Desert Energy

Uranium Explorer

ABN: 56 123 102 974

ASX RELEASE

4 February 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

PROPOSED NEW FARMIN AND JOINT VENTURE AGREEMENT WITH AURORA MINERALS LIMITED ON HIGHLY PROSPECTIVE CAMEL HILLS PROJECT CENTRAL WESTERN AUSTRALIA

- **PROJECT IS MULTI-COMMODITY**
- **INCLUDING HIGH-GRADE MAGNETITE**
- **ADVANCING TO DRILLING**

Desert Energy Limited is pleased to announce that it is in discussions with Aurora Minerals Limited to enter a Joint Venture on Aurora's large 100% owned Camel Hills Project in central Western Australia.

Under the proposed terms Desert Energy will have the option to earn a 70% interest in the project by funding and conducting exploration. Proposed terms of the Camel Hills Joint Venture are set out below.

It is expected that final details of the proposed Camel Hills Joint Venture will be released to the market in the coming weeks. The proposed joint venture will be subject to the approval of shareholders of both Desert Energy and Aurora, at general meetings of those companies.

The Camel Hills Project covers the highly prospective northwest margin of the Archaean Yilgarn Block. Previous exploration has been limited to reconnaissance sampling for magnetite-iron, gold and copper-nickel which has yielded numerous anomalies and targets for follow-up and drill-testing (refer to attached presentation).

A number of significant discoveries have been made around the northern margin of the Yilgarn Block and the adjoining Proterozoic basins, including Nathans (Gold), Labouchere (Gold), Peak Hill (Copper, Gold, Manganese), Three Rivers (Gold), De Grussa

(Copper-gold), Plutonic (Gold). On the eastern margin of the Yilgarn Block, discoveries include Mulga Rocks (Uranium) and Tropicanna (Gold). The Jack Hills Iron Ore deposit lies 55km to the east of the Camel Hills Project (see attached presentation).

Because its scope, multi-commodity prospectivity and granted nature of the tenements Desert Energy believes success at the exciting new Camel Hills Project may provide a significant increase to shareholder value.

Key Features of Camel Hills Project

Some of the key features of the Camel Hills Project, in which Desert Energy would have the opportunity to earn a 70% interest include:

- Aurora recently discovered high-grade Magnetite over an extensive area of banded iron formation ridges in the south of the Project with initial beneficiation testwork yielding up to 70.2% Fe.

- The testwork on four samples demonstrated that the magnetite is quite crystalline and would produce a high quality concentrate if crushed to -75µm. All concentrates have high iron and low combined Si and Al, making them amenable to carbon cleaning uses which demands a premium price.

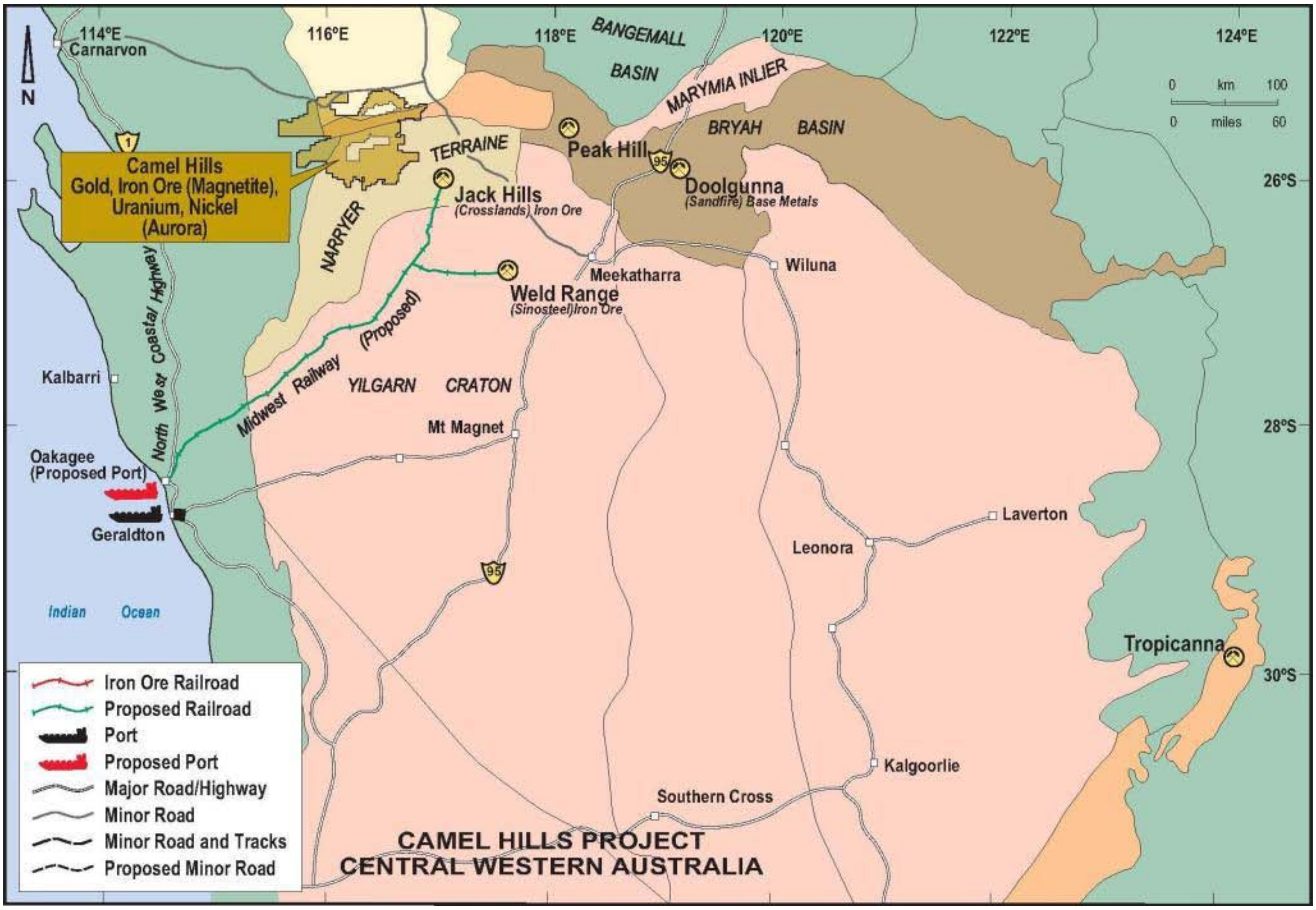
- Detailed airborne magnetic and radiometric survey flown for Aurora.

