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Second major uranium field identified in Sweden

HIGHLIGHTS

- Kallsedet initial drilling confirms extensive uranium mineralisation
- Four hole program identified thick mineralised intersections
- Drilling highlights:
 - 11DDHB001 66m at 144 ppm U_3O_8
 - 11DDOL003 60m at 144 ppm U_3O_8 including 6m at 224ppm U_3O_8
- Evaluation of results continuing

Aura Energy Limited (ASX Code AEE, "Aura") has returned promising results from an initial drilling program on its Kallsedet Uranium Project in Sweden.

Aura has substantial landholding covering the uraniferous Alum Shale near Kallsedet, close to the Norwegian border in Sweden. This project area is a key prospect in Aura's strategy to develop a pipeline of uranium projects in Sweden.

The four-hole diamond drilling program for a total of 419 metres revealed thick, mineralised intersections varying from 12 metres to 98 metres in cumulative thickness.

The results confirmed the widespread occurrence of uraniferous shale in the Project Area and the potential for Aura to establish another significant deposit in Sweden.

Three holes were drilled on Aura's Olden permit and one hole on the Hamborg permit - both permits are 100 per cent owned by Aura.

Results include one drill hole that intersected 60m at 144 ppm U_3O_8 including 6m at 224ppm U_3O_8 , confirming the potential for thick, higher grade zones of mineralisation within the licence areas. Results are summarised in Table 1

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.

Aura Energy's Managing Director Dr Bob Beeson said the early results met the high expectations Aura had for the project area.

"We are pleased that the drilling results confirmed our belief that the project area holds large developments of thick uranium mineralisation," he said. "The thicknesses of mineralisation found in our drilling were greater than the surface mapping indicated".

"Aura holds 90 square kilometres of permits with the Kallsedet Project, and the company considers that significant proportions of this area are underlain by mineralised Alum Shale".

Dr Beeson said the next step is to undertake further drilling to explore the potential of the outcropping alum shale in Aura Energy's permit zones.

Aura has resources of 291 million pounds of U₃O₈ in its Häggån Project some 120 km southeast of Kallsedet. It has just completed a drilling programme at Häggån to further expand these resources.

The technological advances that Aura is making for developing options for the economic processing of the Alum Shale at Häggån can be applied to the Kallsedet Project.

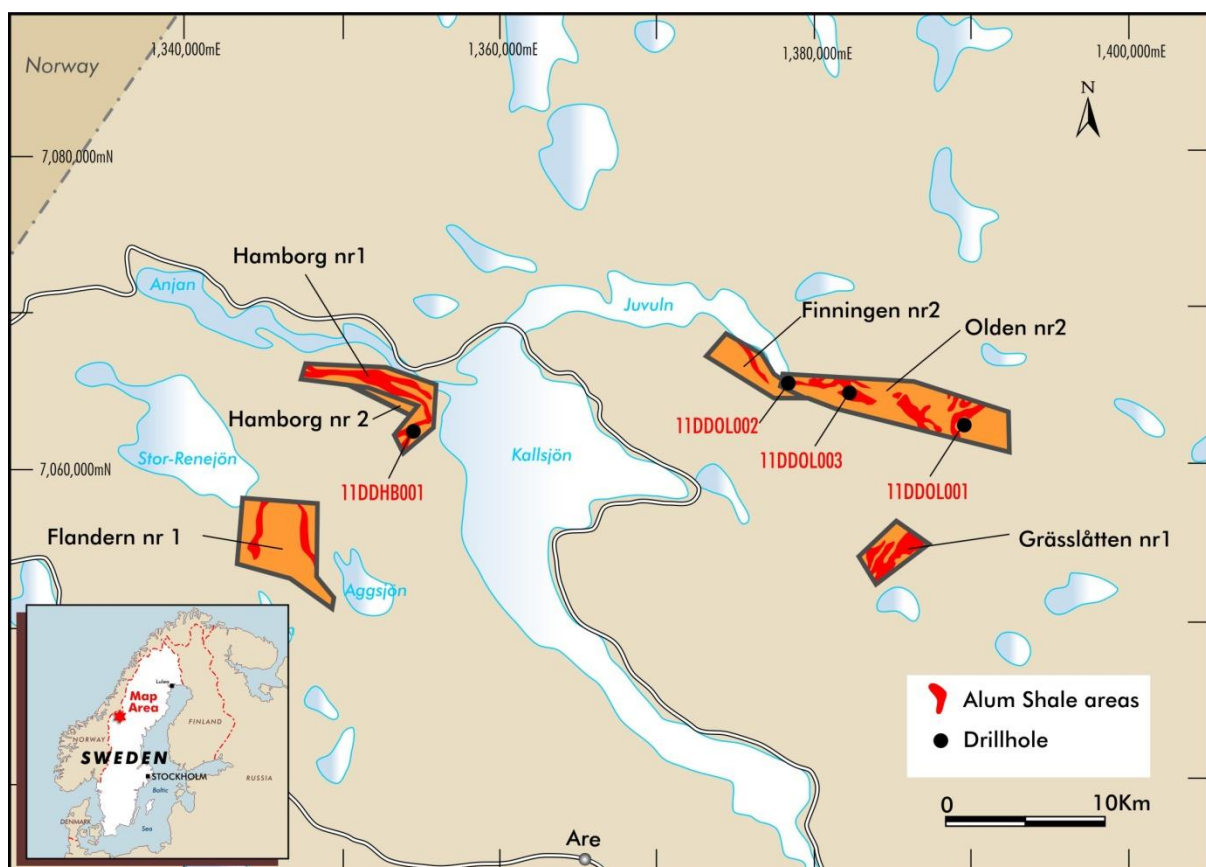


Fig. 1: Location of the Kallsedet drill holes

TABLE 1: Selected intersection from Kallsedet diamond drilling program

Hole ID	Permit	East (RT90)	North (RT90)	Dip	Azimuth (mag)	RL (m ASL)	Hole depth (m)	From (m)	To (m)	Interval (m)	U ₃ O ₈ (ppm)	MoO ₃ (ppm)	V ₂ O ₅ (ppm)	Ni (ppm)
11DDOL001	Olden	7062847	1390143	90		344	43.93	10	38	28	126	204	2238	260
11DDOL002	Olden	7065124	1377819	90		429	122.51	18	24	6	168	304	1013	308
11DDOL002	and							36.14	40	3.86	145	245	1294	296
11DDOL003	Olden	7064342	1381200	90		516	106.88	6	66	60	144	244	791	203
11DDOL003	including							48	54	6	224	385	1238	314
11DDHB001	Hamborg	7062768	1354687	55	280	419	146.02	18	38	20	139	232	816	223
11DDHB001	and							44	110	66	144	243	892	238
11DDHB001	and							122	134	12	126	220	863	227

- Results were calculated on a weighted average grade using a 100ppm cut-off grade (200ppm cut-off grade for higher grade intercept in 11DDOL003) and allowing for up to 4m of internal waste; sample intervals are 2m in most cases.
- BGM diameter diamond core samples are cut lengthways to produce half core and samples are usually taken at 2m intervals
- Analyses are undertaken by ALS Chemex Laboratories in Pitea for whole rock analysis by ICP-MS. Samples are then sent to Actlabs in Canada for uranium analysis by Delayed Neutron Count (DNC)

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COMPETENT PERSONS DECLARATION

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.