

**ASX**  
**RELEASE**

17 June 2011

**Large Diversified  
Exploration Portfolio In  
Western Australia**

Substantial Shareholder  
Aurora Minerals Limited  
40%

Website  
[www.desertenergy.com.au](http://www.desertenergy.com.au)

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**CAMEL HILLS IRON ORE DRILLING UNDERWAY**

**Highlights**

- A 4,500m RC drilling program commenced at Camel Hills
- Targets are magnetite-quartzite and buried gravity anomalies
- New targets for gold and copper being investigated
- Prospecting & sampling at Main Grid gold prospect continues

Desert Energy Limited (ASX:DSN) is pleased to announced that drilling has recommenced on iron ore targets at its Camel Hills Joint Venture project located in the central mid-west region of Western Australia (Figure 1). These targets were generated as follow up to the successful maiden drilling campaign completed in December 2010.

The targets were generated from detailed aero-magnetic surveys, prospect scale mapping and sampling, and ground based magnetic and gravity surveys. Approximately 30 holes will be drilled in the current program the locations of which are shown in Figure 2.

The program is expected to take around 5 weeks to complete.

**Copper-Nickel Exploration Program**

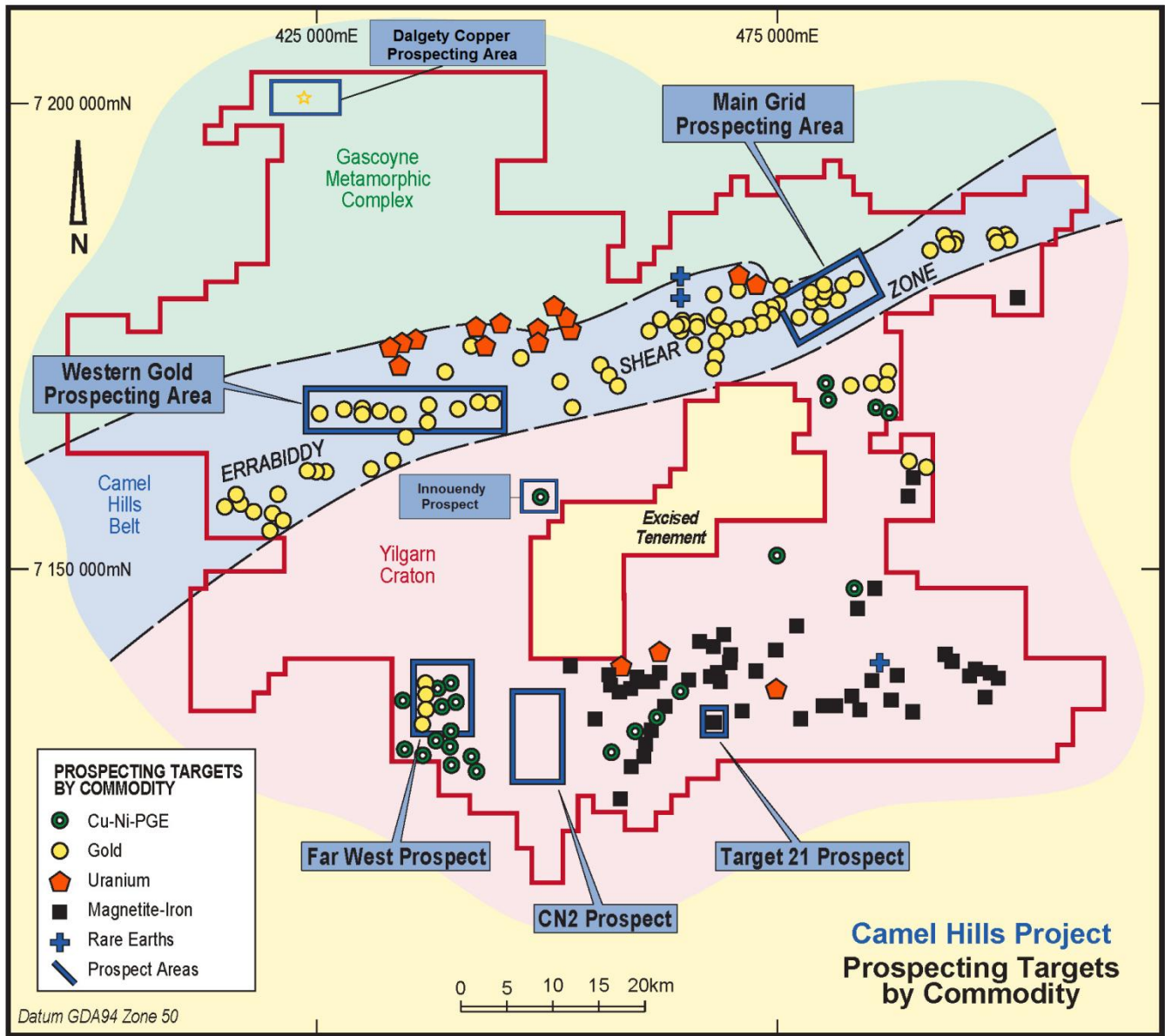
A VTEM airborne geophysical survey was completed in May over three areas in the southern part of the Camel Hills joint venture. The target is massive copper-nickel sulphides associated with small mafic to ultramafic intrusives at Far West, CN2 and Innouendy (Figure 1). Initial results highlight several targets re-enforced by soil sample anomalies. An RC drilling program to test several of these targets has been prepared and submitted to the DMP for approval.