- The Project also hosts widespread anomalous values in gold, nickel PGE, uranium and rare earths, and is considered highly prospective for ‘Tropicana’ style gold mineralization, Jinchuan nickel-PGE, and unconformity uranium deposits.

- Aurora has signed a regional heritage agreement with the Wajarri Native Title Claimant Group which covers the entire project.

- Early drill targeting is advancing

The exploration conducted at the Camel Hills Project by Aurora Minerals , coupled with the recently signed regional heritage agreement with the Wajarri Native Title Claimant Group, provides Desert Energy with the opportunity to conduct advanced exploration programs including drilling .



Tenement Details, Location and Proposed Infrastructure

The Camel Hills Project comprises 18 granted exploration licenses and 8 exploration license applications, covering an approximately 4,611km^2 area, located 670km north of Perth, Western Australia, and approx 55km west of the proposed new railroad at Jack Hills (Oakajee Infrastructure Project) planned for completion in 2014. Oakajee Port and Rail (OPR) is owned jointly by Chinese-backed Murchison Metals Ltd and Japanese-backed Mitsubishi Development Ltd, a subsidiary of the Mitsubishi Corporation (See Map).

Proposed Joint Venture Agreement

The proposed Camel Hills Joint Venture is subject to approval by shareholders of both Aurora Minerals Limited and Desert Energy Limited.

Main proposed terms of the joint venture:

1. Desert Energy shall have the sole and exclusive right to earn a 70% interest in the Project (all minerals) by sole funding exploration through to finalization of a bankable feasibility study.

2. Upon Desert Energy earning a 70% interest it will offer Aurora the opportunity to pay for 50% of the cost of the Bankable Feasibility Study.

3. If Aurora pays for 50% of the BFS then the interests of the parties will be:

   Desert Energy 70%
   Aurora Minerals 30%

4. If Aurora elects not to accept the offer then Desert Energy will automatically rise by 5% and the parties interests shall be:

   Desert Energy 75%
   Aurora Minerals 25%

5. Following this both parties will be required to contribute their respective percentage share of the cost of a mining development.

6. If one party elects to proceed with the mining development and the other does not wish to proceed then the party which elects to proceed may only do so if it buys out the interest on the non-proceeding party, at a price agreed between the parties or if the parties can't agree then at a price determined by an independent expert.

7. Desert Energy will not be required to reimburse Aurora for any of its past expenditure on the tenements which to date total approximately $601,000.

8. Desert Energy will issue Aurora 10 million unlisted options each to acquire shares in Desert Energy at an exercise price of 40 cents each, expiring May 2017.

Further information will be released to the market in due course. More information on Camel Hills is contained in recent Aurora Minerals Limited Announcements.

Attached is the Aurora Minerals Limited presentation for the Camel Hills Project.

Dr 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 based on information *supplied by a number of geological consultants to Aurora Minerals and Desert Energy who are corporate members of the. Australasian Institute of Mining and Metallurgy*

Robert Taylor and Garry O'Hara are both executive directors of Aurora Minerals 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 the information provided to them in the form and context in which it appears.

The Company's website www.auroraminerals.com 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 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 please can contact Ken Banks.

CAMEL HILLS PROJECT

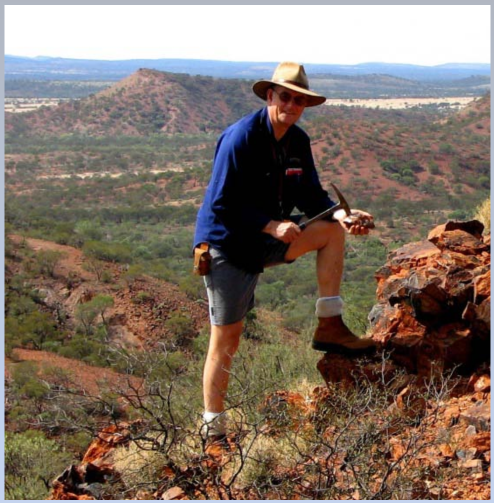
Aurora

AURORA MINERALS LIMITED

Experienced Team
Track Record of Successes

AURORA MINERALS LIMITED

Recent
Large Greenfields Discovery
Capricorn Southeast Manganese



Dr Robert Taylor
Managing Director

EXPLORATION AND BUSINESS DEVELOPMENT
Copper-Zinc – Maranda, South Africa
Gold - Yellow Aster, USA
Copper-Gold - Minas de Oro, Central America
Diamonds - Zimbabwe
Gold - Raleigh & Aphrodite, Kalgoorlie (WA)
Gold – Henty mine extensions, Tasmania
Manganese – Capricorn Southeast (WA)

Phillip Jackson
Chairman

LEGAL, CORPORATE: MANAGEMENT AND PROJECTS
Director of companies across Asia-Pacific
Legal consultant to major US oil services company
Extensive multi-national resources experience
Managing legal counsel for WMC 1990's; gold and nickel

Garry O'Hara
Executive Director

EXPLORATION AND BUSINESS DEVELOPMENT
Nickel – Highway deposit, Kalgoorlie
Nickel – Collurabie deposit, Laverton
Gold - Marvel Loch deposit, Wiluna
Manganese – Capricorn Southeast (WA)

SEEKING LARGE MINERAL DEPOSITS

AURORA MINERALS LIMITED

Targeting Very Large Deposits

• Fe (Magnetite)	Gindalbie Style Deposit	+500 million tonnes
• Gold	Tropicanna Style Deposit	+5 million ounces
• Nickel	Jinchuan Style Deposit	+10 million tonnes
• Uranium	Unconformity Style Deposit	+10,000 tonne U_3O_8

