



Aura Energy (ASX: AEE) is a metal 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 has been very active in the past year, with drilling on all three continents.

Aura is a major landholder in the mineralised Alum Shale of northern Sweden. The Alum Shale locally contains exceptionally large resources of uranium, vanadium, molybdenum and nickel. Aura's near-term strategy is to develop an inferred resource of 0.1-3 billion tonnes of material grading 160ppm or higher, excluding other metal credits, in this region.

Aura and its partner GCM Resource's plc have identified several areas of medium to high grade uranium in Mauritania at surface. Aura considers that there are good possibilities for bulk mineable uranium resources here in this mining-friendly African country.

Aura is building a portfolio of calcrete uranium deposits in Western Australia, based around its JORC-compliant resource at Wondinong, near Mt Magnet. Also in this state encouraging mineralised intersections of sandstone-hosted uranium have been encountered in its Gunbarrel JV with Mega Uranium.

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

HIGHLIGHTS

Sweden - Alum Shale Projects

- The due diligence by Sino King for the project funding and sale option for the Storsjön Project in Sweden is continuing
- Aura completed 24 diamond drill holes of up to 260 metres depth in its Häggån (17) and Marby (7) licences within the Storsjön Project near Östersund.
- The average thickness of uranium-bearing shale in the first 17 holes on the Häggån Licence is 116 metres
- In the Häggån licence Hole DDHG001 included an intersection of 66 metres at 208ppm U_3O_8 , 0.34% V_2O_5 , 436ppm MoO_3 from 58m,
- Hole DDHG016 contains an intersection of 70m of mineralised shale averaging 175ppm U_3O_8 from 70m, including 42m of 201ppm U_3O_8 from 78m.
- Aura has received assays for the 7 holes drilled at its Marby Licence in the Storsjön Project in Sweden.
 - Hole DDMA003 contains 126 metres of mineralised shale averaging 139 ppm U_3O_8 , 300ppm MoO_3 and 3673ppm V_2O_5
 - Hole DDMA005 contains 72 metres of mineralised shale, including 34 metres 169 ppm U_3O_8 , 412ppm MoO_3 and 2972ppm V_2O_5 from 92m.
 - Hole DDMA006 contains 86 metres of mineralised shale, including an intersection of 48m of mineralised shale averaging 191ppm U_3O_8 , 384 ppm MoO_3 and 3286 ppm V_2O_5 from 60m.
- These results confirm the expectation of the presence of thick developments of the shale throughout Aura's 16 square kilometre Häggån licence and 22 square kilometre Marby licence
- Aura's permit is adjacent to those where Continental Precious Minerals have announced an inferred resource of 443 million pounds uranium oxide, 900 million pounds of molybdenum oxide, and 7.14 billion pounds vanadium oxide.

HIGHLIGHTS continue next page ...

HIGHLIGHTS

Western Australia Calcrete Projects

- Ground based radiometric and geological assessment Aura's Porcupine Well Project has confirmed the potential for calcrete uranium mineralisation

Mauritania

- Three uranium exploration licences covering 3600 km² in the uranium-bearing Requibat Shield in northern Mauritania have been granted to the Aura - GCM Resources plc Alliance.
- The licences contain multiple strongly anomalous uranium-channel radiometric zones outlined by airborne survey ranging individually in area up to 3.5 square kilometres
- The second phase of sampling in the Oued el Foule Est permit confirms the presence of widespread, economically significant uranium grades at surface
- Uranium mineralisation, ranging up to 2217 ppm U₃O₈, was located in shallow sampling pits
- The uranium mineralisation is located within zones of strong radiometric response defined by ground geophysical surveying
- Within one strong 3.0 km long radiometric zone within Survey Area A, 10 out of 15 sample pits contained significant uranium mineralisation averaging 810 ppm U₃O₈
- Mineralisation appears to be as strong at the base of the pits as at surface

