

ASX

RELEASE

16 August 2007

**Large Calcrete Uranium
Exploration Portfolio
Gascoyne and Murchison
Regions
Western Australia**

**13,900km²
24 projects**

Website

www.desertenergy.com.au

For further information on
this release and company
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Commencement of Exploration

Desert Energy is pleased to announce the completion of a detailed 14,000 line kilometre Airborne Radiometrics-Magnetics survey (Mag-Rad survey) on a series of its Gascoyne and Murchison region calcrete uranium prospects.

The Mag-Rad survey is aimed at providing the Company with its first targets for field prospecting and follow up drilling, on its Minnie Creek, Limejuice, Glenburgh, Downs, Charlie and Yaragner Project areas.

The survey marks the commencement by Desert Energy Minerals of the first phase of its large uranium exploration program.

Interpretation of the results of the Mag-Rad survey is due to commence shortly and expected to be announced in the coming weeks.

Magnetics-Radiometrics Survey details

This first airborne Mag-Rad programme by Desert Energy is believed to be one of the largest recently undertaken in WA.

A sophisticated new 32 crystal spectrometer was utilised in the aircraft, to provide extra sensitivity, to help identify even subtle uranium channel radiometric anomalies.

In contrast to previous non-detailed surveys which were commonly flown at heights of approximately 60-100metres, and on line spacing of approximately 400m to 1600m between lines, Desert Energy commissioned this low level survey on the following parameters.

Flight height 35m
Line spacing 200m

Proposed Exploration

Following interpretation of the Mag-Rad survey results, the Company's geologists will follow up with ground prospecting of

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the surface uranium-channel radiometric-anomalies. Follow up drilling is planned following completion of negotiations for heritage agreement with the relevant Native Title claimants.

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 Companies announcements to ASX, including 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 can contact Ken Banks.