

ABN: 56 123 102 974

**QUARTERLY ACTIVITIES REPORT
ENDING 31 MARCH 2010**

**ASX
RELEASE**

30 April 2010

**Large Calcrete Uranium
Exploration Portfolio In
Western Australia**

Website

www.desertenergy.com.au

For further information on
this release and the
Company please contact:

Investor Relations Manager
Ken Banks

Office

+61 2 8969 2777

Mobile Phone

+61 (0) 402 079 999

Email

kbanks@auroraminerals.com

- Camel Hills Joint Venture proposal progressing. Notice of Meeting lodged with ASIC
- Drilling planned for Belview, Tate and Downs East Extended
- \$1,700,000 capital raised in February 2010

Camel Hills Joint Venture Proposal

Camel Hills is a large project covering some 5000km² in the southern Gascoyne Region of Western Australia. It has exploration potential for, gold, nickel, PGE and uranium mineralisation.

Details of discussions between Desert Energy Limited and Aurora Minerals Limited (Aurora) for a new proposed joint venture on Aurora's 100% owned Camel Hills Project were announced on 4 February 2010. The proposal is to be put to a vote of shareholders of both Desert Energy and Aurora.

Preparation of all necessary documentation is now complete and the notices of general meeting have been lodged with the regulatory authorities for review, to be followed by mailing to all shareholders. The joint venture agreement has also been finalised and will now be forwarded to the Minister for Mines and Petroleum for approval of the transaction, which is required as it relates to many tenements in their first year of licence.

Under the proposed joint venture Desert Energy can earn a 51% interest by sole funding the first \$3.8 million of exploration expenditure within a maximum of 4 years from the commencement of the joint venture, though Desert Energy may choose to spend faster than this. The \$3.8m earn-in amount is the same as the valuation of the tenements by the independent geologist.

Following the earning of a 51% interest Desert Energy would have the choice of continuing to sole fund the joint venture to earn a 70% interest by producing a Bankable Feasibility Study for a mining development at Camel Hills having at least a net present value of a minimum of \$50 million, within 7 years of the commencement of the joint venture. Aurora would then have a 30% interest on the terms previously announced.

Alternatively if Desert Energy elects to remain on 51% then it and Aurora would have the option of contributing to joint venture funding, with Aurora having a 49% interest.

Desert Energy will commit to making \$1.5 million of expenditure in year 1 of the joint venture before being permitted to withdraw.

More details of the proposed joint venture are expected to be shortly despatched to shareholders accompanying the Notice of General Meeting, for their consideration.

Calcrete-Uranium Projects, Northeastern Yilgarn Region, WA

During the quarter, three Programs of Work were submitted to the Western Australian Department of Mines and Petroleum (DMP) to seek approval for Desert Energy to conduct drilling programs comprising a total of 327 drillholes on three projects in the northern and northeast Goldfields region. The programs may be conducted in two phases, with phase two dependent on the results of phase one.

Belview Project

Desert Energy announced on 27 January 2010 that aircore drilling for calcrete uranium on its Bellview Project had unexpectedly intersected altered and veined greenstone in two holes. These greenstones might represent a narrow greenstone sequence parallel to the nearby western edge of the Agnew Greenstone Belt which hosts world-class gold and nickel mines. The geology is interpreted to consist of thin greenstone wedges within sheared granite and is associated with a diffuse airborne magnetic high. Approval for 99 angled RAB drill holes at Belview has been applied for.

Tate Project

The Tate Project hosts two distinct drainage channels and a number of airborne magnetic highs which may indicate the presence of buried greenstone sequences. Approval for the drilling of 140 aircore holes at Tate has been applied for. These will test the calcrete-hosted uranium potential of the channels and the nature of the basement magnetic highs.

Downs East Extended Project

On 27 January 2010 Desert Energy announced that it had intersected coincident anomalous uranium (up to 83ppm) and anomalous gold (6ppb) within a single drill hole at its Downs East Extended Project and that this hole was supported by a number of adjoining drill holes with anomalous uranium (values to 20ppm). The drill hole spacing was 2000m by 400 m. The reported intercepts may be related to a granitic-style intrusion, however the geology of this prospect is

not yet understood. Approval for the drilling of 88 aircore holes has been applied for to follow-up this mineralisation.