3 Years in the Making

- Tenements selected from extensive data analysis and experienced geological interpretation
- Aeromagnetic and radiometric survey flown in December 2007
- Geochemical sampling conducted in late 2008
- Early success with high-grade magnetite discovery
- Native Title Agreement signed and tenements granted late 2009
- Drill ready

Successful Team

- Proven success at picking areas with large untapped potential – Capricorn Manganese
- Experienced Management Team with a proven track record of significant discovery

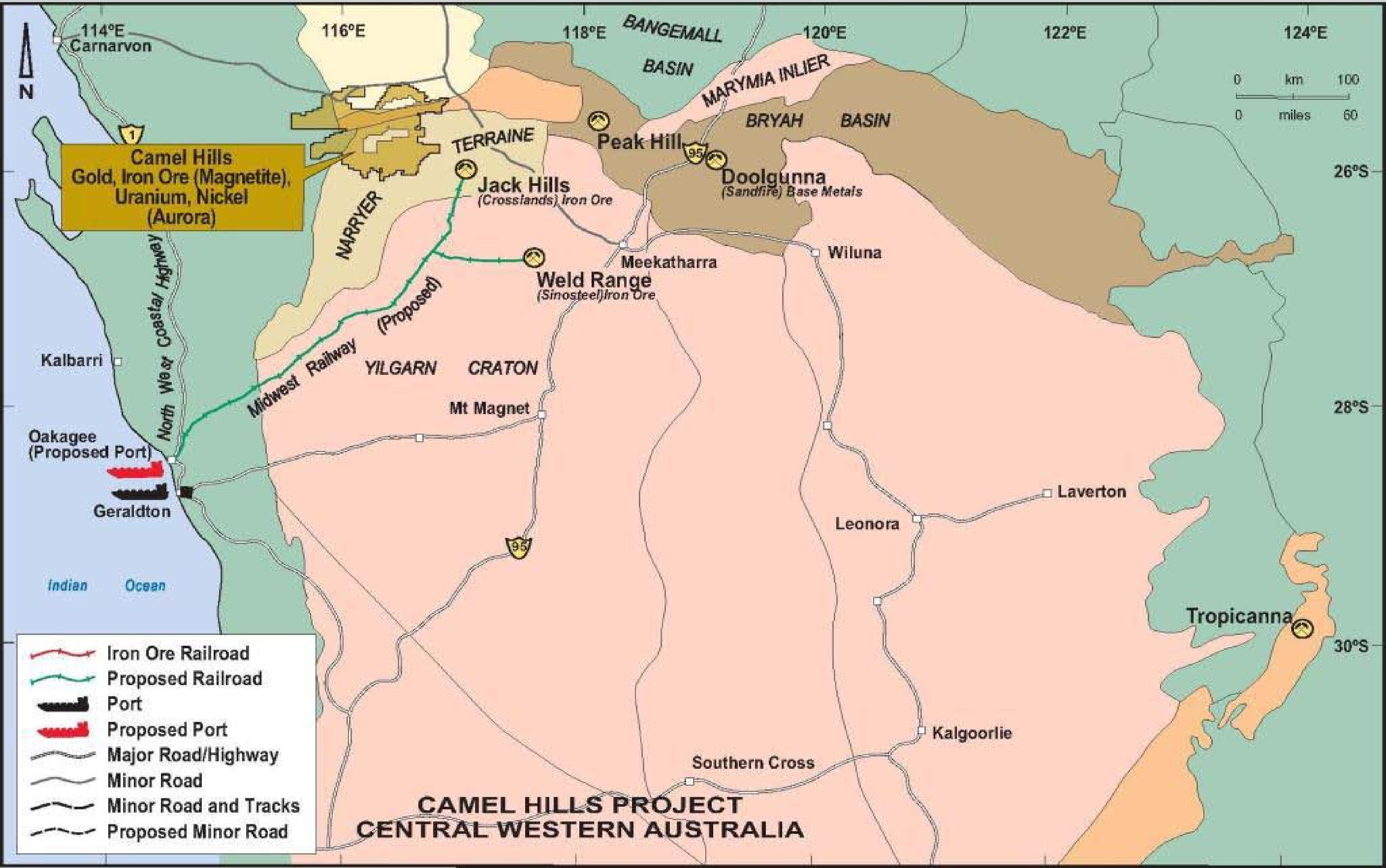
CAMEL HILLS PROJECT OVERVIEW

AURORA MINERALS LIMITED

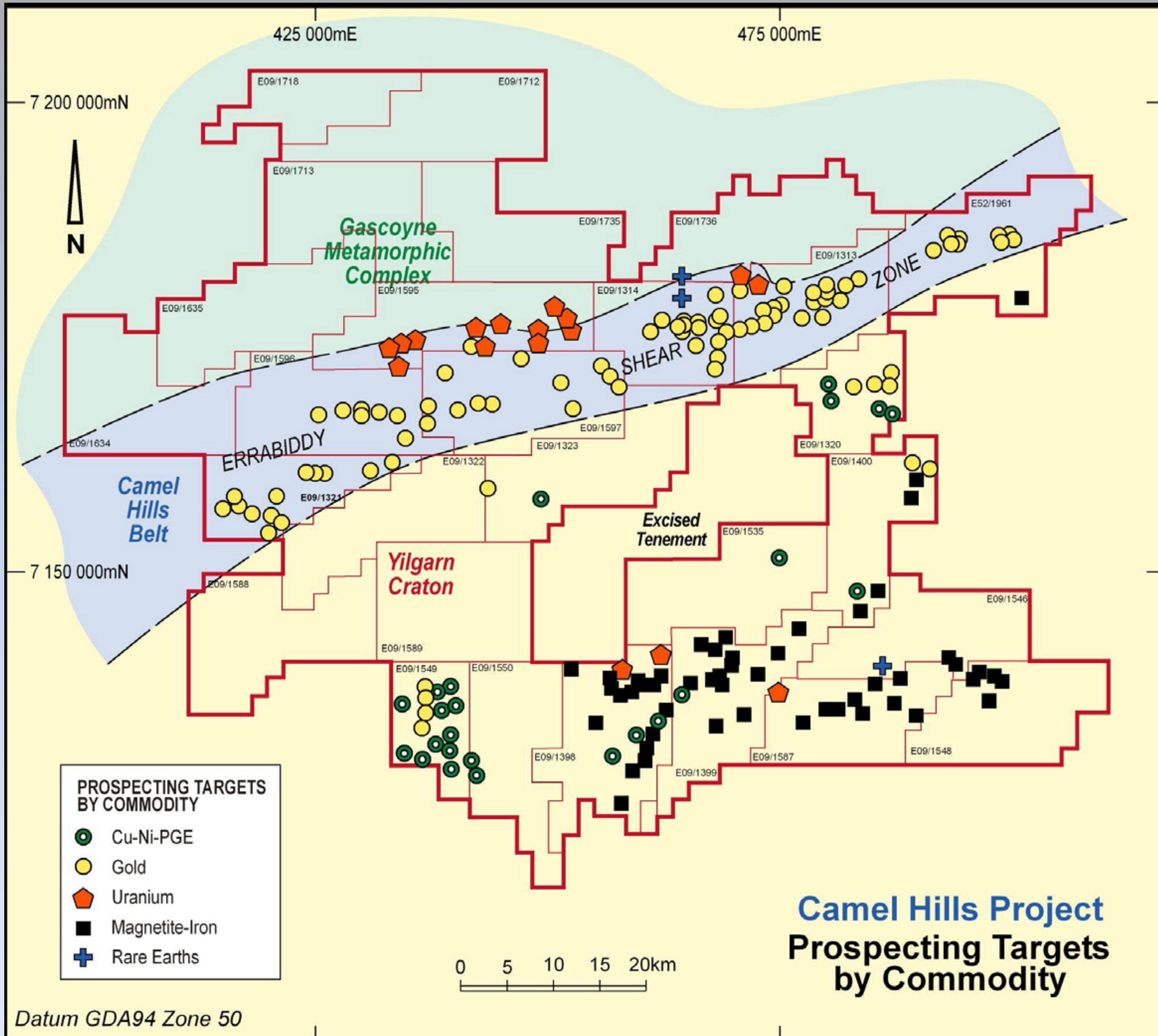
- Large project (approx 4,600 km^2)
- Located northwest edge Yilgarn Craton
- Covers 3 mineralised terranes:
  - Narryer Terrane in south – Magnetite Fe, Ni
  - Errabiddy Shear Zone (Camel Hills Belt) – Au
  - Gascoyne Complex in north - U
- 18 granted ELs, 8 ELAs
- Native Title Heritage agreement in place

