

# ASX RELEASE

8 October 2007

**Large Calcrete Uranium  
Exploration Portfolio  
Gascoyne/Murchison  
Western Australia  
13,900km<sup>2</sup>  
24 projects**

Website

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

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this release and company  
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## STRONG RADIOMETRIC ANOMALIES DETECTED AT DOWNS PROSPECT

Desert Energy has received results from its close spaced low level airborne magnetic-radiometric survey ("MagRad") conducted in July at its **Downs Prospect** located 60kms north west of the major calcrete hosted Yeelirrie Uranium Deposit in Western Australia.

The MagRad survey successfully highlighted up to 9km of strong Uranium-channel radiometric anomalies on the Downs North (E51/1172) Prospect, open to the north eastern part of the tenement. Additionally the anomaly appears to extend westwards for a further 10km under deeper sand and soil cover ([refer attached image](#)). The anomalies will guide systematic follow-up geochemical field sampling.

The uranium channel anomalies generally appear to coincide with paleo-drainages buried under broad sand and soil cover. Calcrete is mapped in part of the drainage system ([refer attached map](#)) and is suspected by the Company's geologists to occur under much more of the covered area.

Desert Energy has commenced field operations involving a series of soil sampling programs on its tenements. This program will include the Downs, Charlie and Cave prospects. First results are expected this quarter. The aim of the soil sampling is to locate uranium anomalies to assist in later drill targeting.

The Company's Minnie Creek, Lime Juice, Yaragner, Glenburgh and Chesterfield Project areas were part of the same close spaced MagRad survey and results are expected to be released over the coming weeks.

The previously wide spaced Government radiometric surveys outlined broad uranium channel anomalies (refer attached images). The advantage of the new detailed MagRad survey is that the aircraft flies much lower, the flight lines are more closely spaced, and new technology is used in an on-board spectrometer which has a much larger gamma ray collector than was used in the old surveys.

Downs prospect occupies approximately 171 square kilometres of an interpreted paleo-basin fed by internal paleo-drainage sourced from surrounding highly uranium radiogenic granites. E51/1171 and E51/1172 have been granted by the Western Australian Department of Industry and Resources. Drilling is contingent on land access negotiations.

Yours faithfully

Garry O'Hara  
Executive Director

Robert Taylor  
Executive Director

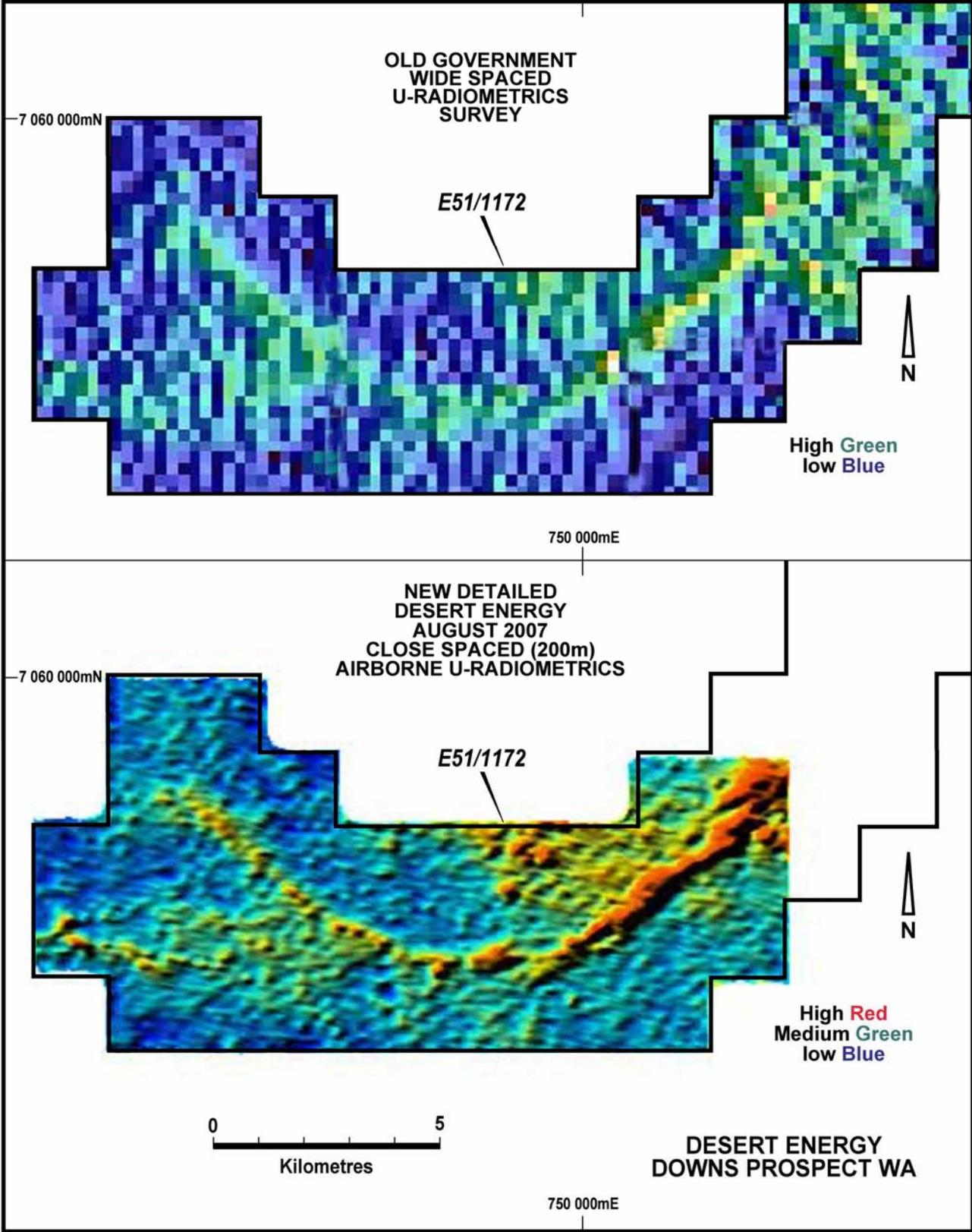
The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Dr Robert S Taylor, a Member of The Institute of Materials, Minerals and Mining and Mr. Garry P O'Hara, a corporate member of the Australasian Institute of Mining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