CORPORATE ACTIVITY

On the 12th of February 2010 Desert Energy announced that it had raised \$1,700,000 through the issue of 10,000,000 shares at an issue price of \$0.17 to a strategic New Zealand major shareholder.

As of 31st March 2010, Desert Energy had approximately \$3.4million in cash.

Robert Taylor
Executive Director

Garry O'Hara
Executive Director

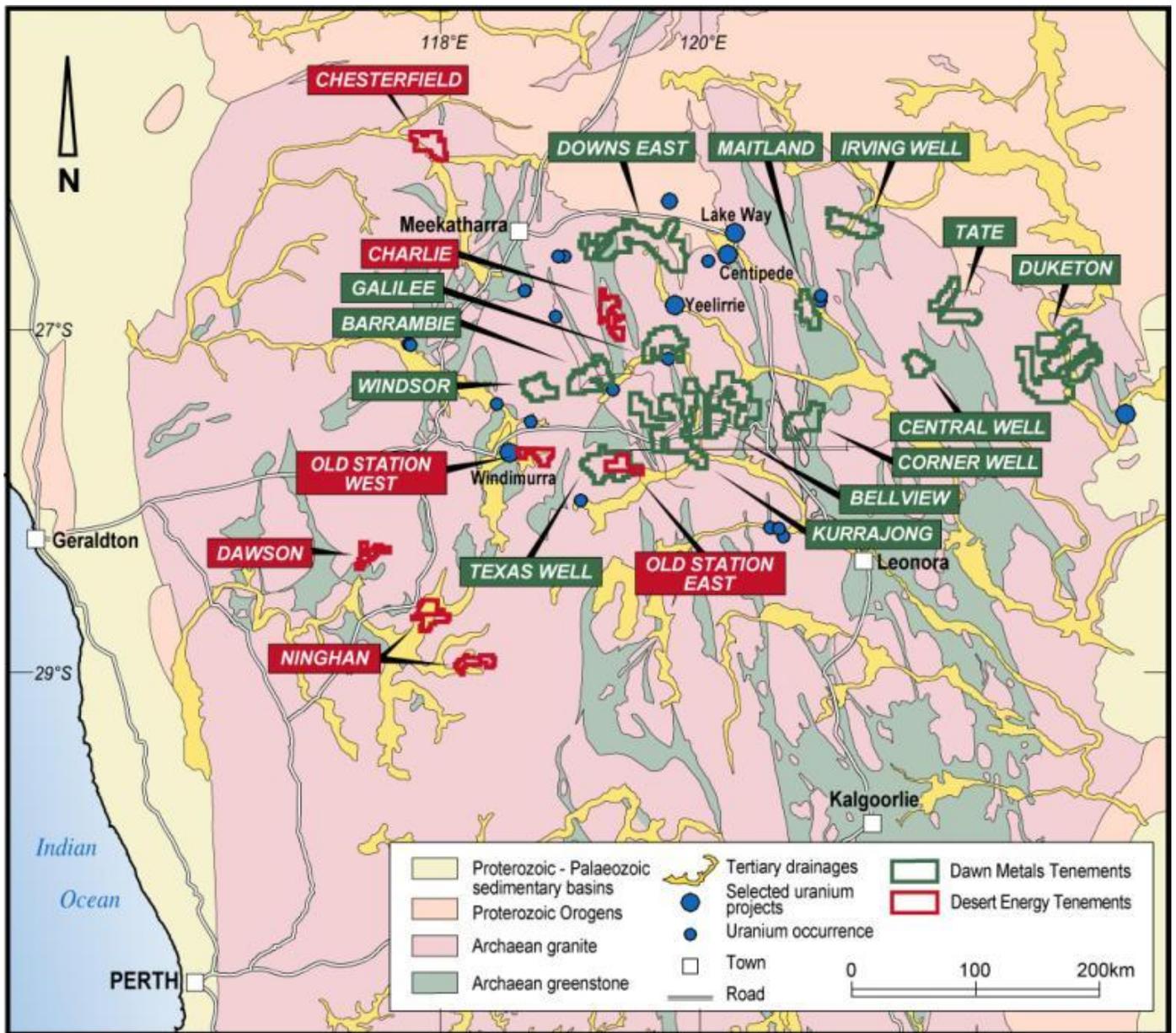
The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is presented by Dr Robert S Taylor, a Member of The Institute of Materials, Minerals and Mining and Mr. Garry P O'Hara, a corporate member of the Australasian Institute of Mining and Metallurgy, from data and information prepared and provided by Mr Kelvin Fox who is a member of the Australasian Institute of Mining and Metallurgy who consults to Desert Energy Limited through his geological consulting company Fox Contracting WA Pty Ltd.

