



AURA ENERGY LIMITED
ABN 62 115 927 681

Interim Financial Report
for the half-year ended 31 December 2009

Note:

The information contained herein should be read in conjunction with the most recent annual report.

Aura Energy Limited
ABN 62 115 927 681
Unit 6, 34 York Street
North Perth WA 6006
Telephone 08 9228 0711
Fax 08 9228 0704

For personal use only

**AURA ENERGY LIMITED
AND CONTROLLED ENTITIES**
ABN 62 115 927 681
INTERIM FINANCIAL REPORT DECEMBER 2009

DIRECTORS' REPORT

Your directors submit the financial report of the consolidated group for the half-year ended 31 December 2009.

Directors

The names of directors who held office during or since the end of the half-year:

Brett Fraser
Robert Beeson
Simon O'Loughlin
Jay Stephenson

REVIEW OF OPERATIONS

CORPORATE

- On 14 July 2009 Aura placed 10,000,000 shares at 10c raising \$1,000,000
- On 30 October 2009 Aura shareholders approved the placement of 18,750,000 shares at 16c raising \$3,000,000.

EXPLORATION

Sweden

- Aura has begun resource drilling of its Storsjön Project in Sweden
- CSIRO are testing bioleach technology suitability for the Alum Shales
- Drill programme planned for newly acquired, higher grade Kallsedet project

Mauritania

- 392 hole, 2146m drill programme completed in Reguibat Project
- Down hole radiometric logging is currently in progress
- Samples are being transported to Mali for preparation
- Samples then go to South Africa for assay

Western Australia

- Aura has now received permits from the Western Australian government and Aboriginal groups for drilling programmes at Wondinong, Wondinong Northeast, Porcupine Well and Shaws Bore.
 - These programmes are planned for the first half of 2010
- Progress in the second phase of drilling at Junction in the Gunbarrel JV was restricted because of slow drilling
 - The programme partly defined the route of the palaeochannel
 - A proposal to complete the programme is being prepared

**AURA ENERGY LIMITED
AND CONTROLLED ENTITIES**
ABN 62 115 927 681
INTERIM FINANCIAL REPORT DECEMBER 2009

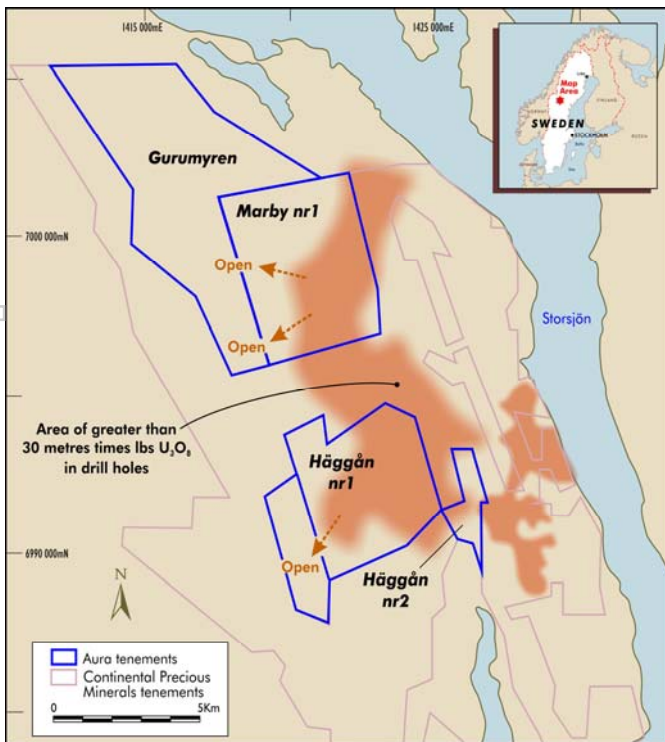


SWEDEN – ALUM SHALE PROJECTS

Aura Energy Ltd has a significant land position in the mineralised Alum Shale of northern Sweden. The Alum Shale in this area contains a major deposit of uranium, vanadium, molybdenum and nickel, part of which has been delineated in exploration permits adjoining those of held by Aura.

