

ASX

RELEASE

9 November 2011

**Large Diversified
Exploration Portfolio In
Western Australia**

Substantial Shareholder
Aurora Minerals Limited
48%

Website
www.desertenergy.com.au

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**CAMEL HILLS JOINT VENTURE
DALGETY DRILLING COMMENCES**

Highlights

- Drilling commences at Dalgety Copper
- 24 RC holes planned
- 4 gold/copper prospects to be tested
- Sulphide-bearing quartz zones in first few holes

Desert Energy Limited (ASX code "DSN") is pleased to announce that drill testing has now commenced at the Dalgety Copper project in the northern part of its large Camel Hills Joint Venture located in the central mid-west region of Western Australia (see Figure 1).

This initial program is for 24 Reverse Circulation (RC) drillholes totalling about 1700m to test four prospects, Saucerer, Min Min, Jacko and Snowbird, which were identified by Desert during the 2010-2011 field season. Drilling is expected to be complete by the end of the month.

The first holes at Saucerer intersected several meters of quartz-rich zones containing sulphide mineralisation. All holes will be sampled on 2-meter composites.

Dalgety Copper consists of granted exploration licence E09/1718 which covers approximately 12 kms strike of the regional ENE trending Deadman Fault which is associated with several gold and copper occurrences, including Dalgety. Prospecting by Desert earlier in the year reported high-grade gold and copper rock-chip samples from surface of up to 62g/t Au and 5% Cu at its Saucerer prospect (ASX announcement dated 19 September 2011).

Gold and copper mineralisation at Saucerer occurs in broadly east-west striking gossanous quartz veins over a strike of approximately 500m. Several old small pits and shafts define at least two sub-parallel mineralised zones and dump material contains variable malachite mineralisation. Previous exploration in 1988 included 16 shallow (maximum 36m depth) RAB holes with anomalous copper and gold values, but their locations are poorly constrained.

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North of Saucerer, the Min Min and Jacko prospects appear to be fault offsets and are prospective for gold in pyritic laminated quartz veins parallel to host mafic and felsic gneisses. A magnetite-quartzite unit crops out at Min Min. Snowbird lies 7km south west from Saucerer, and is a sliver of banded, pale grey, fine grained quartz-rich unit containing finely disseminated pyrite. It appears to be “bent” northwards by the Deadman Fault.

Gascoyne Resources Limited has announced a significant gold resource directly southwest of Desert’s Dalgety project (see Figure 2) with recent drill-intercepts of high-grade gold. Desert interprets the Saucerer and Min Min prospects to be possible fault offsets of the Gascoyne Resources’ gold zones.

Camel Hills Joint Venture

Under the terms of the joint venture agreement, Desert can earn a 51% interest in the Camel Hills Project from Aurora Minerals Limited by sole funding the first \$3.8 million of exploration expenditure. Desert can elect to continue sole funding to earn an additional 19% interest in the project, for a total of 70% interest.

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Robert Taylor
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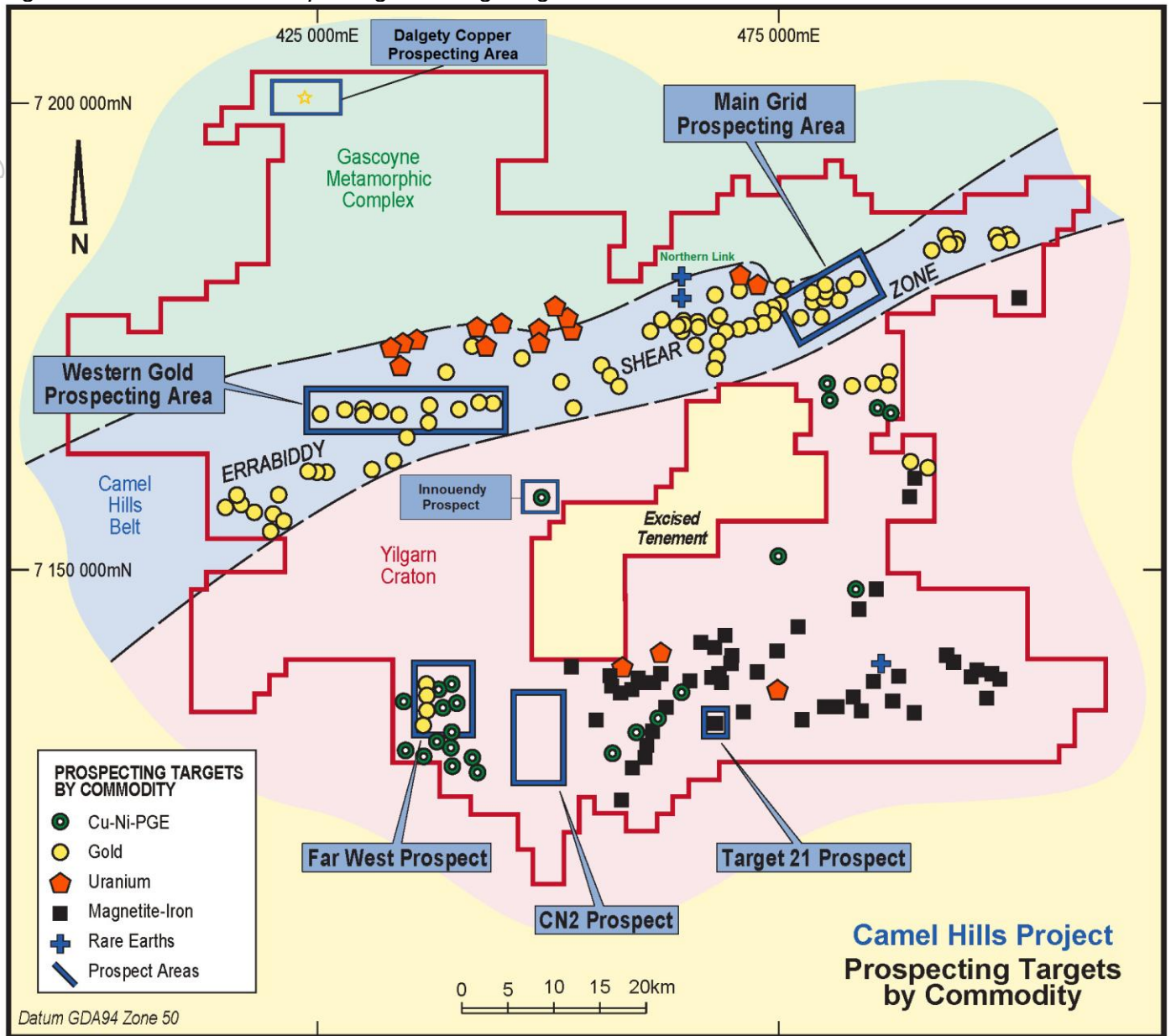
The information in this presentation that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Dr Robert S Taylor, a Member of The Institute of Materials, Minerals and Mining. Executive Director of Aurora Minerals Limited and Desert Energy Limited, Robert Taylor consults to the Companies through his respective consulting company Able Kids Pty Ltd.

