



JUNCTION PALAEOCHANNEL DRILL PROGRAM TO RECEIVE W.A. DEPT. OF MINES AND PETROLEUM CO-FUNDED GOVERNMENT- INDUSTRY DRILLING PROGRAM SUPPORT

The Aura Energy / Mega Uranium, Junction palaeochannel aircore drilling program in the Gunbarrel Basin Joint Venture, to commence in mid July 2009, is one of 35 drill programs out of some 168 submissions to receive W.A Department of Mines and Petroleum Exploration Incentive Scheme support.

The criteria by which the programmes were assessed included the following:

- Innovation in exploration
- The exploration model and targeting criteria
- The data to be produced
- The more remote geographic locations were regarded more favourably

Aura's proposal was one of only two successful uranium drill program applications.

As previously announced Canadian company Mega Uranium Ltd has approved and will fund a proposed 24 hole aircore drill program of approximately 2000 metres in the Gunbarrel Basin Joint Venture (GBJV) with Aura Energy Ltd (ASC Code: AEE).

Co funding by the WA Dept of Mines and Petroleum will add up to a further \$30,000 to the drilling component of the drill program enabling broader and more comprehensive testing of the palaeochannel than was possible with the approved budget.

The Aura/Mega GBJV is pleased that its uranium palaeochannel exploration programme in the region has been recognised as one that meets the criteria of *"high quality, technically and economically sound proposals that promote new exploration concepts and new exploration technologies"* that will be preferentially funded.

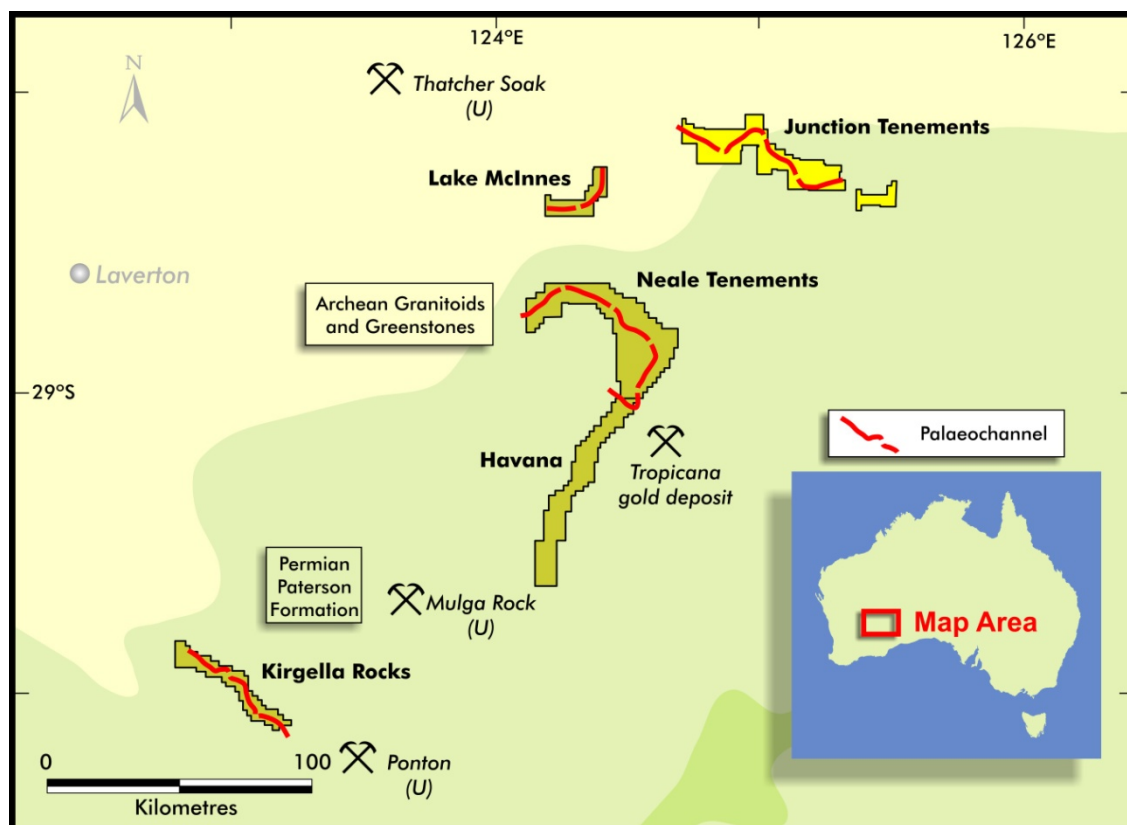
Aura has completed all the required permitting, and the crew has mobilised for drill site preparation.