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.

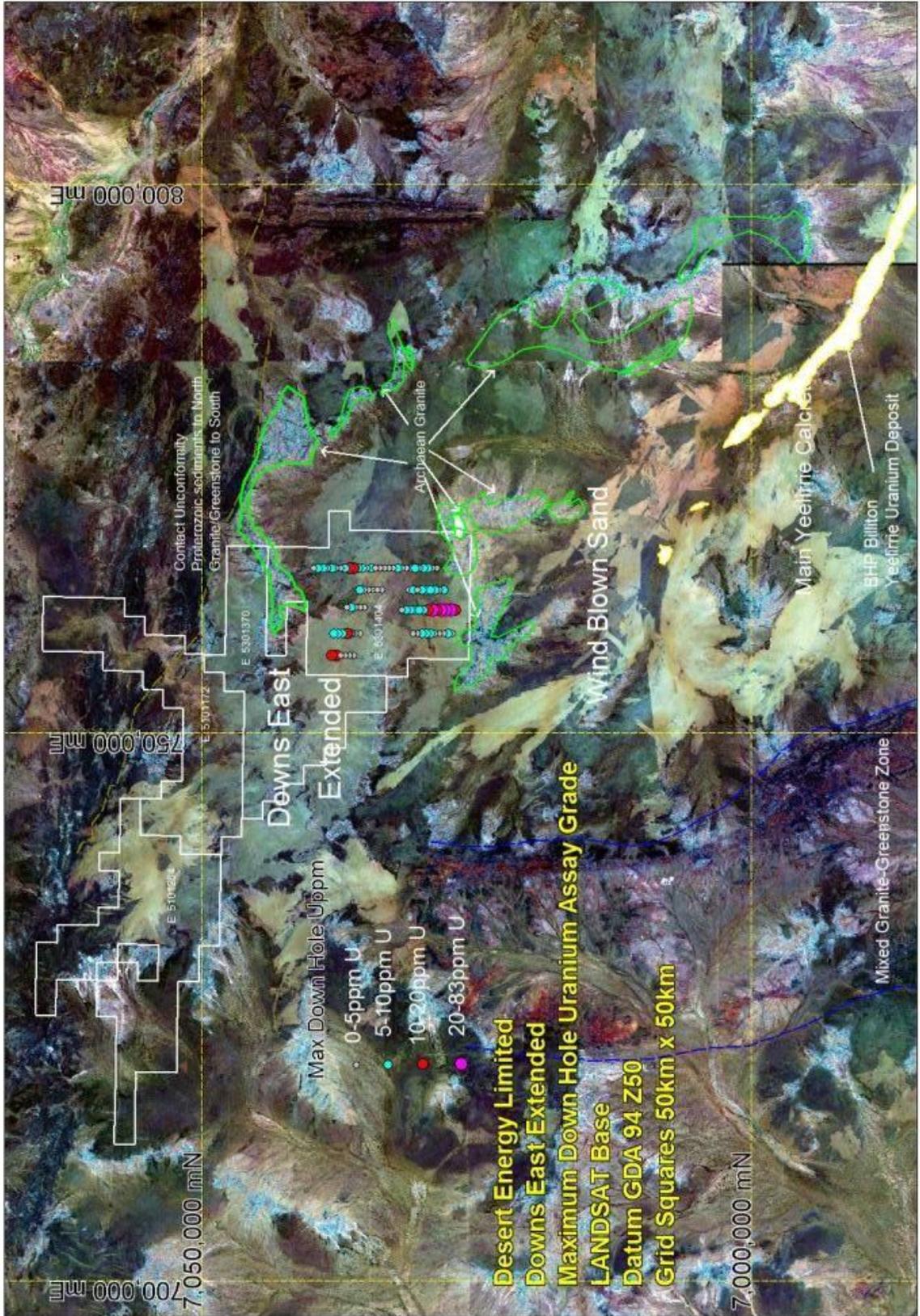
Kelvin Fox, Dr Taylor and Mr O'Hara have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as Competent Persons as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Kelvin Fox consents to the inclusion in the report of the matters based on his data and information in the form and context in which it appears. Dr Robert Taylor and Garry O'Hara consent to the inclusion of information they have provided in the preparation of this report.

