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# ASX RELEASE

2 June 2009

**Large Calcrete Uranium  
Exploration Portfolio In  
Western Australia**

Website

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

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## DRILLING PROGRESS – Uranium Targets

- First drilling completed at Charlie, Old Station East and Galilee Projects
- Thick Calcrete intersected at Charlie and Old Station East associated with Uranium Channel Radiometric Anomalies
- Drilling completed at Texas Well – logs awaited
- Assays to follow

Desert Energy Limited is pleased to announce significant progress in its first drilling campaign for the year.

First pass, reconnaissance, (broad spaced) aircore drilling has just been completed at its 100% owned projects Charlie and Old Station East.

Reconnaissance drilling has also been undertaken at Galilee and at Texas Well, both Dawn Metals properties (currently under consideration for purchase subject to shareholder approval).

The Company is targeting Yeelirrie style uranium mineralisation in old, buried, calcretised drainage systems. The majority of the Desert and Dawn projects lie in the greater Yeelirrie region (see Maps which show some of their projects in the region. The Companies hold significantly more ground past the edge of the Map. Collectively they hold 23 projects).

Yeelirrie is the World's largest calcrete uranium deposit and BHP-Billiton has announced recently that they intend to move this \$17bn project towards development within 2 years (as reported in the West Australian newspaper in May 2009).

Drilling at Charlie over the past fortnight has uncovered **extensive calcrete sheets** in the northern part of the property, hidden beneath sand and soil.

Drilling at Galilee was over a much smaller area on the far east side of the property (See Map) and has intersected thinner, less extensive calcrete.

In the drilling at Texas Well Project limited calcrete has been observed to date however the logging had to be curtailed owing to heavy rain, and there may be more calcrete identified.

Drilling has commenced at Old Station East ("OSE") where the first 4 holes have all intersected calcrete, including one hole with 21metres calcrete thickness.

Drilling at OSE also had to be curtailed early this week due to rain and boggy conditions and further logging was not possible.

Despite the wet weather, samples were collected as per normal and will be shortly sent to the laboratory for assay. Results will help determine whether to re-mobilise the rig back to the Texas Well - OSE area.

### **Drilling Program Details**

Drilling is being conducted by Desert Energy on wide reconnaissance spacing enabling higher productivity and efficiency to test significantly more targets this year than in 2008.

The Company's research of Yeelirrie (and smaller deposits) suggests that wide spaced drilling has a good probability of detecting any significant amount of uranium present in the system. Desert Energy would then follow up significant anomalies with closer spaced drilling.

### **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 sand and soil in similar interpreted geological settings to that of the Yeelirrie deposit.

This is the third drill campaign undertaken by Desert Energy. To date, all drilling campaigns have identified bodies of calcrete under sand and soil cover.

If the shareholders of Desert Energy and Aurora Minerals approve the purchase by Desert Energy of Dawn Metals Limited, then Desert will own a very large portfolio of calcrete uranium exploration projects, all in WA.

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 Garry P O'Hara, a corporate member of the Australasian Institute of Mining and Metallurgy.

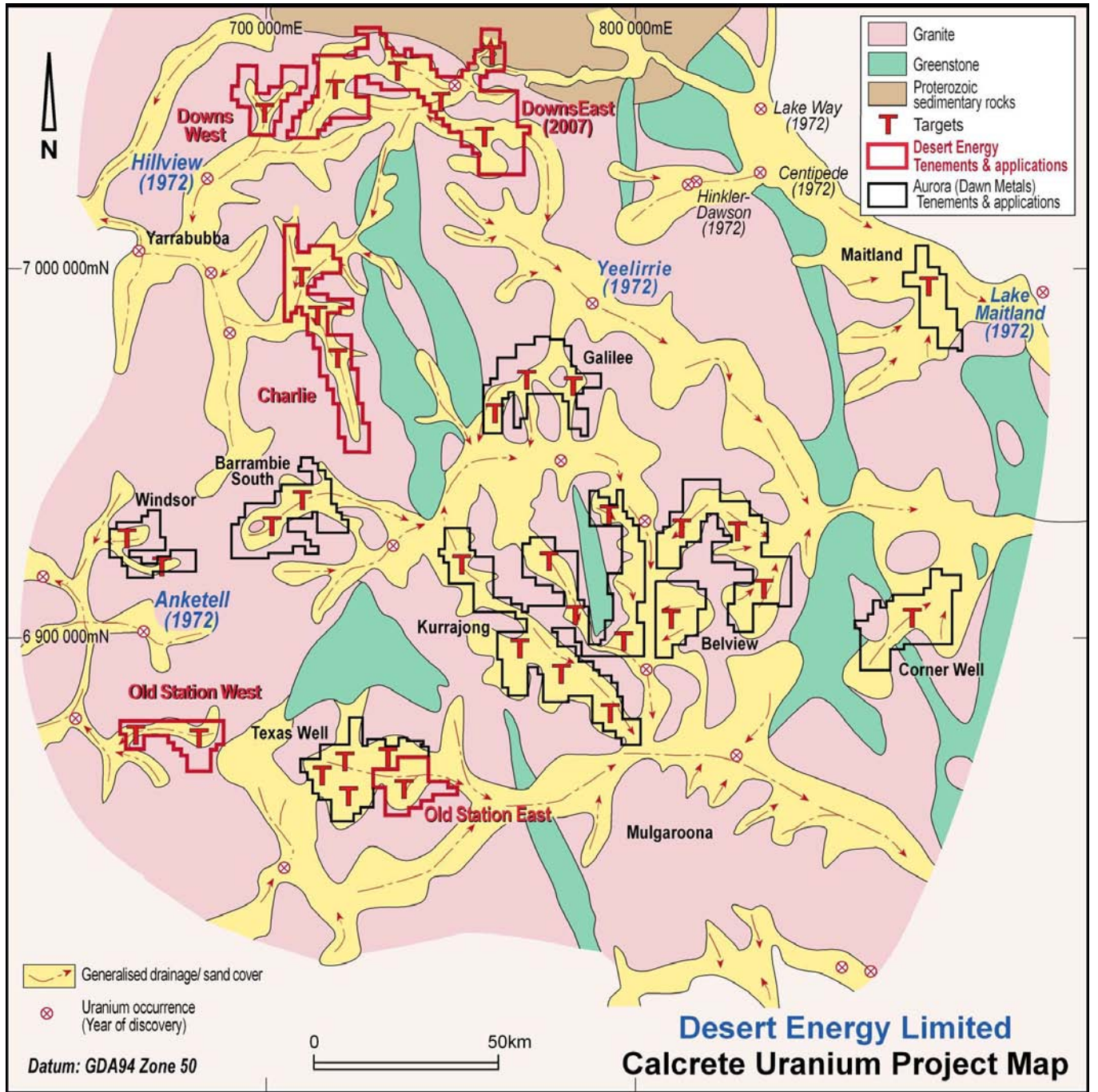
Garry O'Hara is an executive director of Desert Energy Limited and consults to the Company through his consulting company Anketell Pty Ltd.

