Desert Energy

Uranium Explorer

ASX RELEASE

16 May 2008

The Largest Calcrete Uranium Exploration Portfolio In Western Australia

Website

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MINNIE CREEK RADIOMETRIC AND MAGNETIC SURVEY REVEALS MULTIPLE BASE METAL AND URANIUM TARGETS

Desert Energy Limited is pleased to announce results from a recent detailed airborne magnetic-radiometric survey over its Minnie Creek Project in the Gascoyne Region of central Western Australia.

Radiometric and magnetic images, evaluated in conjunction with other in-house data, have identified a significant number of targets for various styles of mineralisation at Minnie Creek, including base metals and uranium.

Several discrete uranium-radiometric and magnetic anomalies associated with late-stage granitic intrusive plugs and a major NW fault system, indicate potential for hardrock uranium and base metal mineralisation within the project area.

In addition a total of 66 linear kilometres of uranium-channel radiometric anomalies were detected within the north-flowing Yannarie River, and south-flowing Alma and Lyons River drainage systems. From processed Landsat images and published GSWA geology maps, these coincide with areas of mapped calcrete and other drainage and regolith cover.

Uranium mineralisation in the form of carnotite, hosted by valley and terrace calcrete, is known at the Middle Well prospect within the project area and at nearby Poorinoo Well and Alma Well. Surface grades of up to 0.15% U_3O_8 were reported by previous explorers (*refer 2007 Desert Energy IPO Prospectus).*

Desert Energy's Minnie Creek Project consists of seven granted exploration licences covering over 1,000km^2 on the eastern edge of the Gascoyne Complex, an area of 400km long by 100km wide comprising a sequence of early to mid-Proterozoic migmatites and gneisses intruded by mid-Proterozoic voluminous granites and discrete late-stage plugs.

The Gascoyne Complex abuts the mid to late-Proterozoic Bangemall Basin to the east and is cut by major NW fault zones, some with Bangemall sedimentary inliers, and NNW linking structures. The Mundene Well Dyke Swarm cuts N-S through the center of the Complex.

Desert Energy flew a combined 6,032 line kilometre detailed airborne radiometric and magnetic survey between October 2007 and May 2008 over its tenements. This survey, together with published GSWA geological mapping and Landsat data, has enabled the Company to target the following styles of mineralisation:

1. Structurally-controlled and replacement base metals (Cu, Pb, Zn, Au, U) hosted by major NW fault zones and inliers of Bangemall sediments. Other explorers have reported such mineralisation in the same inliers and along similar structures NW and SE of the project area. Eight targets have been identified.

2. Fe-Cu-Au-U associated with discrete (<500m diameter) iron-alteration “blips” commonly along N-S structures. May have coincident uranium-radiometric and airmagnetic signatures. Six targets have been identified.

3. Ni-Cu-PGE associated with the Mundene Well Dyke Swarm. One such prospect occurs on a 200m thick dyke 10kms to south; the same dyke continues through the Minnie Creek Project, as do a cluster of similar dykes. Ten targets have been identified.

4. Discrete uranium-radiometric anomalies over late-stage granites which occur as irregular plugs up to 2,500m long over 10km strike zones immediately west of the faulted eastern edge of the Gascoyne Complex. Eighteen targets have been identified.

5. Calcrete-hosted uranium (carnotite) along the major drainage systems of the Yannarie, Alma and Lyons Rivers. Known occurrences include Middle Well, Poorinoo Well and Alma Wells. Multiple targets have been identified

An extensive soil sampling and prospecting program over selected targets has been planned to commence next quarter.

