

**ASX**

**RELEASE**

19 September 2008

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

Website

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

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**LANDMARK WESTERN AUSTRALIAN ELECTION RESULT FOR URANIUM MINING**

Large calcrete uranium exploration portfolio in Western Australia

- Targeting uranium mineralisation similar to world's largest calcrete hosted uranium deposit at Yeelirrie
- Downs East uranium project drill sample assays awaited
- Drilling commencing Old Station West uranium project
- 16,000 soil sample assays due from Minnie Creek and Lime Juice Projects

Desert Energy Limited is very pleased to welcome the new Government in Western Australia resulting from last Sunday's State election outcome.

The new Government has a pro-exploration and mining policy which should have many benefits for this resource-rich State. Its election platform included the removal of the anti-uranium mining policy put in place 8 years ago by the previous government.

**DESERT ENERGY DRILLING PROGRAMS**

**Drilling at Downs East Uranium Project**

(EL 51/1172 & ELA's 51/1264, 51/1370, 51/1372, 51/1404)

The Company recently completed the first round of air core drilling at its Downs East Project, located only 60km from the major Yeelirrie Uranium Deposit. Desert Energy discovered high grade surface samples grading up to 2600ppm uranium in late 2007 at Downs East.

The recent drilling has identified a large extent of calcrete mainly hidden under extensive sand cover, over an area of 14km by 1km, and averaging approximately 3m thick. The drilling comprised 4797 metres of aircore drilling. A total of 1388 four metre composite samples were collected with assay results due in the coming weeks.

These will be analysed and the best four metre intervals will then be re-assayed on 1 metre intervals to define the highest grade mineralisation and its trends. A small number of duplicate samples (23) were sent to another laboratory for quality assurance purposes.

Desert Energy has dramatically increased its ground position since it identified the high grade uranium mineralisation at surface and it now has a large holding between Downs East and the Yeelirrie Uranium Deposit as shown on the attached map.

### **Old Station West Project**

(EL 57/672 & ELA 58/368)

Government approvals and Heritage surveys are now complete and air core drilling is expected to commence next week at the Old Station West calcrete uranium project.

The drilling will test a largely sand covered target zone where a significant 15km long uranium channel radiometric anomaly was identified by the Company in an airborne radiometric survey earlier this year.

The project lies approximately 150km south west of the Yeelirrie Deposit and just south of the Anketell uranium deposit discovered by Western Mining in the 1970's.

## **SURFACE SOIL SAMPLING PROGRAMS**

### **Minnie Creek and Lime Juice Projects**

Desert Energy recently completed approximately 150 square kilometres of detailed soil sampling at its Minnie Creek and Limejuice projects, located in the highly deformed Proterozoic-aged Gascoyne Complex of central Western Australia (refer Map).

A total of 16,178 soil samples were collected and have been sent to the laboratory in Perth for chemical assay.

The region is prospective for both calcrete style uranium deposits and Cloncurry style base metals mineralisation.

The soil sampling is designed to test a significant number of uranium and base metal targets interpreted from a detailed airborne magnetic-radiometric survey flown this year.

## **EXPLORATION MODEL AND METHODOLOGY**

Desert Energy is exploring for uranium hosted in near surface calcrete in a similar environment to the Yeelirrie deposit discovered in the 1970's, (reported mineral resource of 52,000 tonnes of  $U_3O_8$  at a grade of 0.15%) located in the northeast Yilgarn region of Western Australia.

It is also targeting uranium and base metals in the Gascoyne Province.

The calcrete at Yeelirrie crops out at surface and the uranium deposit occurs a few metres beneath the surface as the mineral carnotite associated with a series of flat lying bodies in the calcrete and in underlying gritty sediments.

Calcrete generally occurs in mature, choked drainages in arid parts of central Western Australia. Many calcrete deposits exposed at surface were tested for uranium in the 1970's.

However there may be much more calcrete at shallow depths beneath extensive sand covered regions of the Yilgarn Block of Western Australia, which are the focus of Desert Energy's exploration in the region.