Storsjön Project

Aura completed two phases of drilling in the Storsjön Project during 2008. This exploration demonstrated the thickness and continuity of the Alum Shale throughout the parts of the Aura permits that were tested. The Aura Board has approved a \$1.6 million programme to define the first compliant uranium resource in the Project Area in late 2009.



Aura's Licences in the Storsjön Project

Aura has contracted a local company, North Scandinavian Drilling AB, based in the regional centre of Östersund, to carry out the programme. 6000 metres of drilling are planned.

Aura has re-established its office in the district. The company has been completing permitting matters and drill site access over the past weeks.

Published resources in the neighbouring permits held by a Canadian company, Continental Precious Minerals Inc., are 1.05 billion pounds of uranium, plus large resources of vanadium and molybdenum. These resources are believed to constitute the second largest published compliant uranium resource anywhere in the world, after Olympic Dam.

Aura currently estimates that approximately 45% of the thicker, better grade Alum Shale in this uranium field has been defined within its permits. Aura anticipates that the area of mineralisation within the permits will be expanded with further drilling.

For personal use only

**AURA ENERGY LIMITED
AND CONTROLLED ENTITIES**
ABN 62 115 927 681
INTERIM FINANCIAL REPORT DECEMBER 2009

The company considers that it has potential to expand the prospective area as large areas within the Aura permits remain undrilled, and the thicker, better grade Shale remains open to the southwest and west in the permits.

In Aura's 18 square kilometres Häggån permit alone the average thickness of the Alum Shale of 116 metres, based on the 17 drill holes completed in the previous programmes.

Although there has been no drilling in 70% of Aura's permits in the Storsjön Project Aura the company believes that it holds at least half of the resources in the uranium field in this district.

Bioleach testwork to evaluate metal extraction

Aura has contracted the Parker Centre at the CSIRO in Western Australia to carry out preliminary testwork using bioleach technology for the extraction of uranium and other metals from the Alum Shale in Aura's Storsjön Project in Sweden.

Bioleaching is the process whereby metals are leached from ore as a result of bacterial action. In nature, bioleaching occurs naturally where micro-organisms break down rocks in the presence of air and water. Commercially applied bioleaching technologies accelerate this natural process, and typically utilize the same bacteria.

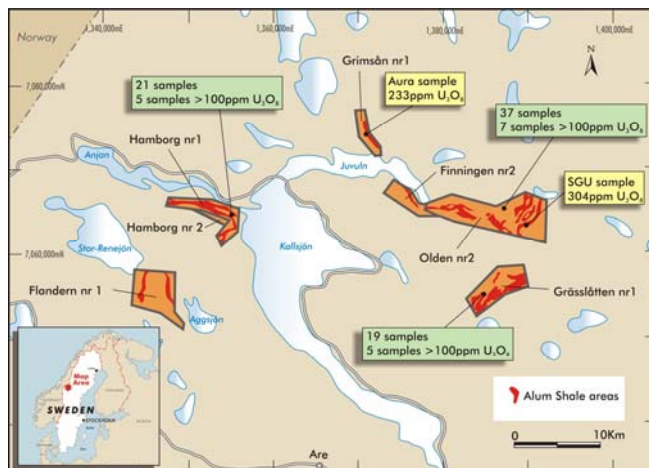
The objective of the work to be carried out on Aura's behalf at the CSIRO is to demonstrate the potential for the enhanced extraction of uranium, molybdenum, vanadium and nickel from the Alum Shale. The programme will continue into the second half of 2010.

This technology has been successful in leaching uranium from similar ores to those of the Alum Shale in South Korea. The Alum Shale is considered to be suitable for bioleaching because of its high sulphide content, unlike many uranium ores. Bioleaching has already been shown to generate the heat required for leaching to be effective even in the sub-arctic climatic conditions of Scandinavia.

Kallsedet Project, Sweden

The company has now acquired a considerable landholding near Kallsedet, close to the Norwegian border. Here the Alum Shale does not reach the large thicknesses seen at Aura's Storsjön Project, but it has characteristics that may be of economic significance to a uranium project based on the Shale.