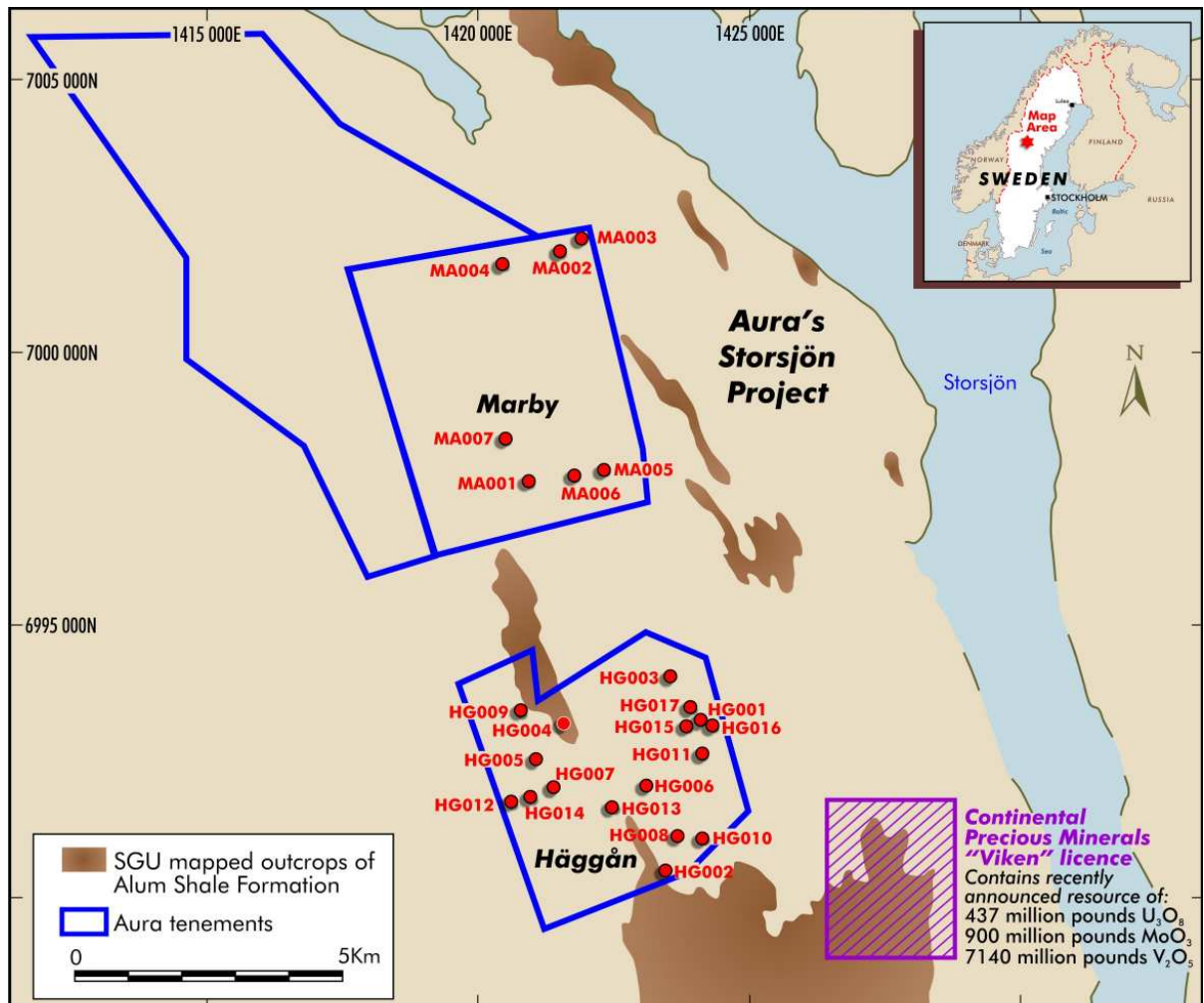


SWEDEN – ALUM SHALE PROJECTS

Aura Energy Ltd has a significant land position in the mineralised Alum Shale of northern Sweden. The Alum Shale is widely distributed throughout the Baltic States, and locally contains exceptionally large resources of uranium, vanadium, molybdenum and nickel.

Aura has completed a 17 hole drilling programme in the Storsjön Project during the northern summer. This second programme totalled 3835 metre of diamond drilling.

In addition Aura has completed an agreement with Sino King Enterprise Investment Ltd to fund exploration, with an option to purchase up to 80% in the project.



Spatial Relationship of Alum Shale Reconnaissance Drilling Marby and Häggån Licences - Sweden

Project funding and sale option agreement

Aura has entered into a Heads of Agreement with Sino King Enterprise Investment Limited potentially worth A\$460 million to develop the Company's Storsjön Project in central Sweden.

Under the Agreement, Sino King has the right to acquire up to 80% of the Project, which comprises seven granted exploration licences and one application covering 106km² in the proven Alum Shale uranium district.

Aura's senior executives have met with Sino King in Beijing in December, and continue to work towards implementation of the Agreement.

Drilling Results – Häggån Exploration Permit

Aura recommenced drilling at its Häggån exploration licence at the end of June. Five holes were completed in its programme in the northern winter (DDHG001-005). A further twelve holes were drilled at Häggån in the summer drilling season.