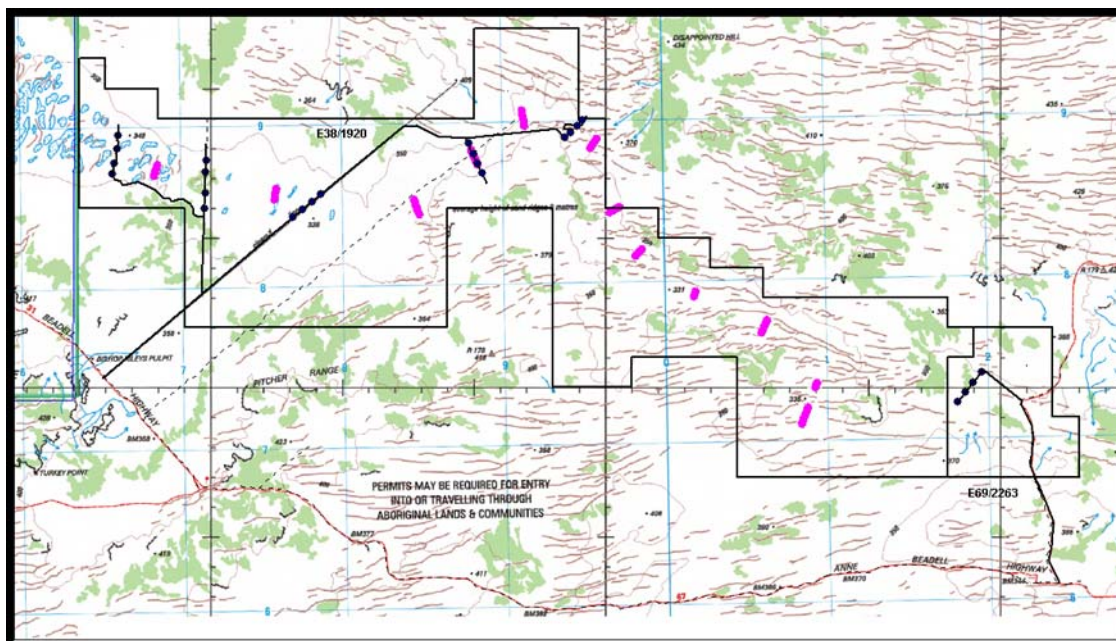
The Gunbarrel Basin, located east of and in part overlying the Archaean Yilgarn Block, contains a large endowment of sediment-hosted uranium mineralisation at Mulga Rock, Ponton, and Thatcher Soak. Despite the amount of uranium present the Basin is significantly less explored than the other major uranium provinces of Australia. Energy and Minerals Australia Ltd have recently announced a JORC compliant inferred resource of 24,500 t U₃O₈ at a cut off grade of 200 ppm U₃O₈ for the Mulga Rock deposit.

The drill programme is designed to test the prospective Junction Palaeochannel. This prospectivity is based on the similarity of the palaeochannels to those at Mulga Rock and Ponton, and also the presence of the Thatcher Soak calcrete deposit up-drainage in the channel. Thatcher Soak, held by Uranerz Ltd and Eleckra Mines Ltd, contains almost 20 million pounds of uranium in JORC compliant resources.

The position of the palaeochannel was delineated using airborne electromagnetics during 2007.

Aura's Gunbarrel Basin exploration is a joint venture with Mega Uranium Ltd (TSX CODE: MGA) whereby Mega can spend \$3 million to earn 50% in Aura's tenements. Aura's extensive landholding in the Gunbarrel Basin, totalling approximately 2760 km², covers major portions of three of the four main palaeochannels in the region.





Plan showing location of drillholes (blue dots) relative to EM defined palaeochannel (pink).

For further information contact

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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.

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:

54,482,659 fully paid ordinary shares
3,050,000 unlisted options