ASX Announcement

9 December 2011

Fully underwritten $3.4Million non-renounceable entitlement issue

Aura Energy Limited (ASX:AEE) ("Aura") is pleased to announce that it has agreed to terms with Cygnet Capital Pty Ltd to raise up to $3,420,376 (before costs) by way of a fully underwritten, non renounceable entitlements issue to shareholders.

The funds raised by the issue will be applied directly towards the accelerated development of the Company's two maturing uranium projects in Sweden and Mauritania. Specifically the funds raised will be applied to:

- Continued development of the Company's 631Mlb uranium deposit in Häggån, Sweden, including completion of a scoping study, ongoing test work and resource upgrade drilling; and
- Ongoing development of the Company's 50Mlb calcrete hosted uranium deposit in Reguibat, Mauritania, including test work, a scoping study and resource expansion.

Terms of the Offer

Aura will undertake a pro-rata, non-renounceable entitlements issue of one (1) new share for every six (6) shares held by shareholders at an issue price of 15 cents each, together with one for one (1:1) free attaching Option exercisable at 20c on or before 1st December 2014 for every new share issued.

The entitlement issue will be fully underwritten by Cygnet Capital Pty Ltd and will result in the issue of approximately 22,802,512 new Shares and Options in the Company. Pareto Capital assisted Aura as corporate advisor to the transaction.

Full details of the issue will be contained in a Prospectus that will be mailed to all shareholders shortly.

For further information contact:

Aura Energy Limited

Jay Stephenson – Company Secretary - 08 6141 3500

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.