- There is local 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 Storsjön Project
- 19 samples out of a total of 81 contain >100ppm U_3O_8 , despite the surface leaching
- Surface radioactivity is at a level above that found in the Storsjön Project area
- The Shale contains no calcite veining, which may enhance metal extraction
- Aura anticipates that a large proportion of its 147 square kilometres of permits are underlain by the Alum Shale



Map of Aura's permits in the Kallsedet area, the areas of Alum Shale, and the location of samples with higher values of U_3O_8

A drilling programme to obtain Alum Shale at depth is planned for this northern winter.

**AURA ENERGY LIMITED
AND CONTROLLED ENTITIES**
ABN 62 115 927 681
INTERIM FINANCIAL REPORT DECEMBER 2009

WEST AFRICA

Aura has been active in the uranium provinces of West Africa, in Alliance with GCM Resources Limited plc, since 2007. Aura currently holds 4 exploration permits and a further 15 applications in Mauritania. In addition Aura holds 3 exploration permit applications in the uranium bearing Tim Merso Basin in Niger, and is actively pursuing opportunities in several other West African countries.

Mauritania.

Mauritania has a developed mining industry, a government keen to attract foreign investment, and extensive good quality geological, geophysical and geochemical databases.

The Aura/GCM Alliance holds four granted uranium exploration licences covering 5100 km² in Mauritania, and is in the process of being granted a 5th permit covering 950 km². The licences cover known uranium mineralisation, in places high grade, and multiple radiometric uranium anomalies.

A programme of drilling commenced on November 19, 2009, designed primarily to test continuity and grade of uranium mineralisation within selected mineralised zones which had been defined by previous programmes of broadly spaced pitting. 5 deeper holes have been drilled to test for primary uranium mineralisation beneath some of the strongest uranium mineralised zones defined by the shallow drilling. Primary uranium mineralisation is currently being evaluated by Forte Energy Limited further to the west within the same geological province. Drilling has been carried out in 3 areas in Northern Mauritania.

The known mineralised zones have been tested by shallow vertical reverse circulation drilling on drill pattern varying from 200m x 200m to 200m x 400m.

Down hole radiometric logging will be completed during January. The drill samples are being transported to Nouakchott, from where they will be taken by road to the laboratory in Bamako in Mali. There the samples will be prepared, and then sent to Johannesburg for assay. Results are anticipated in the second half of February.

The exploration is managed by Aura on behalf of Aura / GCM Resources Limited plc joint ventures. Aura is currently sole-funding the exploration and thereby increasing its interest in the projects. Aura's current interest in each exploration area is approximately 50%.

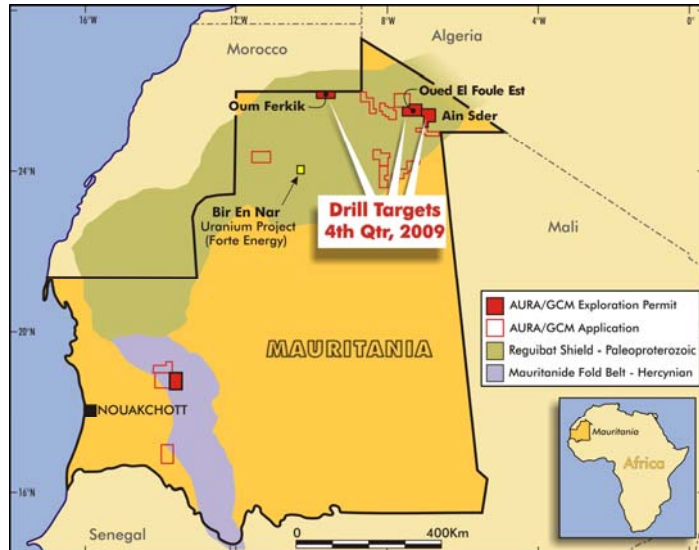
Aura has not been able to drill the Fai Project in the current drilling programme as the drill rig provided by the contractor was unsuitable for this work.