Yours faithfully

Robert Taylor	Garry O’Hara
Executive Director	Executive Director

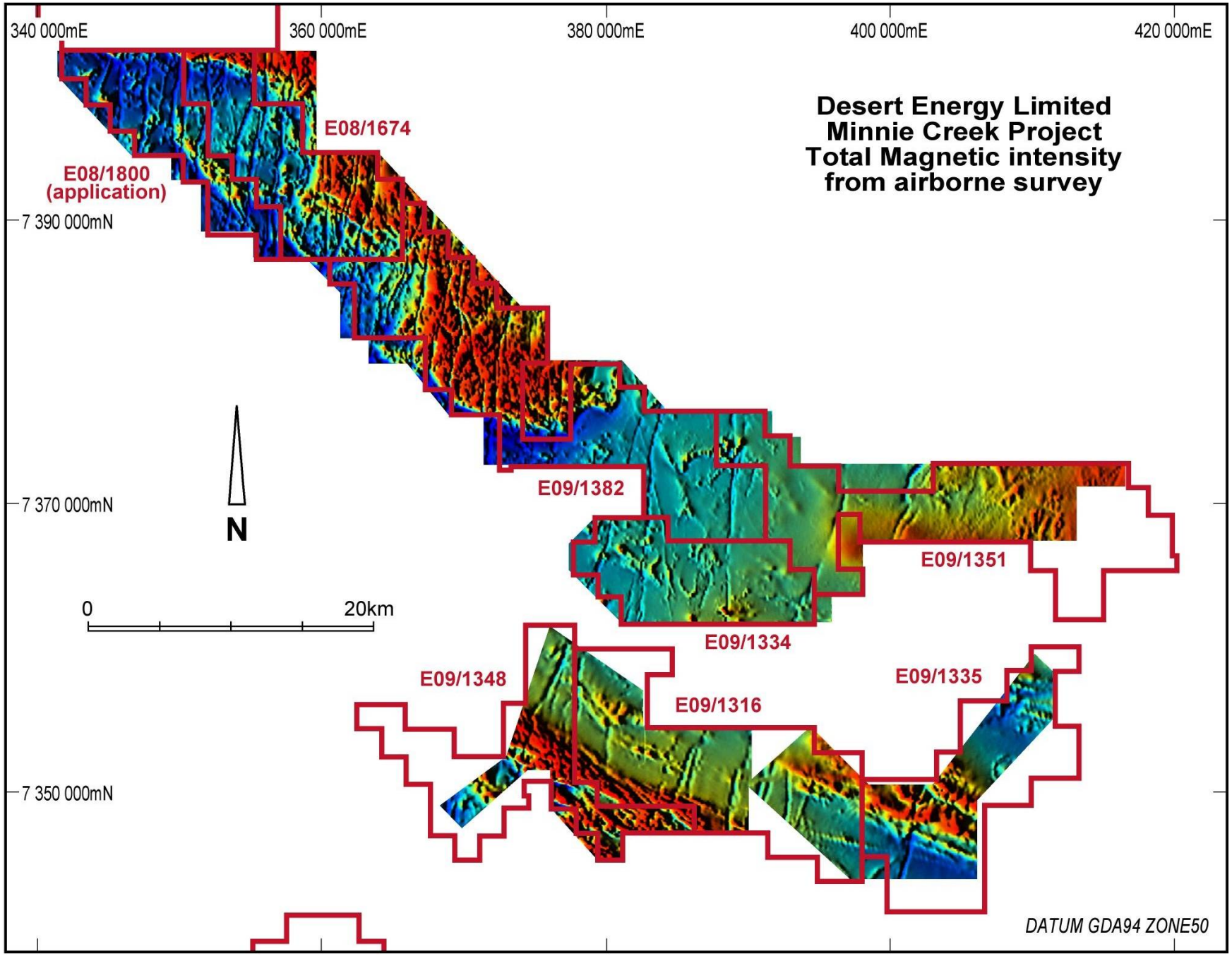
The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Dr Robert S Taylor, a Member of The Institute of Materials, Minerals and Mining and Mr. Garry P O’Hara, a corporate member of the Australasian Institute of Mining and Metallurgy.