PROJECT LOCATION

Aurora
AURORA MINERALS LIMITED



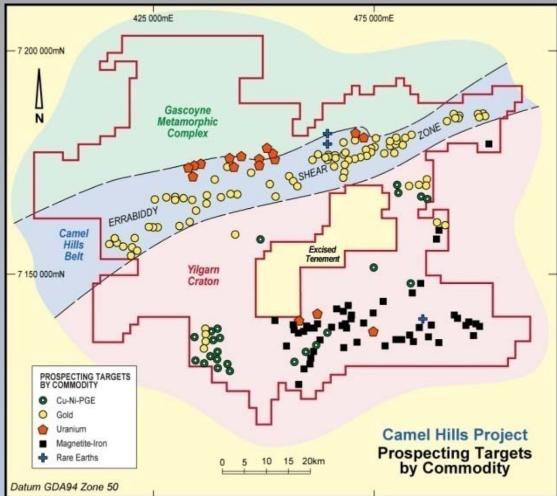
PROSPECTING TARGETS - OVERVIEW

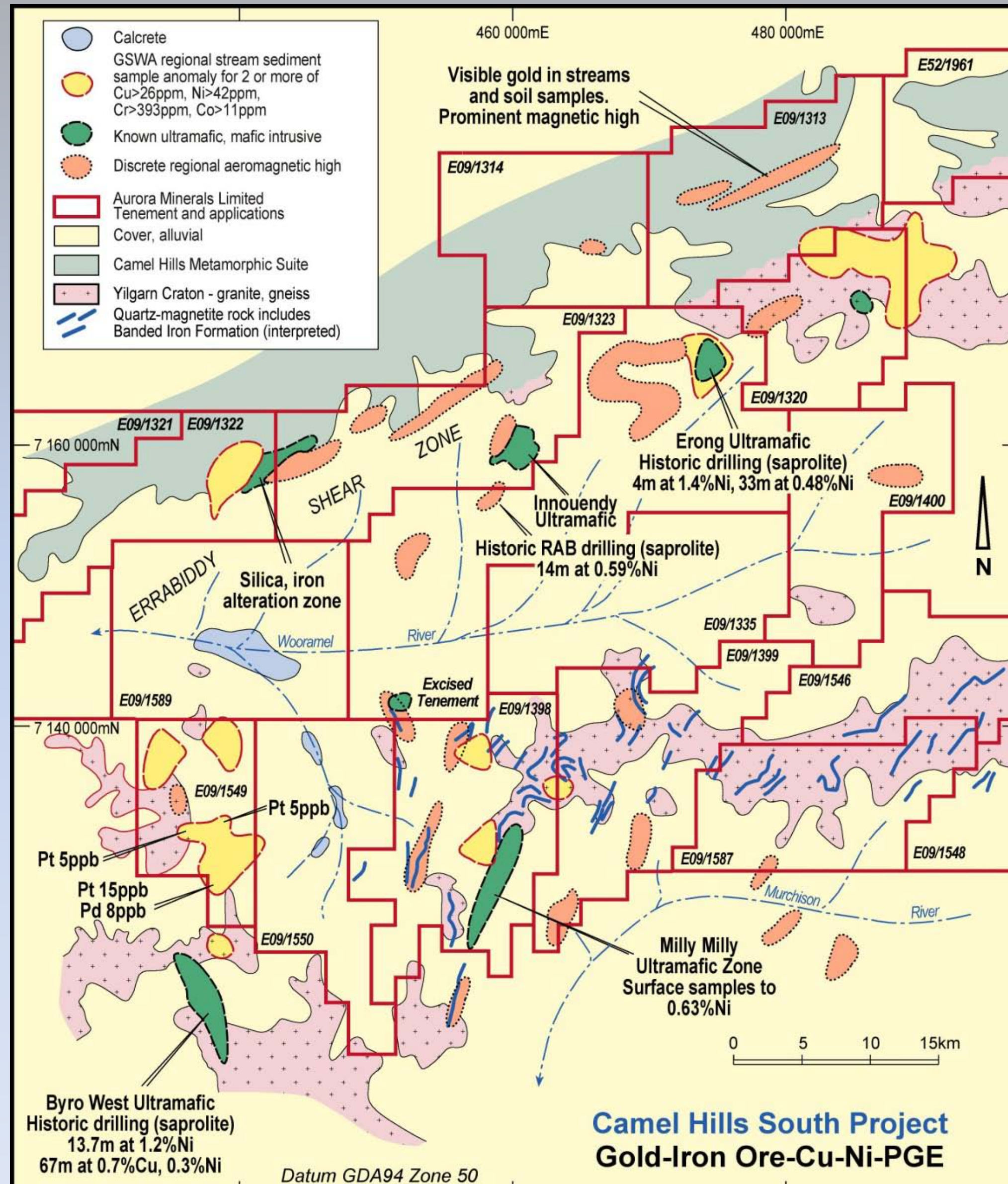


MAGNETITE IRON ORE

- Located near Jack Hills in Mid West iron ore province
- 1400km^2 Camel Hills South Project area
- Outcropping BIF units (to 58% Fe), extend under cover
- Metamorphism appears to have upgraded the magnetite
- Parallel horizons, each up to 20kms, total 200km strike
- Detailed airmagnetic survey completed
- Prelim beneficiation results of 4 samples:
    - High quality +70% Fe product, low Si Al
    - Davis Tube Recoveries about 40% magnetic fraction
    - Superior, premium, product
- Over 50 targets yet to test

