

20 January 2010

BIOLEACH TESTWORK COMMENCES AT THE CSIRO FOR AURA'S STORSJÖN PROJECT

Aura Energy Ltd (ASC: AEE) 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.

Bioleaching is now a well established technology for the treatment of the ores of copper, nickel, zinc and gold ores. This technology has also 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 is currently being used to extract nickel, copper and cobalt at the Talvivaara nickel mine in eastern Finland. Ongoing operations at Talvivaara have shown that the leaching process is both effective at leaching the metals in the ore deposit, and also generates the heat required for leaching to be effective even in the sub-arctic climatic conditions of Scandinavia.

The advantage of bioleach technology is that capital and operating costs can be low in comparison with other technologies. For example, the projected cash operating costs for Talvivaara are €7.50/tonne (A\$12.00/tonne).

The Parker Centre is a Cooperative Research Centre focusing on hydrometallurgical research for the minerals industry. The staff at the Centre have extensive experience in the biohydrometallurgy of sulphides, and in finding processing solutions for its industry partners.

Aura announced on 18 January the recommencement of drilling at the Storsjön Project. This drilling programme aims to define the first compliant resources for the Project. Continental Precious Minerals Inc. has defined a 1.05 billion pound resource in their permits adjoining the Project.

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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

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 U₃O₈ 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 Requistat Project has demonstrated the presence of large areas of calcrete-type uranium mineralisation at surface, with grade averaging in excess of 500 ppm U₃O₈. Uranium mineralisation has been observed in all three Requistat 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.

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.