WESTERN AUSTRALIA CALCRETE PROJECTS

Wondinong

Aura is permitting a 72 hole drill programme in the Wondinong and Wondinong Northeast licences.

Aura has received acceptance of its Programme of Work at Wondinong. In addition it has now received clearance from one of the Aboriginal groups in the area of the deposit. The process of clearances is underway with the second group.



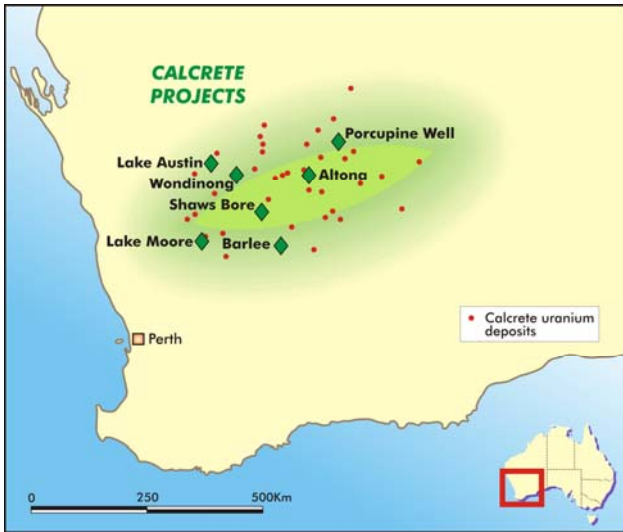
Location of the completed drilling programme, Mauritania

For personal use only

AURA ENERGY LIMITED AND CONTROLLED ENTITIES

ABN 62 115 927 681

INTERIM FINANCIAL REPORT DECEMBER 2009



Porcupine Well

The Porcupine Well prospect is situated midway between the Lake Way/Centipede deposits (Toro Energy – 23.9 million pounds U_3O_8) and Lake Maitland (Mega Uranium - 23.7 million pounds U_3O_8). Uranium mineralisation has been identified in shallow auger drilling on a lake along the same drainage as the Lake Way and Lake Maitland.

Liberty Resources Ltd has recently sold its interest in its Firestrike deposit, just eight kilometres up-channel from Porcupine Well, to Toro Energy for \$1.0 million.

Aura has received all necessary permits for its 45 hole programme at Porcupine Well near Wiluna.

The company is currently in discussion with drilling companies concerning this work.

WESTERN AUSTRALIA - GUNBARREL BASIN JOINT VENTURE (Mega Redport Pty Ltd earning 50%)

Aura, and its partner, Mega Redport, have completed three phases of drilling in the Gunbarrel JV licences in the search for sandstone and lignite-hosted uranium mineralisation similar to the Mulga Rock and Double 8 deposits. The second and third programmes have focussed on the Junction palaeochannel in the north of the district.

The initial palaeochannel drill programme at Junction in July 2009 had three objectives:

1. establishing whether the interpreted palaeochannel from airborne the REPTM EM survey was present
2. whether it contained favourable porous reduced carbonaceous sand and gravel horizons, and
3. whether it contained uranium mineralization.

The 30 hole programme achieved all three objectives, intersecting a 14m zone of radiometric anomalism in hole JUAC020, on line 5, which contained 2m @ 147 ppm eU_3O_8 from gamma logging and 2m at 85 ppm U from chemical analysis.

This gave encouragement to the potential of the remainder of the channel to host a Mulga Rock/Ponton Double 8 style of sandstone /lignite hosted uranium deposit.

The Phase 2 programme comprised up to 76 holes in a 6000m contract. Less than one third of the programme was completed in 2009. Operations had to be terminated prior to programme completion, because of the unavailability of access through the Cosmo Newberry Aboriginal Reserve from Nov 30th.

While the programme has confirmed the presence around JUAC 020 of reduced sediments and anomalous uranium mineralization, it has not tested the down and up drainage parts of the palaeochannel that were originally targeted in this programme.