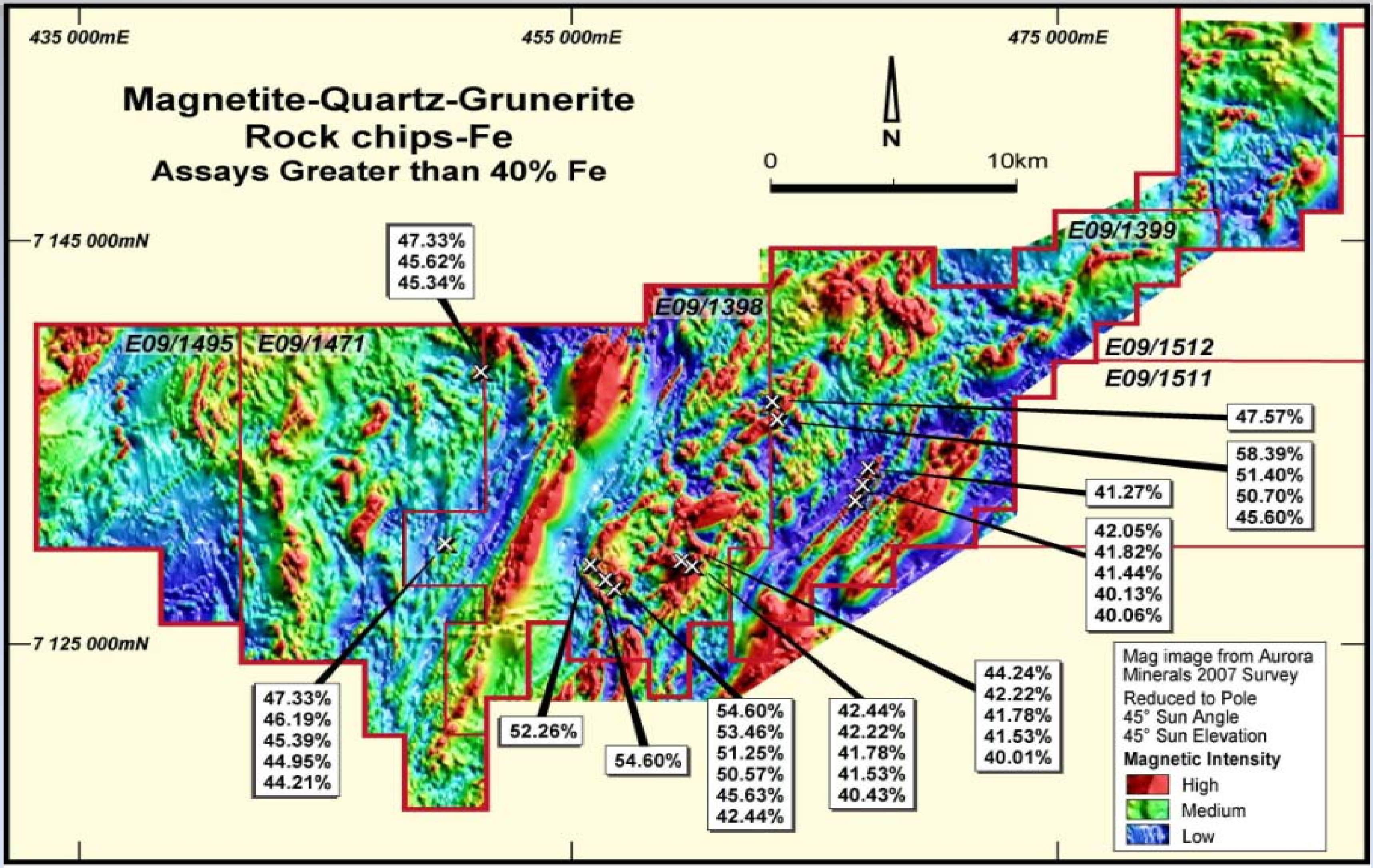
MAGNETITE IRON ORE





MAGNETITE IRON ORE

Aurora
AURORA MINERALS LIMITED



Camel Hills South
Aurora Minerals Limited 100%

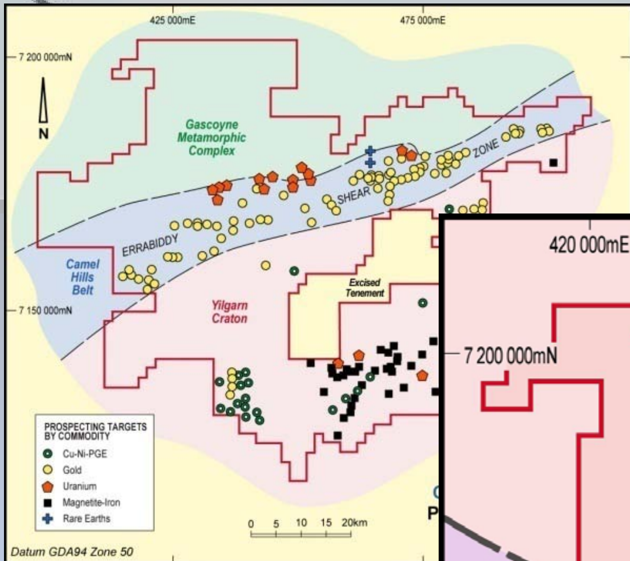
GOLD TARGETS

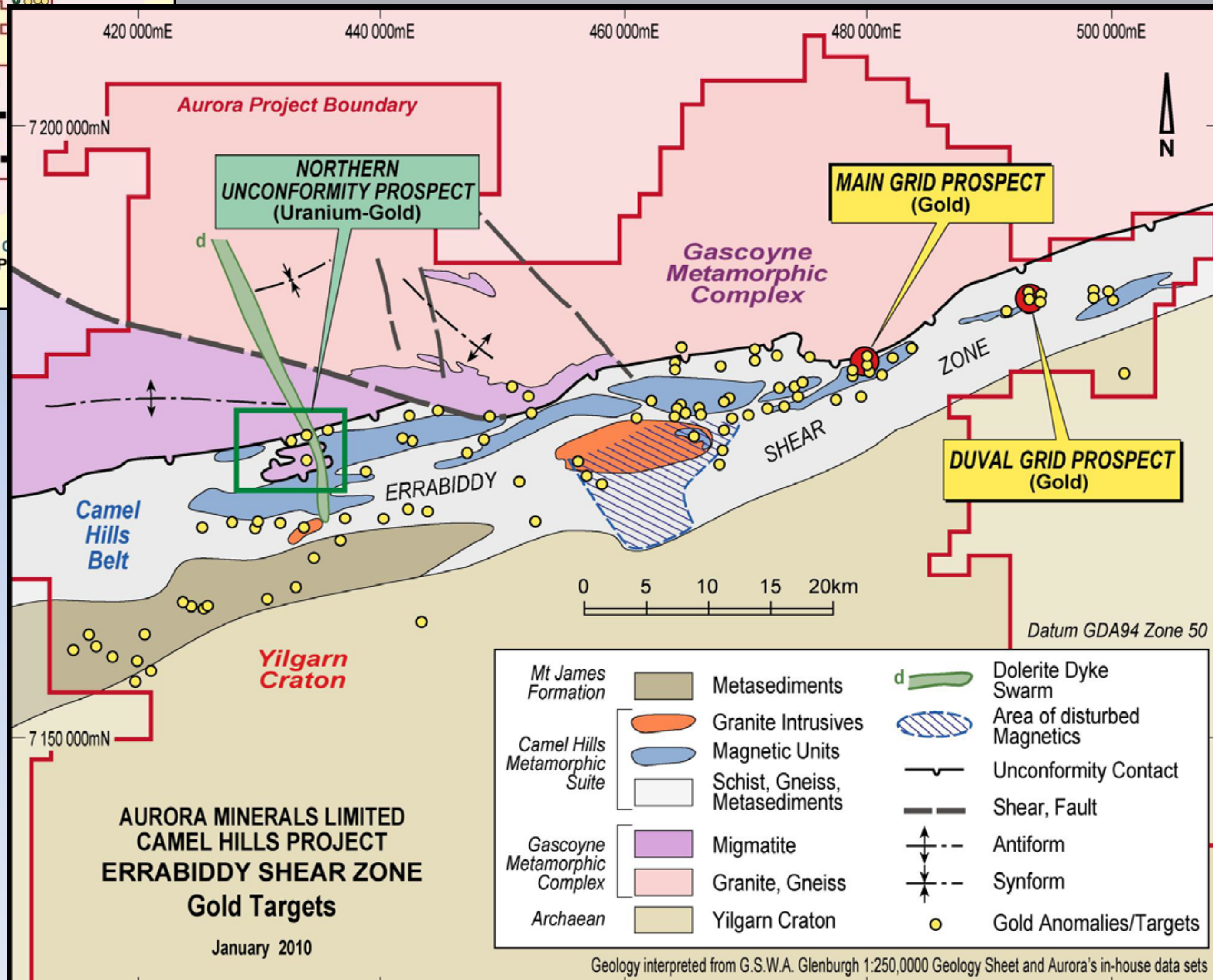
AURORA MINERALS LIMITED

- Camel Hills North project
- Errabiddy Shear Zone, 100km strike
- Visible gold in creeks on north side
- Limited previous exploration
  - Duval Grid – 17 drillholes, results unknown
  - Main Grid – soil/rock anomaly, ready-to-drill
- Over 60 other targets/gold anomalies to test
- “Tropicana-style” gold targets