The Company has flown extensive sensitive low level radiometric surveys seeking uranium-channel, gamma ray radiation anomalies, over many of its project areas, which may give clues to the presence of potential uranium mineralisation under shallow sand cover. A uranium-channel radiometric anomaly may not necessarily coincide exactly with the actual uranium (carnotite) mineralisation which may for example be deeper in the calcrete or upstream from the radiometric anomaly. The uranium-channel radiometric response provides a guide to the general area to drill and is a common exploration tool. Desert Energy has now completed 31,000 line kilometres of radiometric surveys over its project areas resulting in a significant number of targets.

## **CORPORATE VIDEO**

A copy of the new Aurora Minerals – Desert Energy Corporate Video is now available on the Company's website at [www.desertenergy.com.au](http://www.desertenergy.com.au) .

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)*

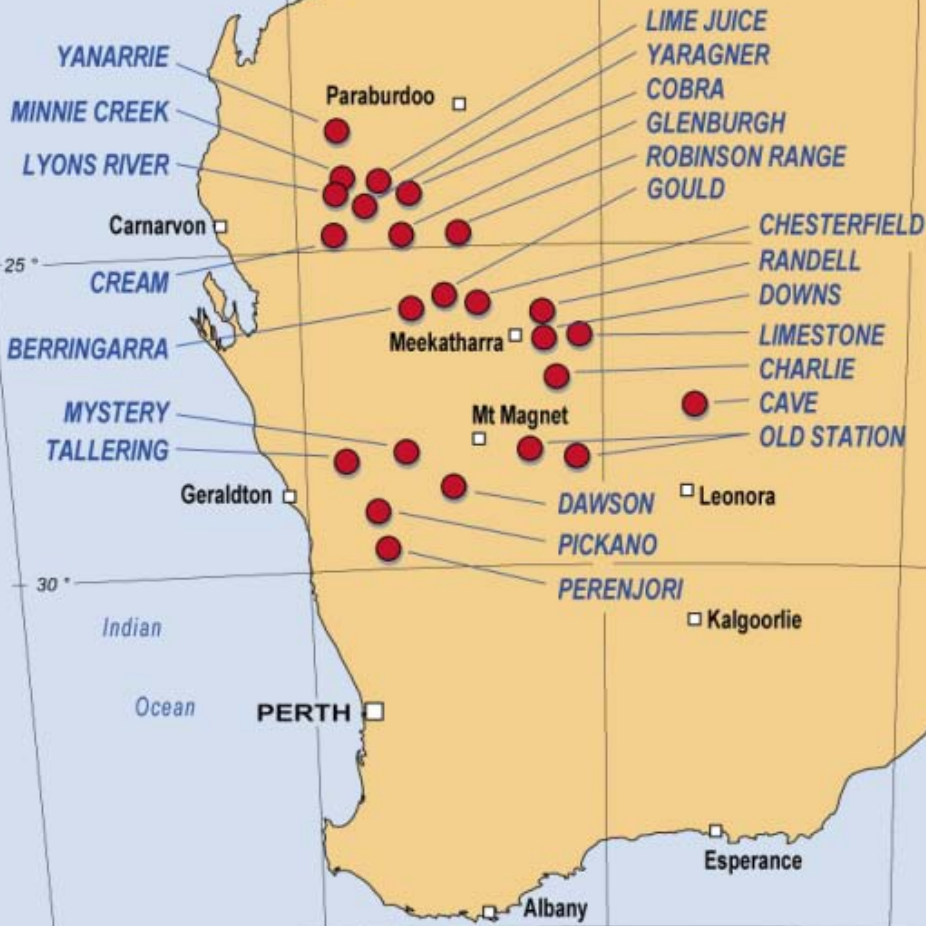
*If you would like copies of announcements emailed to you, contact Ken Banks.*

