

ASX

RELEASE

30th April 2008

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

Website

www.desertenergy.com.au

For further information on
this release and company
please contact:

Investor Relations Manger
Office

+61 2 8969 2777

Mobile Phone

+61 (0) 402 079 999

Email

kbanks@auroraminerals.com

March 2008 Quarterly Activities Report

Desert Energy is the largest calcrete uranium explorer in Western Australia in terms of projects held. Following its early success at Downs East Project in late 2007 in its first full quarter of exploration, the Company continued its aggressive detailed airborne radiometric surveys, a frontline tool in the search for new deposits. The Company also carried out a major expansion in its field exploration teams and equipment in early 2008.

Highlights

- **Downs East Discovery**
 - Drilling Preparations Advancing
 - focus on 8km major surface uranium anomalies

- **Significant increase in the number of field teams**
 - 2008 program to test expanded target numbers

- **Old Station West and East prospects – early airborne results look promising**

- **Large Radiometric Anomalies identified at Lyons River North and MacAdam Plains prospects**
 - 13km long linear uranium-channel radiometric anomaly identified at Lyons River North
 - 40kms of uranium-channel radiometric anomalies at MacAdam Plains

2008 Exploration to build on Downs East discovery

Sophisticated airborne and soil analytical techniques were developed in the WA gold industry in the 1980's and 1990's, resulting in many large discoveries, and are now being adapted for uranium exploration which has generally been dormant until the recent escalation in the uranium price and its renaissance as a potential global solution to clean, base load power.

The Downs East discovery demonstrated the advantages of utilising latest exploration techniques – very sensitive airborne radiometrics designed to see deeper under sand and soil cover, followed up by soil analytical techniques designed to reveal tell tale signs of buried uranium mineralisation.

The Company has significantly increased its exploration teams and equipment to expand exploration across its large prospective project areas this year, commencing in May.

The aim of this process is to produce a series of drill targets similar to those at Downs East.

The Board is excited with the potential 2008 holds for the Company and is particularly looking forward to the up coming drilling program at its new Downs East discovery.

Downs East Project

During the March 2008 quarter, the Company advanced preparations to drill the 100% owned Downs East project (E51/1172) located 65km NW of the Yeelirrie, the worlds richest calcrete uranium deposit.

The initial uranium target area is approximately 8km long by up to 2km wide along the straight, eastern half of the anomaly (refer radiometrics high on map) . Preparations are steadily advancing and drilling is expected to commence this quarter.

Features of the surface mineralisation

- High grade Uranium up to 0.3% U_3O_8 returned from surface sampling (full samples attached in table)
- Occurs within 25 km Uranium-channel radiometric anomaly with the majority of the anomaly covered by sand and soil
- Uranium results from soil sampling matches the radiometric anomaly closely with the uranium soil values increasing by over 5 times, and up to 2.2 kms wide moving north-eastwards up the 8km straight section of the anomaly (see attached map).

The following table shows the assay results of the eight samples sent to the laboratory from the area of uranium surface mineralisation:

Sample No	Co-Ordinates *	U ppm
DER3	751450E, 7049160N	2,610
DER2	751450E, 7049160N	692
DER1	751450E, 7049160N	543
104203 A	751360E, 7049065N	1,230
104203 B	751360E, 7049065N	1,840
104203 C	751360E, 7049065N	728
104202 A	751360E, 7049065N	1,120
104202 B	751360E, 7049065N	1,070

*Datum GDA94 zone 50

Note: 8 of 8 samples collected and sent for analysis

Location

As shown on the latest regional map (attached), Downs East, is in the region which is host to the world's largest calcrete uranium deposit and several other significant calcrete uranium deposits, all found in the 1970's.

Encouraging results on other projects

During the March Quarter the Company continued widespread detailed airborne radiometric surveys, over its **Old Station West** (EL application) and **Old Station East** (granted EL) prospects located in interpreted favourable geological environments approximately 150km SW of Yeelirrie. The survey radiometrics data is currently being analysed. An initial inspection indicates they are promising.

Results were also received from detailed radiometrics over the **Lyons River North** and **MacAdam Plains** projects in the Gascoyne region.

These surveys highlighted:

- a 13km strong linear Uranium-channel radiometric anomaly at Lyons River North (Granted Exploration Licence E09/1365), and
- at MacAdam Plains Project (Exploration Licence Applications E09/1354 and E09/1355) a number of linear Uranium-channel radiometric anomalies with a combined length of 40kms.

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Corporate

During the quarter the Company issued the pro-rata Non-renounceable Entitlement Offer of Options to shareholders as per its IPO Prospectus in mid 2007. The options were offered on the basis of one option for every 4 DSN shares, with an issue price of 1 cent per option, and a strike price of 25c over a term of 2 years.

There was a very large take up of the Loyalty Option offer, with 19,084,493 out of a possible 20,566,7000 options **(93%)** applied for by shareholders. The shortfall of 1,482,207 options was taken up by the underwriter Aurora Minerals Limited.

On the 27th of February 2008 the company placed 2,271,000 ordinary shares at an issue price of 35c to a European Institutional Fund raising \$794,850 before expenses, to provide further working capital for its projects.

Yours faithfully

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

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

