



18 January 2010

RESOURCE DRILLING PROGRAMME AT STORSJÖN IN SWEDEN COMMENCES

Aura Energy Limited (ASX Code AEE, “Aura”) is pleased to announce that the drilling programme to define the first compliant uranium resource in the Storsjön Uranium-Molybdenum-Vanadium-Nickel Project has commenced. The Aura Board approved a \$1.6 million budget for the programme in December.

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 completed 24 drill holes in two of its permits in 2008. Aura is now commencing a programme to build a major JORC-compliant resource within its permits.

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

Continental Precious Minerals Inc. has reported one of the largest JORC or 43-101 compliant uranium resources (1.05 billion pounds) in the world in permits adjoining the Storsjön Project.

The resource drilling forms part of Aura’s 2010 programme to define the potential value of this vast, multi-metal deposit. The overall programme also includes this drilling, plus metallurgical testwork, mineralogical studies, and continuing discussions with potential partners.

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For further information contact:

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Corporate Information

Directors

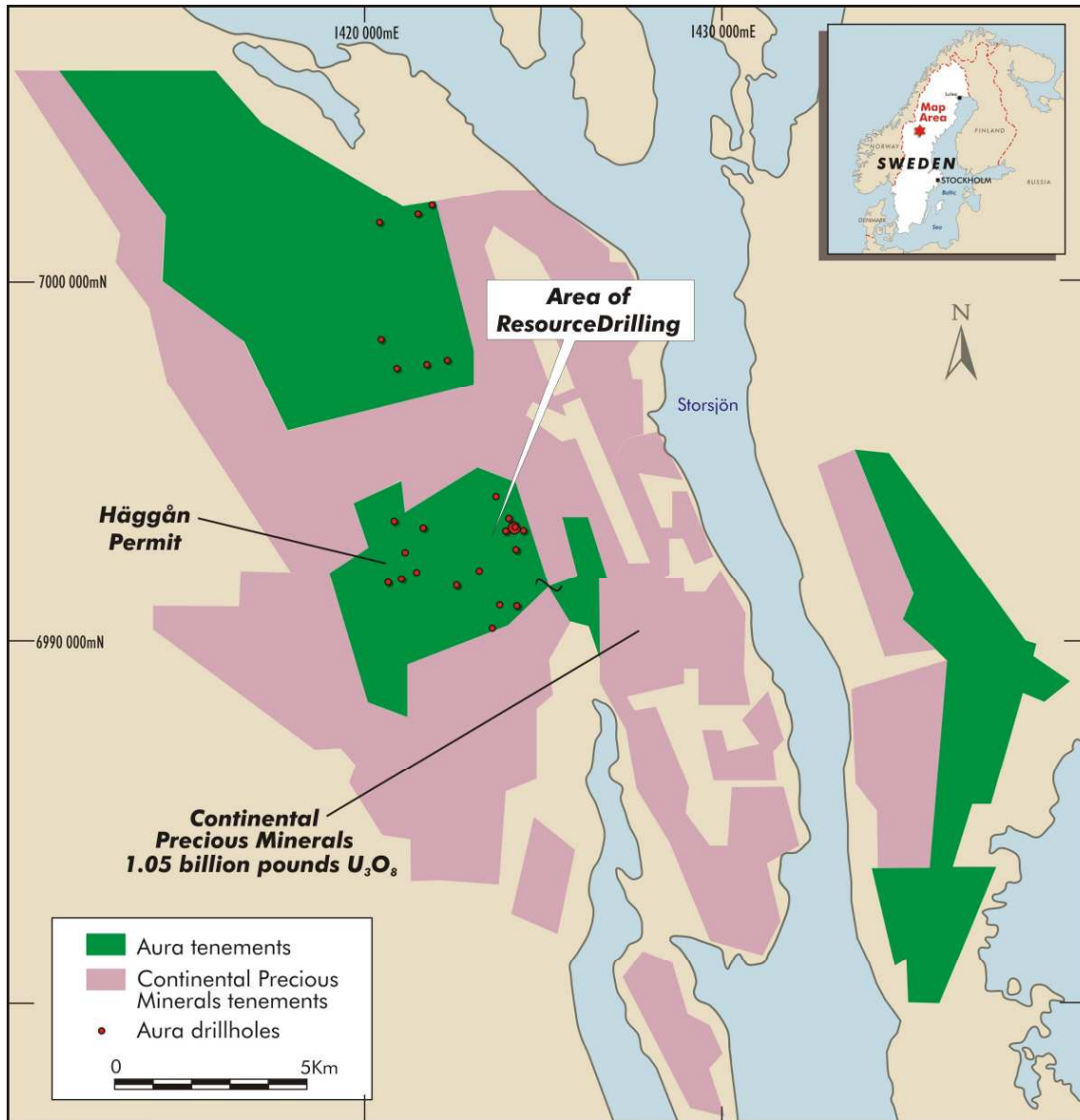
B Fraser	Non-Executive Chairman
Dr B Beeson	Managing Director
S O’Loughlin	Non-Executive Director
J Stephenson	Non- Executive Director & Company Secretary

Issued Capital

As at the date of this report the issued capital of the Company is comprised of:

83,232,659 fully paid ordinary shares
3,050,000 unlisted options

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.



Storsjön Area - Sweden : Tenements



About Aura Energy

Aura Energy (ASX: AEE, “Aura”) is a uranium explorer with projects in Australia, Sweden and Africa. The Company has assembled an exceptional portfolio of properties on three continents, including a major presence in Sweden’s Alum Shale Province, one of the largest depositories of uranium in the world.

The Company continues to be very active, with two drilling programmes completed on Australia in 2009, and an ongoing drilling programme at its Reguibat Project in Mauritania.

Aura is a major landholder in the mineralised Alum Shale of central Sweden. The Alum Shale is widely distributed throughout the Baltic States and locally contains exceptionally large resources of uranium, vanadium, molybdenum and nickel.

Aura’s Storsjön Project adjoins Continental Precious Metals’ (TSX: CZQ) Viken Project, which has a published resource of 1.05 billion pounds U_3O_8 grading 0.017%. This size of resource makes Viken the second largest published compliant uranium deposit in the world after Olympic Dam.

Aura’s considers that it holds approximately half of the uranium field, and anticipates defining resources of similar size to Viken in its Storsjön Project.

In an alliance with GCM Resources plc (LSE & AIM: GCM), Aura is exploring in West Africa. Under the alliance, Aura has been granted four exploration licences in Mauritania and applied for 10 further licences. Two phases of fieldwork at Its Reguibat Project has demonstrated the presence of large areas of calcrete-type uranium mineralisation at surface, with grade averaging in excess of 500 ppm U_3O_8 . Uranium mineralisation has been observed in all three Reguibat Project licences.

Aura has recently announced the granting of the Fai Est Permit, also in Mauritania, which has considerable potential for a large scale, at surface, heap leach project.

The Company has also made applications for three exploration licences in Niger on the margin of the Air Massif.

In Australia, Aura is exploring prospective uranium districts of Western Australia targeting calcrete deposits in the Murchison and Goldfields regions and lignite/sandstone Mulga Rock style in the Gunbarrel Basin. Aura has a joint venture with Mega Redport (TSX: MGA) in the Gunbarrel, and has intersected uranium mineralisation in two palaeo channels.

Aura has completed three drilling programmes at its Wondinong Project (100%), located near Mt Magnet, and has announced its first compliant resource for the project.

Aura’s management team and staff are highly experienced in uranium exploration, including involvement in a number of historical discoveries.