A number of new exploration licence applications have been submitted for the ground immediately down palaeodrainage along the Junction palaeochannel to cover its outlet to the old Eucla Basin.

Further drilling will be required to complete the originally intended programme and to test the potential of the remainder of the palaeochannel. A proposal for further drilling is being prepared.

WESTERN AUSTRALIA - KIMBERLEYS

Following an extensive, helicopter-based reconnaissance visit to the main prospects in Aura's Kimberly portfolio, it was decided to relinquish all of Aura's exploration licences in the region.

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.

**AURA ENERGY LIMITED
AND CONTROLLED ENTITIES
ABN 62 115 927 681
INTERIM FINANCIAL REPORT DECEMBER 2009**

Auditor's Declaration

The lead auditor's independence declaration under section 307C of the *Corporations Act 2001* is set out on page 7 for the half year ended 31 December 2009.

This report is signed in accordance with a resolution of the Board of Directors.



**Brett Fraser
DIRECTOR**

Dated this 11th Day of March 2010

For personal use only

To The Board of Directors

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

This declaration is made in connection with our review of the financial report of Aura Energy Limited And Controlled Entities for the half year ended 31 December 2009 and in accordance with the provisions of the Corporations Act 2001.

We declare that, to the best of our knowledge and belief, there have been:

- no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review;
- no contraventions of the Code of Professional Conduct of the Institute of Chartered Accountants in Australia in relation to the review.

Yours faithfully



BENTLEYS
Chartered Accountants



RANKO MATIĆ
Director

DATED at PERTH this 11th day of March 2010

**AURA ENERGY LIMITED
AND CONTROLLED ENTITIES**
ABN 62 115 927 681
INTERIM FINANCIAL REPORT DECEMBER 2009

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2009**

	Economic Entity	
	31/12/2009	31/12/2008
	\$	\$
Revenue	194,242	91,544
Accounting and Audit Fees	(13,656)	(17,950)
Share Registry and Listing Fees	(39,565)	(21,709)
Employee Benefits Expense	(237,324)	(215,173)
Share Based Payments Expense	(431,550)	-
Legal and Consulting Fees	(11,385)	(15,779)
Computers and Software	(15,528)	(17,813)
Travel & Accommodation	(27,488)	(36,933)
Insurance	(13,803)	(10,311)
Depreciation	(27,583)	(27,963)
Impairment of Capitalised Exploration	(11,552)	(389,697)
Business Development	(5,640)	(10,703)
Public Relations	-	(24,934)
Printing and Office Supplies	(12,316)	(13,771)
Rent and Utilities	(16,325)	(27,706)
Transport Costs	-	(26,202)
Other expenses	(22,159)	(25,157)
Profit/(Loss) before income tax	(691,632)	(790,257)
Income tax expense	-	-
Profit/(Loss) from continuing operations	(691,632)	(790,257)
Other Comprehensive Income		
Foreign currency movement	(6,274)	-
Other Comprehensive Income for the period	(6,274)	-
Net Loss and Total Comprehensive income attributable to members of the parent entity	(697,906)	(790,257)
Overall Operations:		
Basic earnings per share (cents per share)	(0.95)	(1.84)

The accompanying notes form part of these financial statements.

For personal use only

**AURA ENERGY LIMITED
AND CONTROLLED ENTITIES**
ABN 62 115 927 681
INTERIM FINANCIAL REPORT DECEMBER 2009

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2009

	Economic Entity	
	31/12/2009	30/6/2009
	\$	\$
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	4,366,129	1,225,387
Trade and other receivables	522,772	289,837
TOTAL CURRENT ASSETS	<u>4,888,901</u>	<u>1,515,224</u>
NON-CURRENT ASSETS		
Property, plant and equipment	72,858	85,895
Other assets	4,713,905	3,966,028
TOTAL NON-CURRENT ASSETS	<u>4,786,763</u>	<u>4,051,923</u>
TOTAL ASSETS	<u>9,675,664</u>	<u>5,567,147</u>
CURRENT LIABILITIES		
Trade and other payables	727,519	184,981
Short term provisions	8,739	1,404
TOTAL CURRENT LIABILITIES	<u>736,258</u>	<u>186,385</u>
TOTAL LIABILITIES	<u>736,258</u>	<u>186,385</u>
NET ASSETS	<u>8,939,406</u>	<u>5,380,762</u>
EQUITY		
Issued capital	12,818,217	8,856,865
Reserves	1,034,907	745,983
Accumulated losses	(4,913,718)	(4,222,086)
TOTAL EQUITY	<u>8,939,406</u>	<u>5,380,762</u>

The accompanying notes form part of these financial statements.