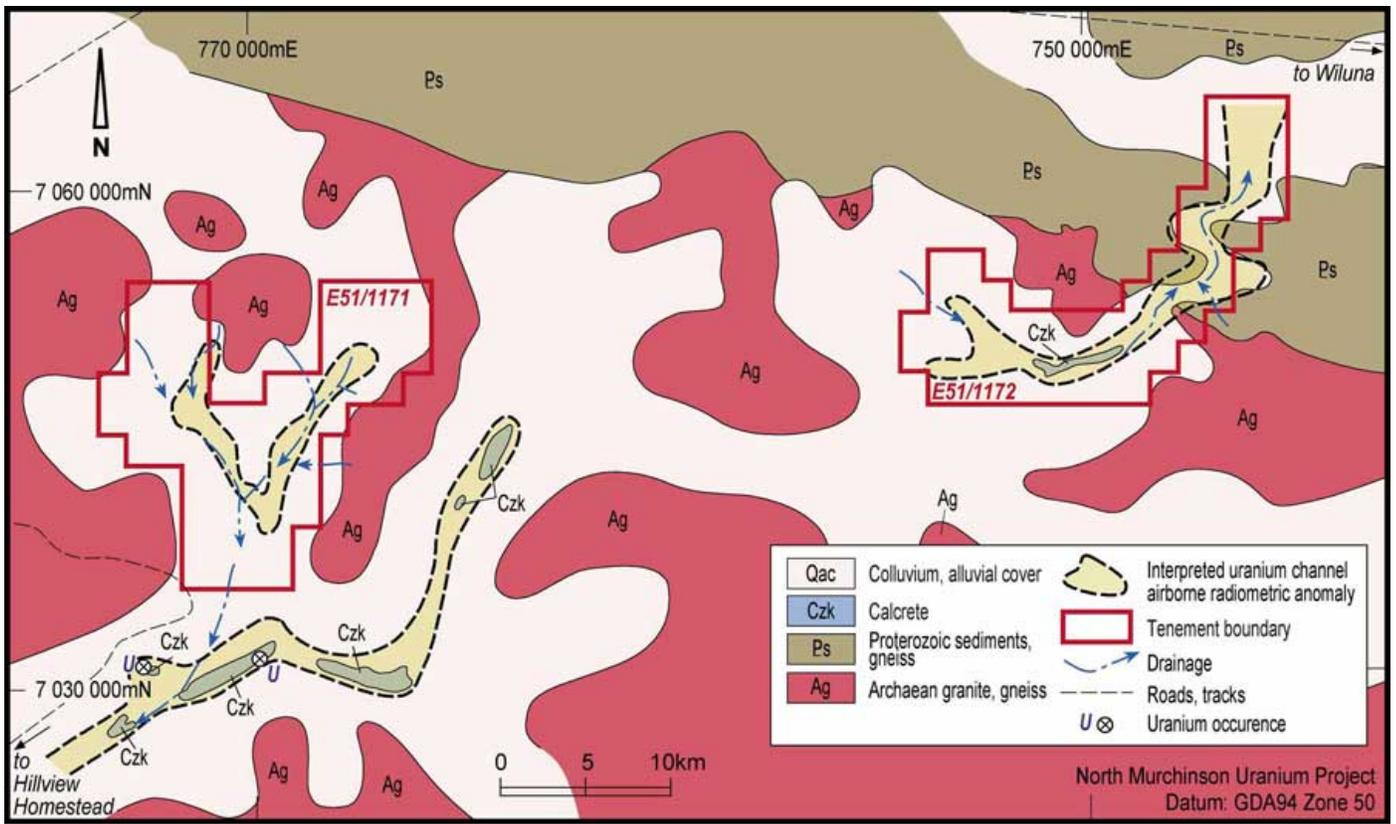
Robert Taylor and Garry O'Hara are both executive directors of Desert Energy Limited and consult to the Company through their respective consulting companies Able Kids Pty Ltd and Anketell Pty Ltd.

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 can contact Ken Banks.*





## Downs Prospect