GOLD TARGETS

AURORA MINERALS LIMITED



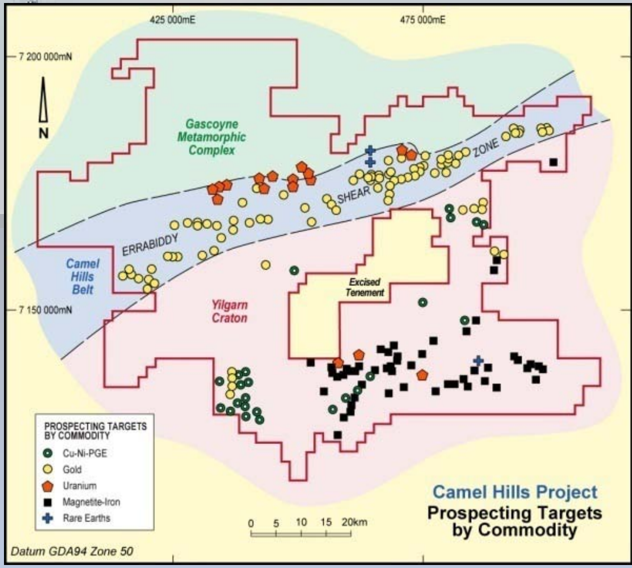


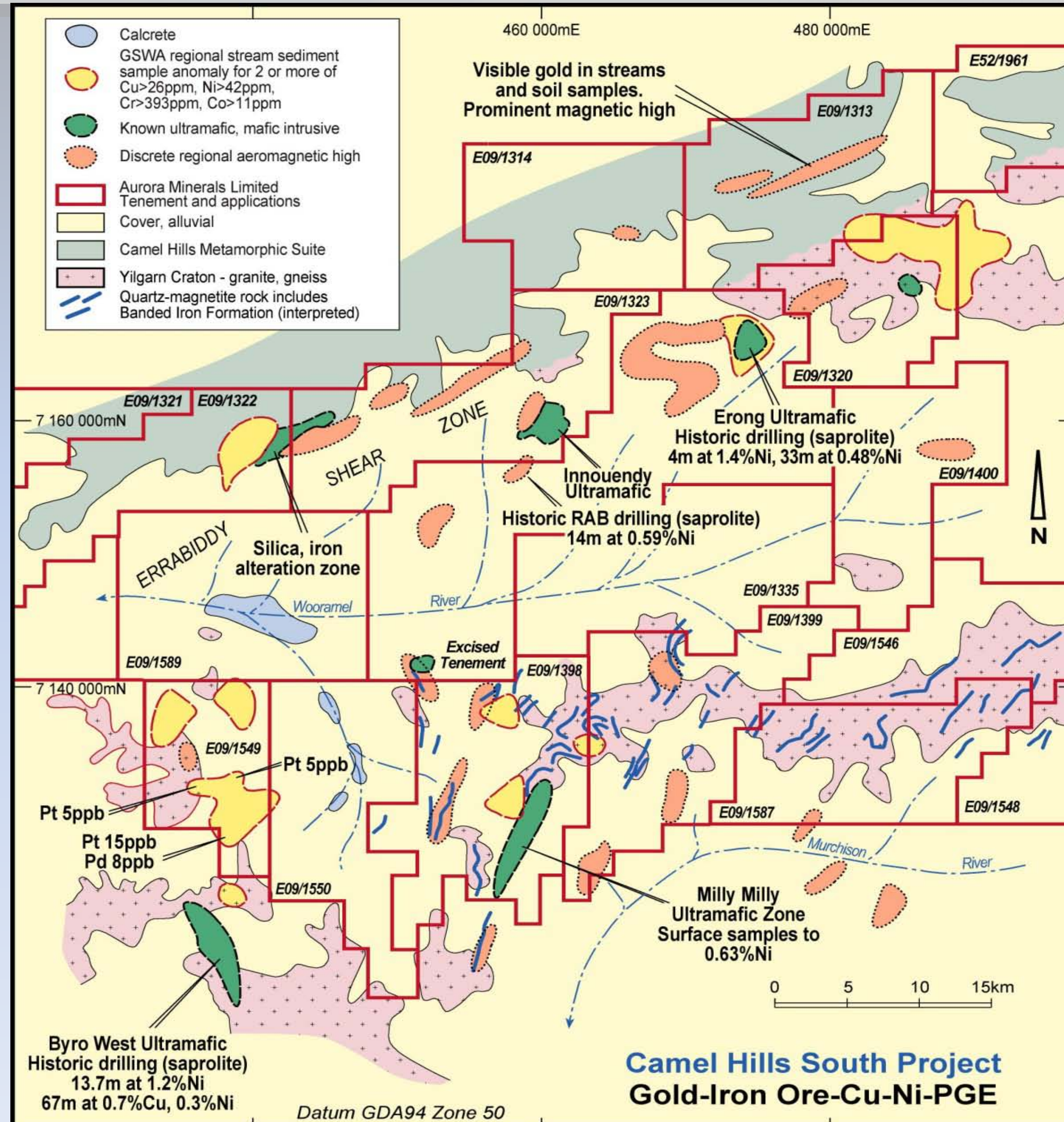
COPPER, NICKEL & PGE

- Camel Hills South project area
- Series of discrete mafic & ultramafic plugs
- Previous drilling (off-project) 13.7m @ 1.2% Ni
- No known drilling on-project
- Surface gossan to 0.63% Ni (Milly Milly)
- Cu-Ni-PGE stream anomalies untested
- Detailed airmagnetic survey completed
- Airmagnetic anomalies untested
- Ready-to-drill targets
- Voisey Bay, Jinchuan, style deposit