For personal use only

**AURA ENERGY LIMITED
AND CONTROLLED ENTITIES**
ABN 62 115 927 681
INTERIM FINANCIAL REPORT DECEMBER 2009

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2008**

	Share Capital Ordinary \$	Option Premium Reserve \$	Retained Profits \$	Total \$
Balance at 1/7/2008	7,740,456	787,580	(2,262,581)	6,265,455
Shares issued during the period	17,750			17,750
Total Comprehensive Income for the period			(790,257)	(790,257)
Balance at 31/12/2008	<u>7,758,206</u>	<u>787,580</u>	<u>(3,052,838)</u>	<u>5,492,948</u>

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2009**

	Share Capital Ordinary \$	Option Premium Reserve \$	Foreign Currency Reserve \$	Retained Profits \$	Total \$
Balance at 01/07/2009	8,856,865	762,752	(16,769)	(4,222,086)	5,380,762
Shares issued during the period	4,000,000			-	4,000,000
Capital raising costs	(175,000)				(175,000)
Options expired during the period	136,352	(136,352)			-
Options issued during the period		431,550			431,550
Total Comprehensive Income for the period			(6,274)	(691,632)	(697,906)
Balance at 31/12/2009	<u>12,818,217</u>	<u>1,057,950</u>	<u>(23,043)</u>	<u>(4,913,718)</u>	<u>8,939,406</u>

The accompanying notes form part of these financial statements.

For personal use only

**AURA ENERGY LIMITED
AND CONTROLLED ENTITIES**
ABN 62 115 927 681
INTERIM FINANCIAL REPORT DECEMBER 2009

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2009**

	Economic Entity	
	31/12/2009	31/12/2008
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	171,715	10,542
Interest received	48,821	36,700
Payments to suppliers and employees	(268,948)	(503,074)
Payments for exploration expenditure	(621,300)	(1,386,894)
Net cash provided by / (used in) operating activities	(669,712)	(1,842,726)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(14,546)	(4,723)
Net cash provided by / (used in) investing activities	(14,546)	(4,723)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	4,000,000	17,750
Payment for share issue costs	(175,000)	-
Net cash provided by / (used in) financing activities	3,825,000	17,750
Net increase in cash held	3,140,742	(1,829,699)
Cash at beginning of period	1,225,387	2,420,419
Cash at end of period	4,366,129	590,720

The accompanying notes form part of these financial statements.

For personal use only

**AURA ENERGY LIMITED
AND CONTROLLED ENTITIES**
ABN 62 115 927 681
INTERIM FINANCIAL REPORT DECEMBER 2009

**NOTES TO THE FINANCIAL STATEMENTS FOR THE
HALF-YEAR ENDED 31 DECEMBER 2009**

NOTE 1: BASIS OF PREPARATION

The half-year consolidated financial statements are a general purpose financial report prepared in accordance with the requirements of the Corporations Act 2001 and Australian Accounting Standard AASB 134: Interim Financial Reporting. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards.

This interim financial report is intended to provide users with an update on the latest annual financial statements of Aura Energy Limited and its controlled entities. As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Group. It is therefore recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2009 and any public announcements made by Aura Energy Limited and its controlled entities during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001.

The half-year report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements except for the adoption of the following new and revised Accounting Standards.

Accounting Standards not Previously Applied

The Group has adopted the following new and revised Australian Accounting Standards issued by the AASB which are mandatory to apply to the current interim period. Disclosures required by these Standards that are deemed material have been included in this financial report on the basis that they represent a significant change in information from that previously made available.