# Desert Energy Ltd Project Locations

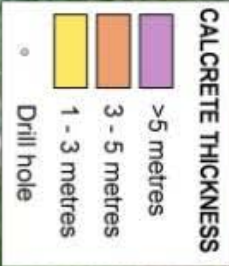


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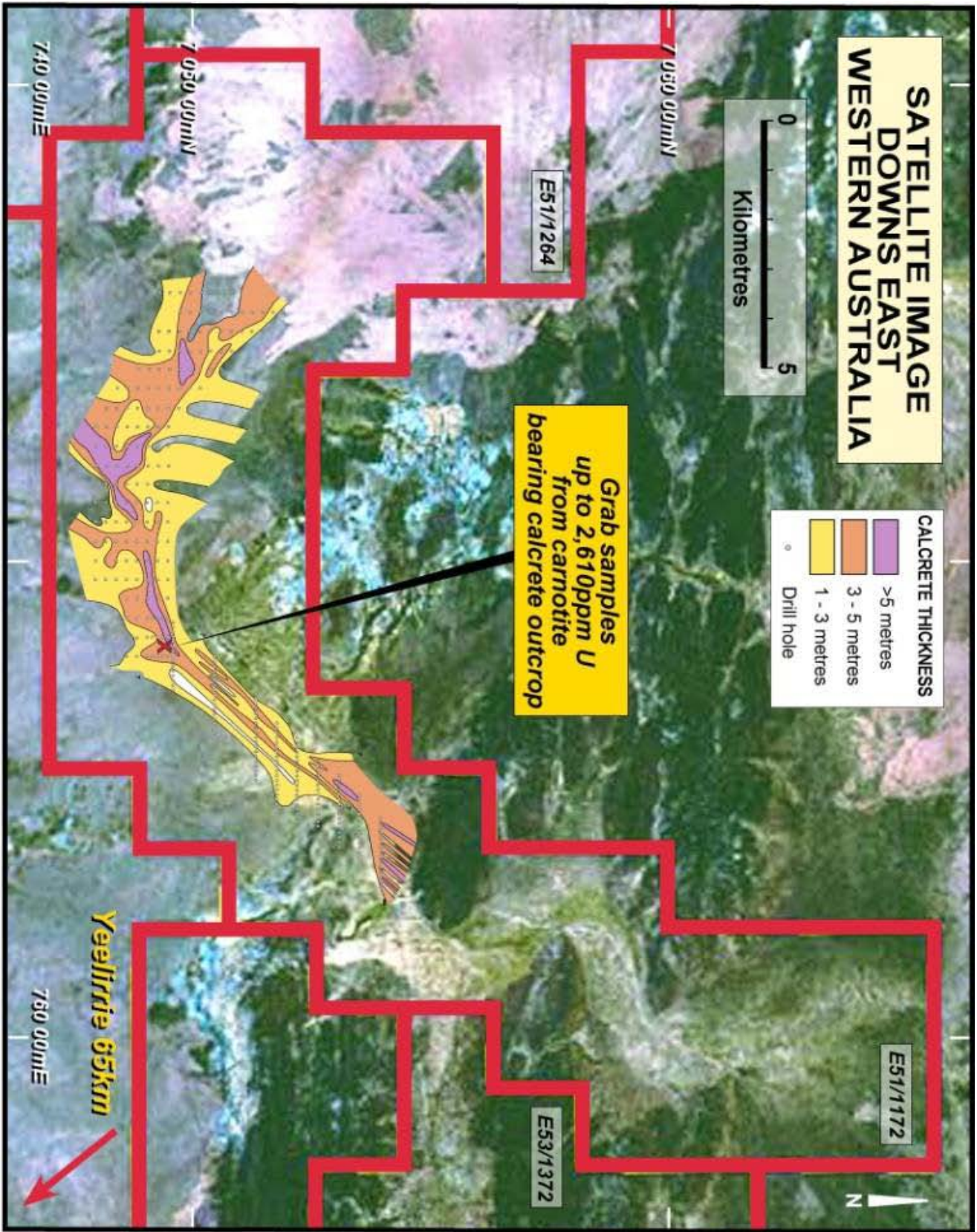
## DESERT ENERGY LTD Uranium Projects



# SATELLITE IMAGE DOWNS EAST WESTERN AUSTRALIA



Grab samples  
up to 2,610ppm U  
from carnotite  
bearing calcrete outcrop



**Yeallirrie 65km**

7 60 00mE

7 40 00mE

7 50 00mN

7 50 00mN

E51/1264

E51/1172

E53/1372



