC 49	3	674000	6874000	24	5	1
OSW AC 50	3	674000	6873900	24	3.5	1
OSW AC 51	3	674000	6873800	24	2	1
OSW AC 52	3	674000	6873700	24	2.5	0.5
OSW AC 53	3	674000	6873600	18	1	1

Datum GDA94, Zone 50

All holes drilled vertical