Garry O'Hara has 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'. Garry

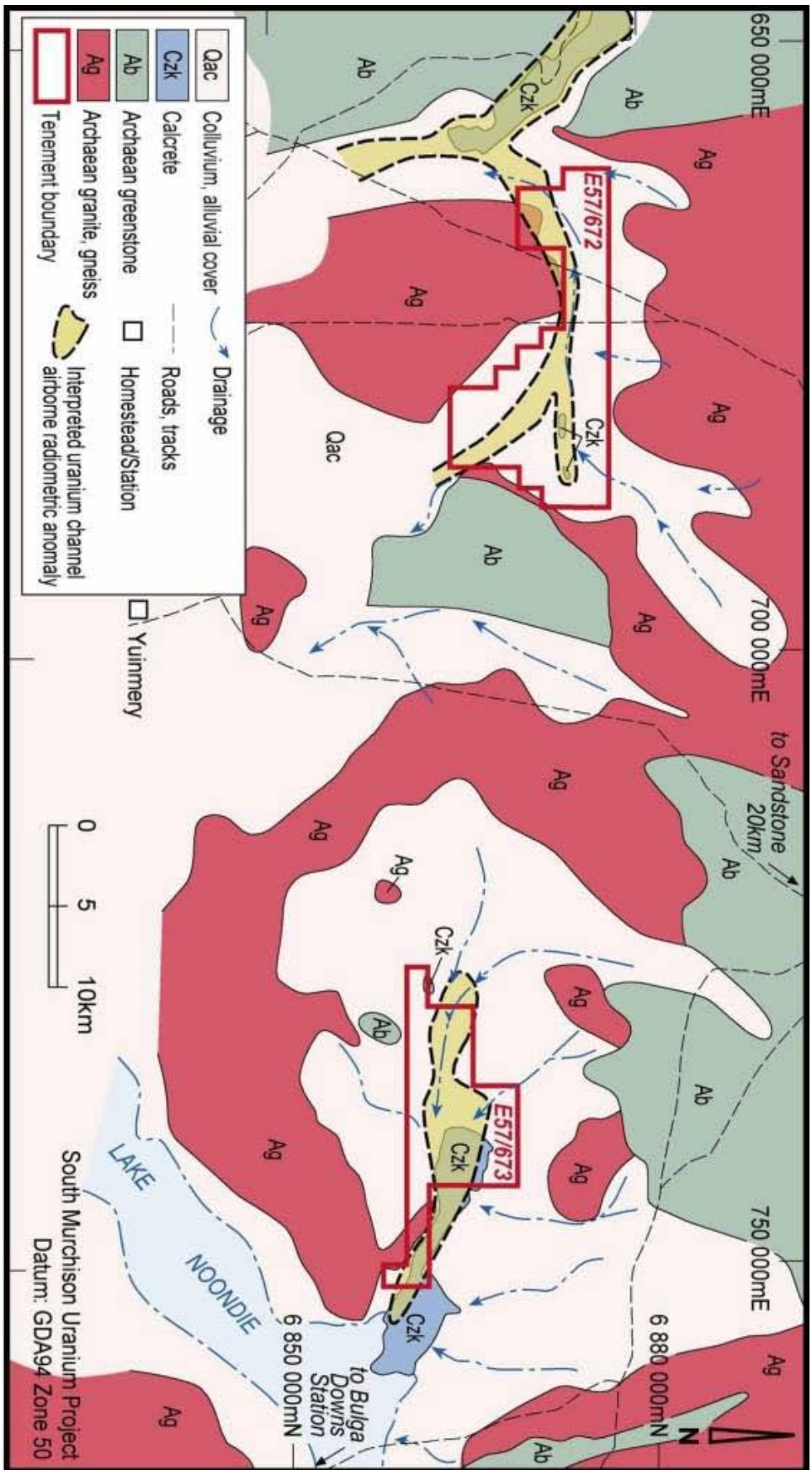
O'Hara consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

*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 Securities 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.*







# Old Station Prospect