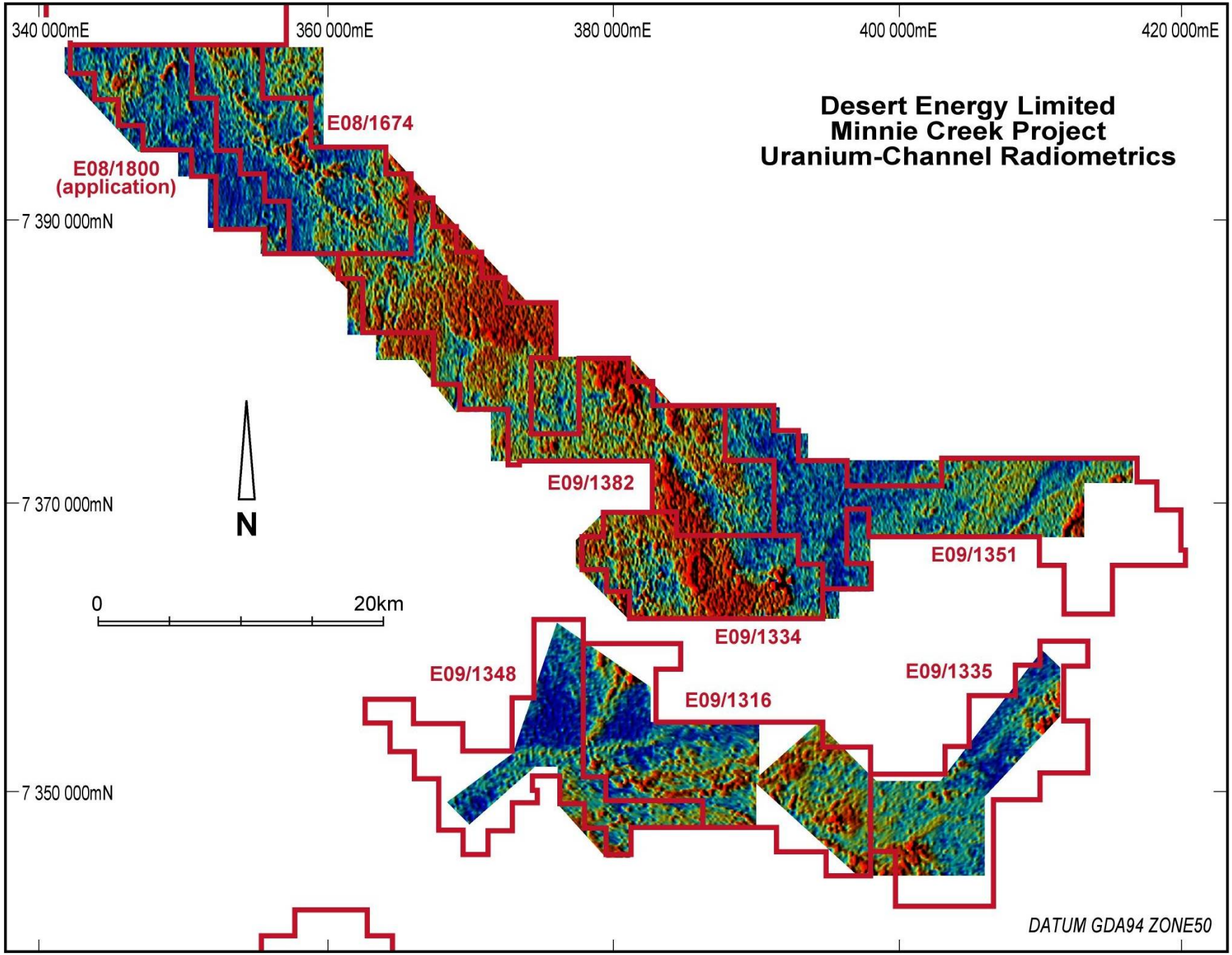
Robert Taylor and Garry O’Hara are both executive directors of Desert Energy Limited and consult to the Company through their respective consulting companies Able Kids Pty Ltd and Anketell Pty Ltd.

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.


340 000mE
360 000mE
380 000mE
400 000mE
420 000mE
Desert Energy Limited
Minnie Creek Project
Total Magnetic intensity
from airborne survey
E08/1674
E08/1800
(application)
7 390 000mN
7 370 000mN
7 350 000mN
N
0
20km
E09/1382
E09/1351
E09/1334
E09/1348
E09/1316
E09/1335
DATUM GDA94 ZONE50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Desert Energy Limited
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Uranium-Channel Radiometrics
E08/1674
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7 390 000mN
7 370 000mN
7 350 000mN
N
0
20km
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