Robert Taylor has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is 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 consents to the inclusion in the presentation of the matters based on this information in the form and context in which it appears.

The Company’s website (www.desertenergy.com.au) is recommended reading for interested market watchers, brokers and investors. The website contains information on the Company’s projects, project maps, a list of the Company’s announcements to ASX, information on Native Title (including the tenement grant process and heritage surveys) 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 Securities Exchange.

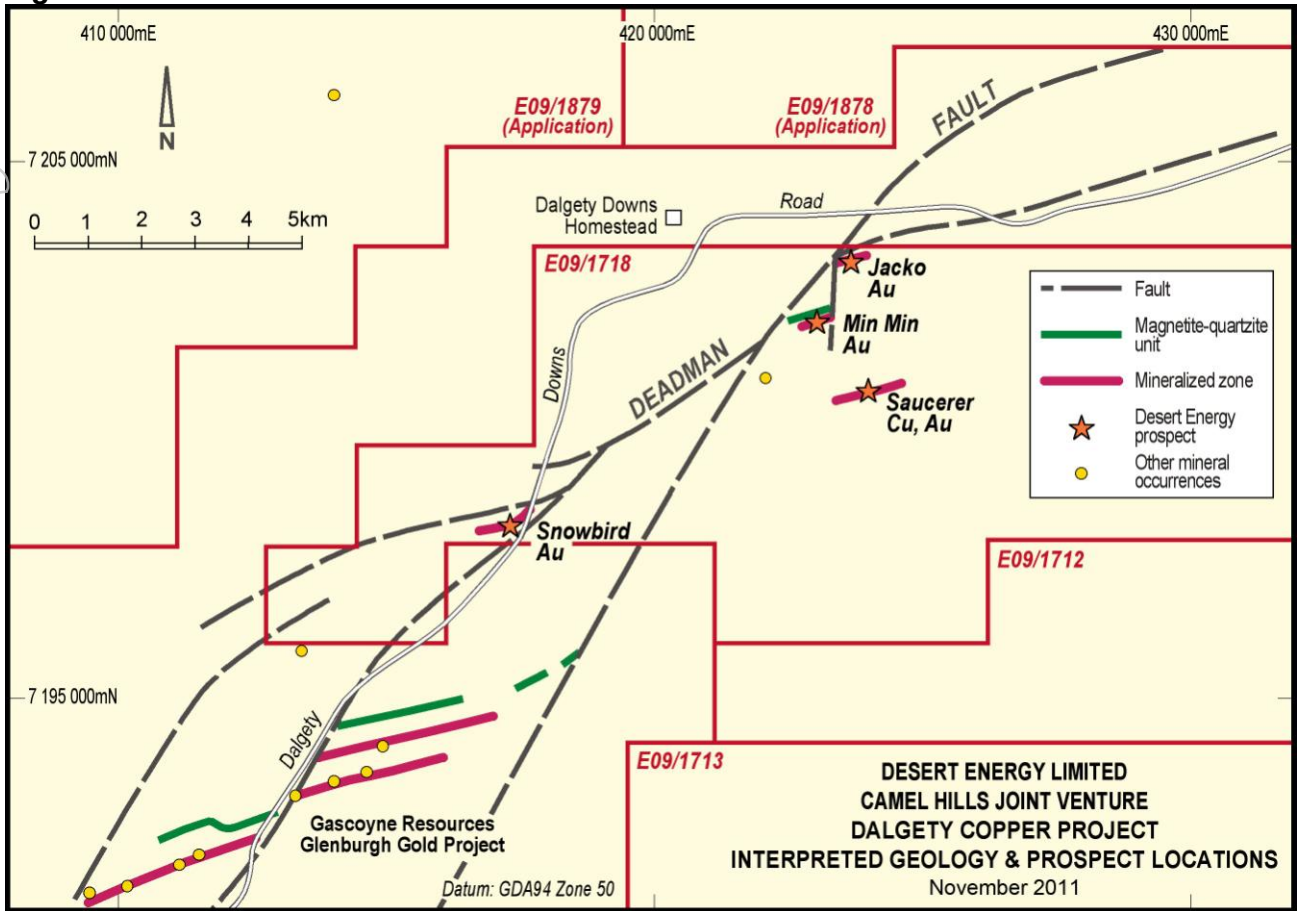
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Figure 1: Camel Hills – Prospecting & Drilling Targets



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Figure 2



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