COPPER
NICKEL & PGE

AURORA MINERALS LIMITED



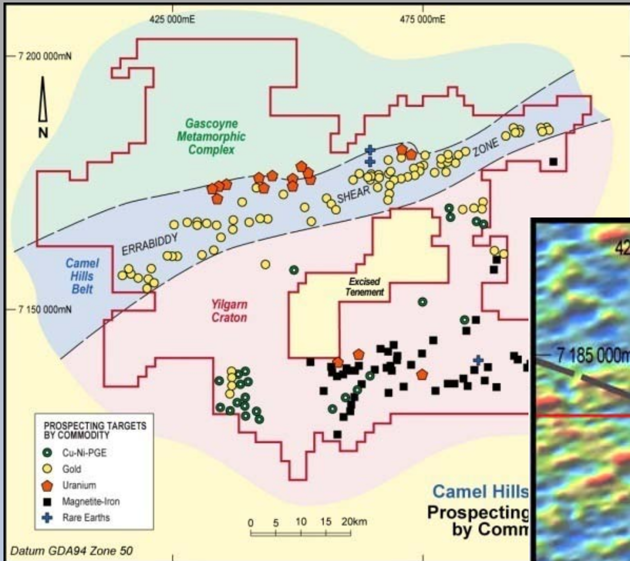


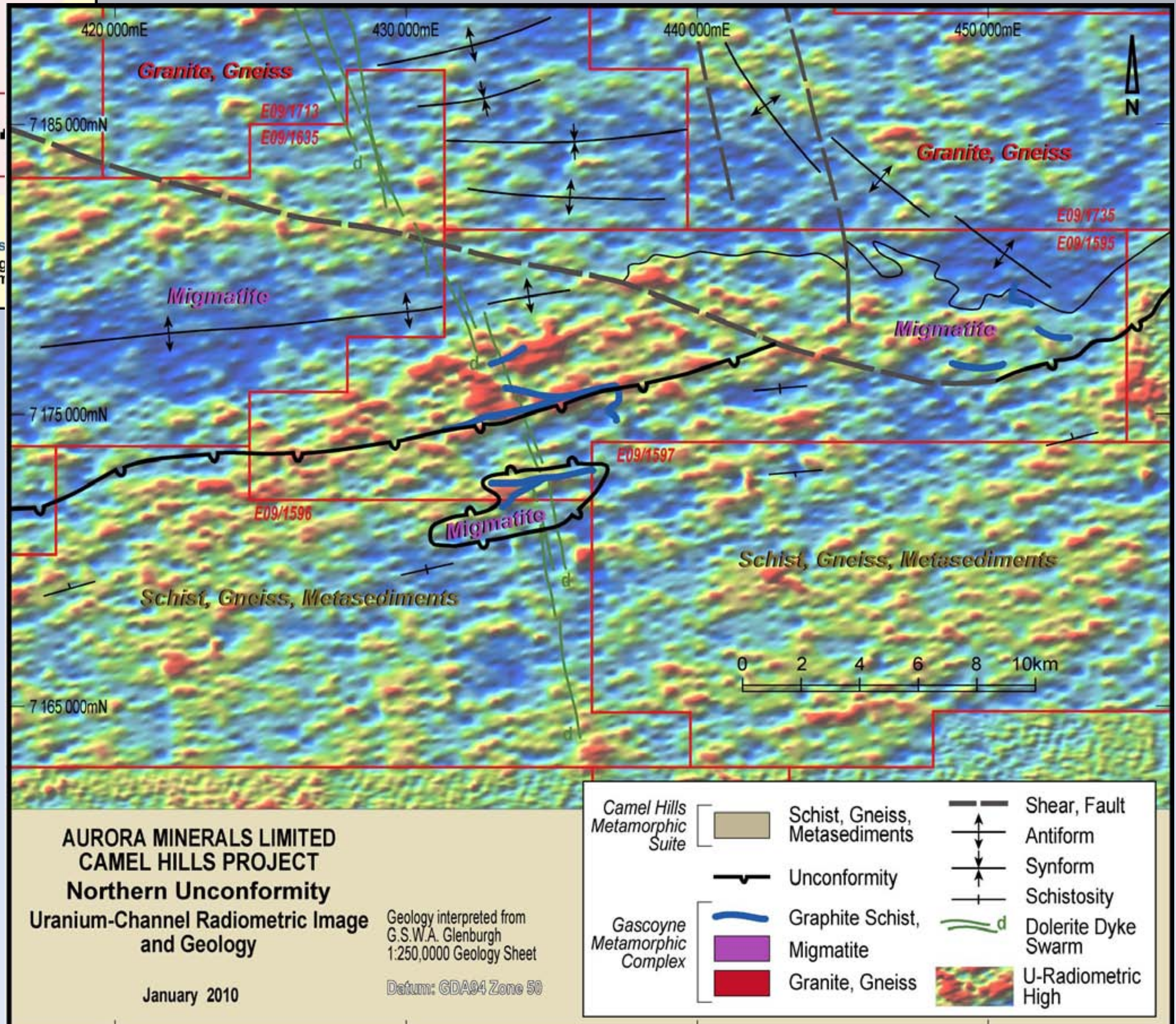
UNCONFORMITY URANIUM

AURORA MINERALS LIMITED

- Camel Hills North project
- Major L-M Proterozoic unconformity
  - Camel Hills schist over Gascoyne metamorphics
  - Discrete U-radiometric anomalies
  - Gneiss domes, graphite schist in basement
  - REE-U-Au stream sediment anomalies
  - Reactivated cross-cutting structures
  - 42km strike anomalous unconformity
- Detailed airborne radiometric survey completed
- Kintyre, Jabiluka-Ranger style deposits

NORTHERN UNCONFORMITY





OTHER TARGETS

AURORA MINERALS LIMITED

- **Hardrock Uranium**
  - Discrete felsic intrusives, U-radiometric anomalies
  - Stream & rock-chip geochem anomalies
- **Rare Earths**
  - Stream sediment anomalies
  - Ce to 1680ppm, La to 1240ppm, U to 14.5ppm
- **Base Metals**
  - Pb-Zn-Cu in gossanous BIF units
  - Anomalous rock-chip geochem

PREMIUM EXPLORATION PORTFOLIO

AURORA MINERALS LIMITED

Extensive Mineralization

- Iron (Magnetite) – Gold – Nickel – Uranium – PGE
- Multiple target zones

Tenements Approved

- 18 Exploration Licences Granted, 8 Exploration Licences due
- Native Title Agreement in Place

Excellent Preliminary Field Results

- High-grade Magnetite
- Very positive initial beneficiation tests
- Gold-in-soil anomalies with associated visible Gold
- Many anomalies still to be tested

Shortened Time Frame for Drilling

- Drill Targets identified
- Experienced management with track record of success