



27 February 2008

The Manager
Announcements
Company Announcements Office
Australian Stock Exchange Limited
PO Box H224 Australia Square
SYDNEY NSW 2000

Dear Sir/Madam

Placement of Shares

On 27 February 2008 Desert Energy Limited (“the Company”) placed 2,271,000 ordinary shares for an issue price of \$0.35 each (“the Shares”) to a strategic European institutional fund to raise \$794,850 before expenses.

The Shares were issued in accordance with the approval given by shareholders under listing rule 7.2 at the last Annual General Meeting. An Appendix 3B in relation to the issue will be lodged in the near future.

Accompanying this announcement is a notice under section 708A(5)(e) of the Corporations Act in relation to the issue.

Yours faithfully

Peter Rutledge
Company Secretary
Desert Energy Limited