**Gold Exploration Program**

A field crew is continuing mapping, stream sediment and rock chip sampling for gold mineralisation along the extensive Errabiddy Shear Zone which trends approximately ENE-WSW over some 80km through the northern half of the Camel Hills Project area (Figure 1). Around the Main Grid Prospect additional anomalous samples have been recorded which will be followed up with more detail soil surveys. The crew will also prospect areas in the far north west of the Camel Hills project area including the historic copper workings known as Dalgety Copper. Depart of Mines and Petroleum (DMP) records indicate a limited percussion drilling program was carried out in the 1980s with anomalous copper and gold mineralisation recorded. The area is approximately 10km north east of Gascoyne Resources Limited's "Glenburgh" gold project which hosts several gold resources.

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



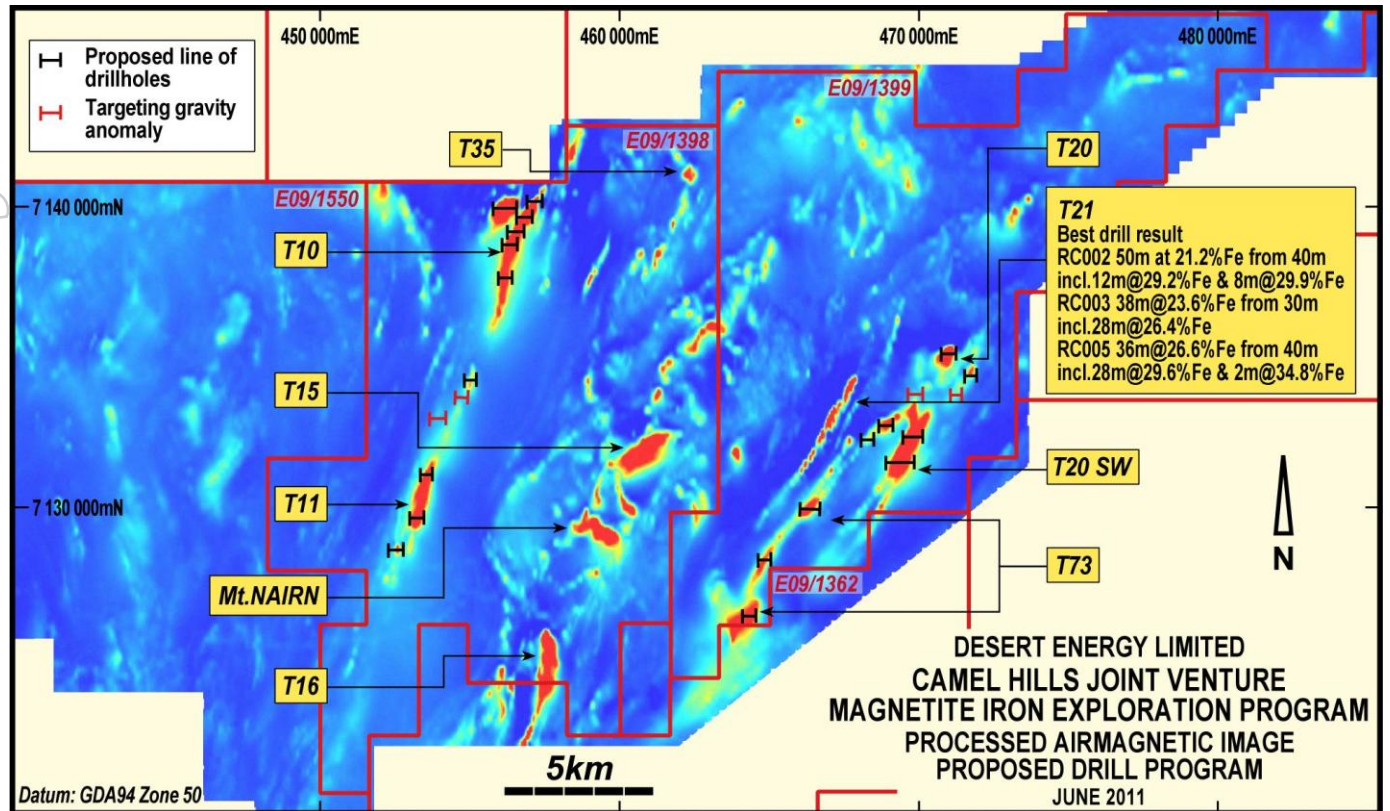
**Camel Hills Joint Venture**

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.

Martin Pyle  
 Executive Director  
 Mob. 0429 999 552

Robert Taylor  
 Executive Director

Figure 2: Camel Hills Iron Ore drill target location on processed magnetic image showing high priority targets



The high intensity red shaded signatures in Figure 2 above are interpreted to be magnetite-quartzite iron formations. Also note red bars representing drill lines overlying areas of weak or no magnetic response but which display strong gravity anomalies and could represent buried non-magnetic iron units.

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 and Mr. John Jordan, a corporate member of the Australasian Institute of Mining and Metallurgy. Executive Director of Aurora Minerals Limited and Desert Energy Limited, Robert Taylor, and John Jordan, consultant, consult to the Companies through their respective consulting companies Able Kids Pty Ltd and Churchlands Consulting Pty Ltd.

Robert Taylor and John Jordan 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 John Jordan consent 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](http://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.