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 Securities Exchange website at www.asx.com.au

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



Desert Energy Ltd
Calcrete Uranium Projects on the Yilgarn Block



7,000,000 mN

7,050,000 mN

750,000 mE

800,000 mE

Downs East
Extended

- Max Down Hole U ppm
- 0-5ppm U
 - 5-10ppm U
 - 10-20ppm U
 - 20-83ppm U

Desert Energy Limited
Downs East Extended
Maximum Down Hole Uranium Assay Grade
LANDSAT Base
Datum GDA 94 Z50
Grid Squares 50km x 50km

Contact Unconformity
 Proterozoic sediments to North
 Granite/Greenstone to South

Archaean Granite

Wind Blown Sand

Main Yeelirrie Calcification
 BHP Billiton
 Yeelirrie Uranium Deposit

Mixed Granite-Greenstone Zone

Appendix 5B

Mining exploration entity quarterly report

Name of entity

Desert Energy Limited

ABN

56 123 102 974

Quarter ended ("current quarter")

31 March 2010

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Period to date (9 months) \$A'000
	Receipts from product sales and related debtors		
1.2	Payments for (a) exploration and evaluation (b) development (c) production (d) administration	(196)	(2,033)
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	16	153
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Other - tenement rehabilitation bonds		
	Net Operating Cash Flows	(312)	(2,305)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a)prospects (b)equity investments (c) other fixed assets		
1.9	Proceeds from sale of: (a)prospects (b)equity investments (c)other fixed assets		
1.10	Loans to other entities		
1.11	Loans repaid by other entities		
1.12	Other (provide details if material)		
	Net investing cash flows	-	-
1.13	Total operating and investing cash flows (carried forward)	(312)	(2,305)

1.13	Total operating and investing cash flows (brought forward)	(312)	(2,305)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	1,700	1,700
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	(93)	(108)
	Net financing cash flows	1,607	1,592
	Net increase (decrease) in cash held	1,295	(713)
1.20	Cash at beginning of quarter/year to date	2,094	4,102
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	3,389	3,389

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	54
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

--

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

N/A

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	Nil	Nil
3.2 Credit standby arrangements	Nil	Nil

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	350
4.2 Development	-
Total	350

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	74	394
5.2 Deposits at call	3,315	1,700
5.3 Bank overdraft		
5.4 Other (provide details) Held on trust by parent Aurora Minerals Ltd		
Total: cash at end of quarter (item 1.22)	3,389	2,094

Changes in interests in mining tenements

Tenement Name & Location	Tenement reference	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
Glenburgh	E09/1368	Holder	0%	100%

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference +securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	99,735,421	92,271,001		Fully Paid
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	10,000,000	10,000,000	\$0.17	Fully Paid
7.5 +Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>	7,500,000	-	<i>Exercise price</i> 34.017 cents	<i>Expiry date</i> 31/10/ 2014
	7,500,000	-	50.0 cents	22/11/2015
	2,050,000	-	50.0 cents	22/12/2011
	3,700,000	-	34.017 cents	30/11/ 2010
	2,000,000	-	37.2 cents	30/11/2010
	562,500	-	31.0 cents	30/11/2012
	20,566,700	20,566,700	25.0 cents	30/04/2010
	500,000	-	38.0 cents	30/04/2011
	330,000	-	35.0 cents	31/05/2013
	630,000	-	35.0 cents	30/11/2012
	1,800,000	-	30.0 cents	30/06/2013
	1,000,000	-	34.0 cents	31/10/2013
	1,000,000	-	34.0 cents	31/10/2013
7.8 Issued during quarter				
7.9 Exercised during quarter				

7.10	Expired during quarter				
7.11	Debentures (totals only)				
7.12	Unsecured notes (totals only)				

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does ~~not~~* (*delete one*) give a true and fair view of the matters disclosed.

Sign here: Peter Rutledge
(Company Secretary)

Date: 30 April 2010

Print name: Peter Rutledge

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 3 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 4 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

== == == == ==