Presentation of Financial Statements

AASB 101 prescribes the contents and structure of the financial statements. Changes reflected in this financial report include:

- the replacement of Income Statement with Statement of Comprehensive Income. Items of income and expense not recognised in profit or loss are now disclosed as components of 'other comprehensive income'. In this regard, such items are no longer reflected as equity movements in the Statement of Changes in Equity;
- the adoption of the separate income statement/single statement approach to the presentation of the Statement of Comprehensive Income;
- other financial statements are renamed in accordance with the Standard.

Operating Segments

From 1 January 2009, operating segments are identified and segment information disclosed on the basis of internal reports that are regularly provided to, or reviewed by, the group's chief operating decision maker which, for the Group, is the board of directors. In this regard, such information is provided using different measures to those used in preparing the Statement of Comprehensive Income and Statement of Financial Position. Reconciliations of such management information to the statutory information contained in the interim financial report have been included.

**AURA ENERGY LIMITED
AND CONTROLLED ENTITIES**
ABN 62 115 927 681
INTERIM FINANCIAL REPORT DECEMBER 2009

**NOTES TO THE FINANCIAL STATEMENTS FOR THE
HALF-YEAR ENDED 31 DECEMBER 2009**

NOTE 1: BASIS OF PREPARATION (cont.)

Business Combinations and Consolidation Procedures

Revised AASB 3 is applicable prospectively from 1 July 2008. Changes introduced by this Standard, or as a consequence of amendments to other Standards relating to business combinations which are expected to affect the Group, include the following:

- All business combinations, including those involving entities under common control, are accounted for by applying the acquisition method which prohibits the recognition of contingent liabilities of the acquiree at acquisition date that do not meet the definition of a liability. Costs incurred that relate to the business combination are expensed instead of comprising part of the goodwill acquired on consolidation. Changes in the fair value of contingent consideration payable are not regarded as measurement period adjustments and are recognised through profit or loss unless the change relates to circumstances which existed at acquisition date.
- Unrecognised deferred tax assets of the acquiree may be subsequently realised within 12 months of acquisition date on the basis of facts and circumstances existing at acquisition date with a consequential reduction in goodwill. All other deferred tax assets subsequently recognised are accounted for through profit or loss.
- The proportionate interest in losses attributable to non-controlling interests is assigned to non-controlling interests irrespective of whether this results in a deficit balance. Previously, losses causing a deficit to non-controlling interests were allocated to the parent entity.
- Where control of a subsidiary is lost, the balance of the remaining investment account shall be remeasured to fair value at the date that control is lost.

For personal use only

**AURA ENERGY LIMITED
AND CONTROLLED ENTITIES**
ABN 62 115 927 681
INTERIM FINANCIAL REPORT DECEMBER 2009

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2009**

NOTE 2: OPERATING SEGMENTS

The Group operates predominantly in the mining industry. This comprises exploration and evaluation of uranium, gold, silver and base metals projects. Inter-segment transactions are priced at cost to the consolidated entity.

The Group has identified its operating segments based on the internal reports that are provided to the Board of Directors on a monthly basis. Management has identified the operating segments based on the three principal locations of its projects – Australia, Sweden and West Africa. Corporate, including treasury, corporate and regulatory expenses arising from operating an ASX listed entity. Segment assets, including cash and cash equivalents, and investments in financial assets are reported in this segment.

Segment assets include the cost to acquire the tenement and the capitalised exploration costs of those tenements.

