

ASX RELEASE

30 July 2008

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

Website

www.desertenergy.com.au

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DOWNNS EAST

DRILLING UPDATE

Desert Energy Limited is pleased to announce an interim update on its aircore drilling program, conducted at its 100% owned Downs East property (E51/1172) located 60km from Yeelirrie, the world's largest calcrete uranium deposit, in the northeast Yilgarn region of Western Australia.

The drill program was completed early this week. A total of 324 holes were drilled for 4,797 metres. The average hole depth was 14.8 metres.

Western Area – (West of the Carnotite discovery outcrop)

Preliminary analysis of logged rock types and depths in the Western Area has identified a large sheet of calcrete over an area of approximately 6.8km by 1km, which runs west of the high grade uranium (carnotite) discovery area where surface samples taken in late 2007 grade up to 0.26% (2,600ppm) Uranium (refer map).

The calcrete body in the Western Area is between 1m and 12m thick. Preliminary assessment of the drill logs indicates the calcrete averages just over 3m in thickness and was predominantly hidden under sand and soil cover. The calcrete body remains open under sand covered paleodrainages to the west and south and more drilling will be required to test how far it extends.

Further assessment of the geology is ongoing.

Eastern Area – (East of the discovery outcrop)

Analysis of calcrete distribution for the Eastern Area has not yet been completed. This is expected to be reported in the near future.

Assay Results

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

Additional Tenement Applications at Downs East

In late 2007 the Company submitted tenement applications which adjoined E51/1172, to cover potential extensions of the current drainage system. The drilling (above) indicates that tenement applications ELA53/1370 and ELA51/1264 may potentially host extensions of the calcrete body identified in the Western Area.

The exploration model

The identification of extensive calcrete in an area predominantly covered by soil and sand at Downs East gives 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.

Old Station West – (Drilling Approvals)

Desert Energy's Old Station West project is located about 150km southwest of Yeelirrie.

Last week the Company received drilling approval from the Department of Industry and Resources for the project. The Company plans to conduct a heritage survey in mid August prior to the commencement of drilling.

The target is calcrete associated with a pronounced 15km uranium channel radiometric anomaly.

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

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

DESERT ENERGY LIMITED
DOWNS EAST PROSPECT
URANIUM MINERALISATION
DISCOVERED NOV. 2007

750 000mE

High Red
Medium Green
low Blue

AIRBORNE RADIOMETRICS SEPT-NOV.2007
IDENTIFIED STRONG URANIUM CHANNEL
OVER 32 km
NOTE: RESPONSE FROM UNDER
EXTENSIVE SAND COVER



E51/1264

7 060 000mN

E51/1172

E53/1371

E53/1370

URANIUM (CARNOTITE)
DISCOVERED IN
CALCRETE RUBBLE
URANIUM VALUES UP TO 2,600ppm (0.26%)



Kilometres

Yeelirrie
65km

