

25 January 2011

AURA COMMENCES DRILLING AT KALLSEDET URANIUM PROJECT, SWEDEN

HIGHLIGHTS

- **Initial five hole programme**
- **Targets high grade areas**
- **Large outcropping area of potential mineralisation**

Aura Energy Ltd (ASX code: AEE) has commenced drilling its substantial landholding of uraniferous shale near Kallsedet, close to the Norwegian border in Sweden. This area was identified as a key target and is in line with Aura's strategy to develop a pipeline of uranium projects in Sweden.

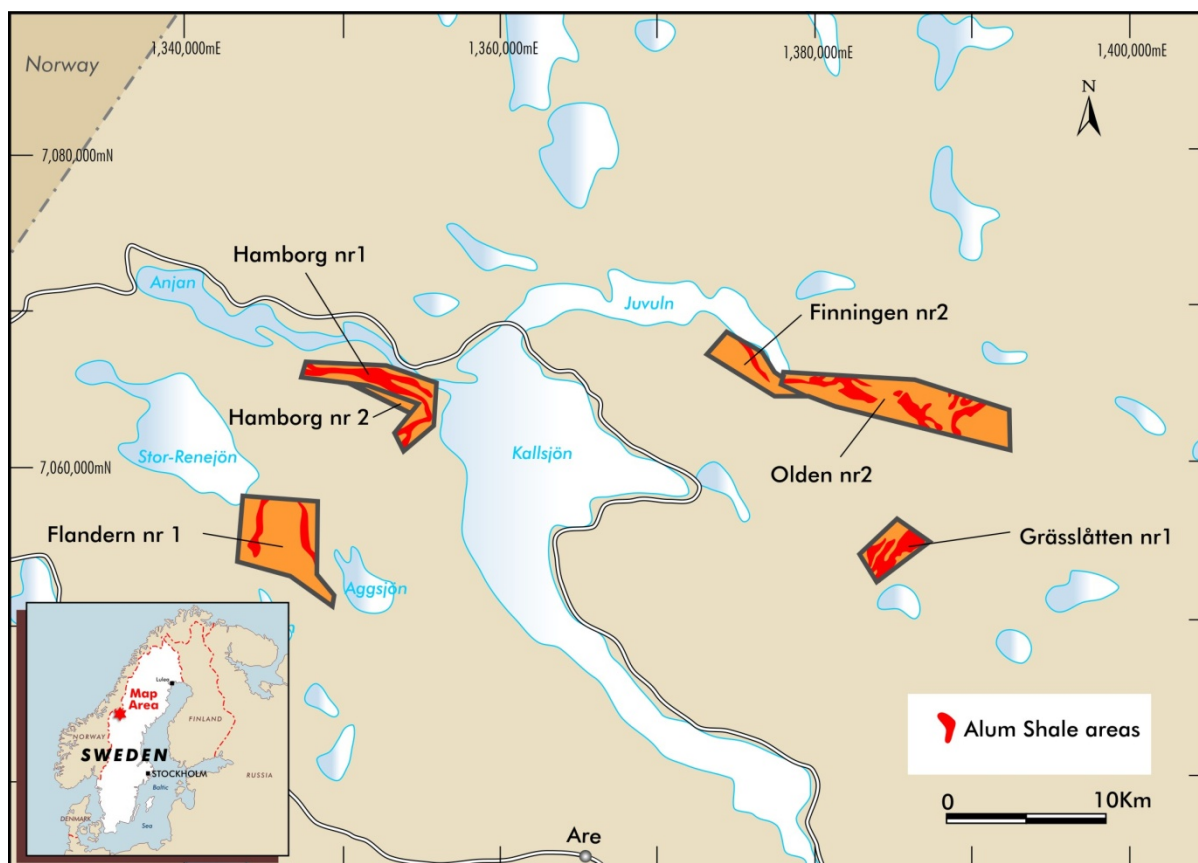
The programme comprises five holes in the Olden, Hamburg and Grässlotten permits.

Previous Aura fieldwork in the area has identified a number of radiometrically anomalous zones corresponding with the position of the Alum Shale at Kallsedet.

- There is evidence that parts of the shale are relatively high grade; one sample collected by the Swedish Geological Survey (304ppm U_3O_8) and one sample collected by Aura (233ppm U_3O_8) indicate that at least parts of the Shale have better than typical grades at the Häggån Project
- Initial assays gave uranium values that were somewhat lower than those inferred from the scintillometer readings, and it is possible that the shale sampled at surface has been partly leached of uranium; drill samples will resolve these differences
- Nineteen samples out of a total of 81 contain greater than 100ppm U_3O_8 , despite potential surface leaching
- The Shale contains no calcite veining, which may enhance metal extraction
- Aura expects that the mineralised Alum Shale underlies a large proportion of its permits

The drilling programme aims to obtain complete sections of the shale for assay.

Aura's Managing Director, Dr Bob Beeson, commented: "The Kallsedet Project contains large areas of mineralised Alum Shale. The thicknesses are less than at Häggån, but there may be parts of the shale development that are better grade. Aura intends to determine the extent and thickness of the polymetallic mineralisation that is present".



Map of Aura's permits in the Kallsedet area, and the outcrops of the Alum Shale

Aura Energy (AEE) is a uranium explorer with advanced projects in Sweden, West Africa and Australia. The company is focusing on two main projects: the Häggån Project located in Sweden's Alum Shale Province, one of the largest depositories of uranium in the world; and the highly prospective Reguibat Province in Mauritania. The company aims to create shareholder value by rapidly establishing resources and then completing feasibility studies on these two projects. Aura Energy is headquartered in Melbourne, Australia and has been listed on the ASX since May 2006.

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The information in this report that relates to Exploration Results, Mineral Resources, or Ore Reserves is based on information compiled by Dr Robert Beeson. Dr Robert Beeson 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. This qualifies Dr Beeson as a Competent Person as defined in the 2004 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Dr Robert Beeson consents to the inclusion in the report of the matters based on his information in the form and context in which it appears. Dr Beeson is a member of the Australian Institute of Geoscientists.