	Australian Exploration \$	Sweden Exploration \$	African Exploration \$	Treasury \$	Total \$
For the Half Year to 31 December 2009					
Segment Revenue	104,444	-	40,978	48,820	194,242
Segment Results	92,892	-	40,978	48,820	182,690
Corporate Expenses					(874,322)
Profit/(Loss) before Income Tax					(691,632)
As at 31 December 2009					
Segment Assets	2,213,287	2,228,481	669,275	4,366,129	9,477,172
Unallocated Assets:					
Trade and other receivables					117,740
Property, plant and equipment					72,858
Other non-current assets					7,894
Total Assets					9,675,664
Segment Liabilities	346,584	116,570	120,541	-	583,695
Unallocated Liabilities:					
Trade and other payables					143,824
Short-term provisions					8,739
Total Liabilities					736,258

For personal use only

**AURA ENERGY LIMITED
AND CONTROLLED ENTITIES**
ABN 62 115 927 681
INTERIM FINANCIAL REPORT DECEMBER 2009

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2009**

NOTE 2: OPERATING SEGMENTS (cont.)

For the Half Year to 31 December 2008

Segment Revenue	24,644	7,494	22,706	36,700	91,544
	<hr/>				
Segment Results	(365,053)	7,494	22,706	36,700	(298,153)
	<hr/>				
Corporate Expenses					(492,104)
					<hr/>
Profit/(Loss) before Income Tax					(790,257)
					<hr/>

As at 30 June 2009

Segment Assets	1,776,025	2,017,262	204,360	1,225,387	5,223,034
Unallocated Assets:					
Trade and other receivables					250,125
Property, plant and equipment					85,895
Other non-current assets					8,093
					<hr/>
Total Assets					5,567,147
					<hr/>
Segment Liabilities	38,314	952	42,894	-	82,160
Unallocated Liabilities:					
Trade and other payables					102,821
Provisions					1,404
					<hr/>
Total Liabilities					186,385
					<hr/>

NOTE 3: CONTINGENT LIABILITIES

There has been no change in contingent liabilities since the last annual reporting date.

NOTE 4: EVENTS SUBSEQUENT TO REPORTING DATE

There are no subsequent events at reporting date.

For personal use only

**AURA ENERGY LIMITED
AND CONTROLLED ENTITIES
ABN 62 115 927 681
INTERIM FINANCIAL REPORT DECEMBER 2009**

DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 8-15:
 - a. comply with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Act 2001; and
 - b. give a true and fair view of the consolidated group's financial position as at 31 December 2009 and of its performance for the half year ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



Brett Fraser

DIRECTOR

Dated this 11th Day of March 2010

For personal use only

Independent Auditor's Review Report

To the Members of Aura Energy Limited

**Bentleys Audit
& Corporate (WA) Pty Ltd**
ABN 33 121 222 802

Level 1
12 Kings Park Road
West Perth WA 6005

PO Box 44
West Perth WA 6872

T +61 8 9226 4500
F +61 8 9226 4300

www.bentleys.com.au

We have reviewed the accompanying half-year financial report of Aura Energy Limited ("the Company") and Controlled Entities ("the consolidated entity") which comprises the consolidated statement of financial position as at 31 December 2009, and the consolidated statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes and the directors' declaration.

Directors Responsibility for the Half-Year Financial Report

The directors of the Company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of an Interim Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the Company's financial position as at 31 December 2009 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Aura Energy Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Matters Relating to the Electronic Presentation of the Audited Financial Report

This review report relates to the financial report of Aura Energy Limited for the half-year ended 31 December 2009 included on the website of Aura Energy Limited. The directors of the Company are responsible for the integrity of the website and we have not been engaged to report on its integrity. This review report refers only to the half-year financial report identified above and it does not provide an opinion on any other information which may have been hyperlinked to or from the financial report. If users of this report are concerned with the inherent risks arising from electronic data communications, they are advised to refer to the hard copy of the reviewed financial report to confirm the information included in the reviewed financial report presented on the Company's website.

Independent Auditor's Review Report

To the Members of Aura Energy Limited (Continued)



Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Aura Energy Limited and Controlled Entities is not in accordance with the Corporations Act 2001 including:

- a. Giving a true and fair view of the Company's financial position as at 31 December 2009 and of its performance for the half-year ended on that date; and
- b. Complying with Accounting Standard AASB 134: Interim Financial Reporting and Corporations Regulations 2001.

BENTLEYS
Chartered Accountants

RANKO MATIĆ
Director

DATED at PERTH this 11th day of March 2010

For personal use only