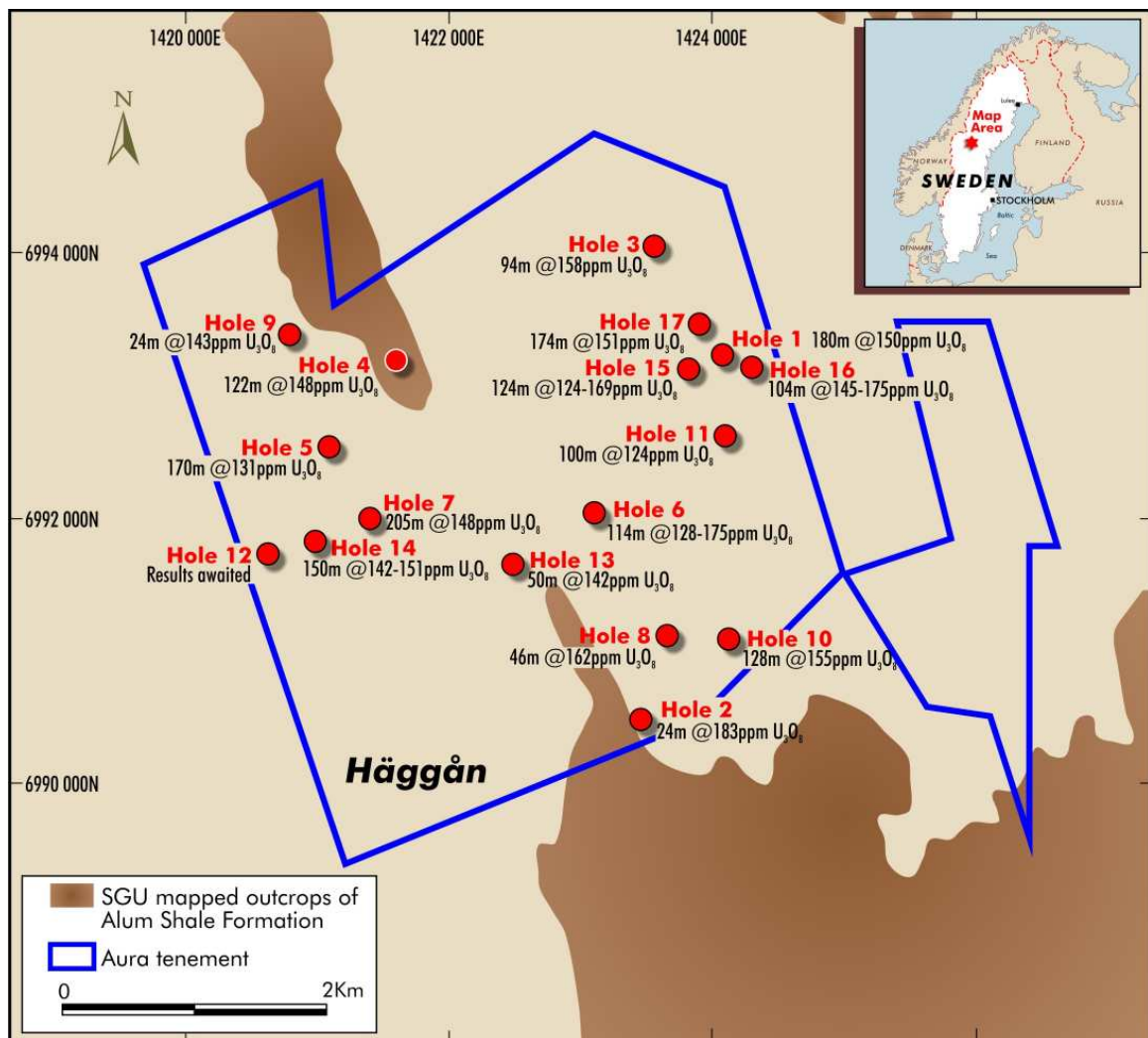
The assays for all Häggån drill holes are given in the table below.

Drill hole	Intersect (m)	Depth from (m)	ppm U₃O₈	ppm MoO₃	% V₂O₅
DDHG001	20	22	131	281	2737
And	74	50	198	420	3380
Incl	66	58	208	436	3395
And	30	136	146	304	2032
Incl	8	138	202	452	3728
And	20	182	171	341	2250
Incl	12	188	190	384	2587
DDHG002	24.45	10	183	392	4285
Incl	22.45	12	188	410	4337
DDHG003	94	64	158	331	3240
Incl	20	64	187	411	3972
Incl	24	104	172	378	3907
DDHG004	126	42	148	303	3354
Incl	20	136	177	336	2569
and	10	176	168	284	1817
DDHG005	10	74	131	255	2204
And	48	112	148	314	3267
And	70	164	151	301	2525
Incl	32	198	171	353	3111
DDHG006	32	48	128	323	4758
And	110	88	120	255	1927
incl	16	106	211	480	3997
DDHG007	96	60	148	279	3083
Incl	10	112	197	440	4625
And	95.4	162	159	377	3638
Incl	28	176	172	376	3462
Incl	12	216	173	410	4084
Incl	10	244	190	445	3705
DDHG008	56	86	133	262	2347
DDHG009	24	4	143	248	2062
DDHG010	128	82	155	325	2617
Incl.	44	110	190	421	3010
Incl.	22	130	209	458	2981
and	14	214	127	284	2328
DDHG011	100	100	124	250	1602
Incl	28	136	170	316	2072
DDHG012	16	144	130	239	1922
DDHG013	50	126	142	297	2327
DDHG014	74	74	142	232	2259
and	76	154	151	305	3583

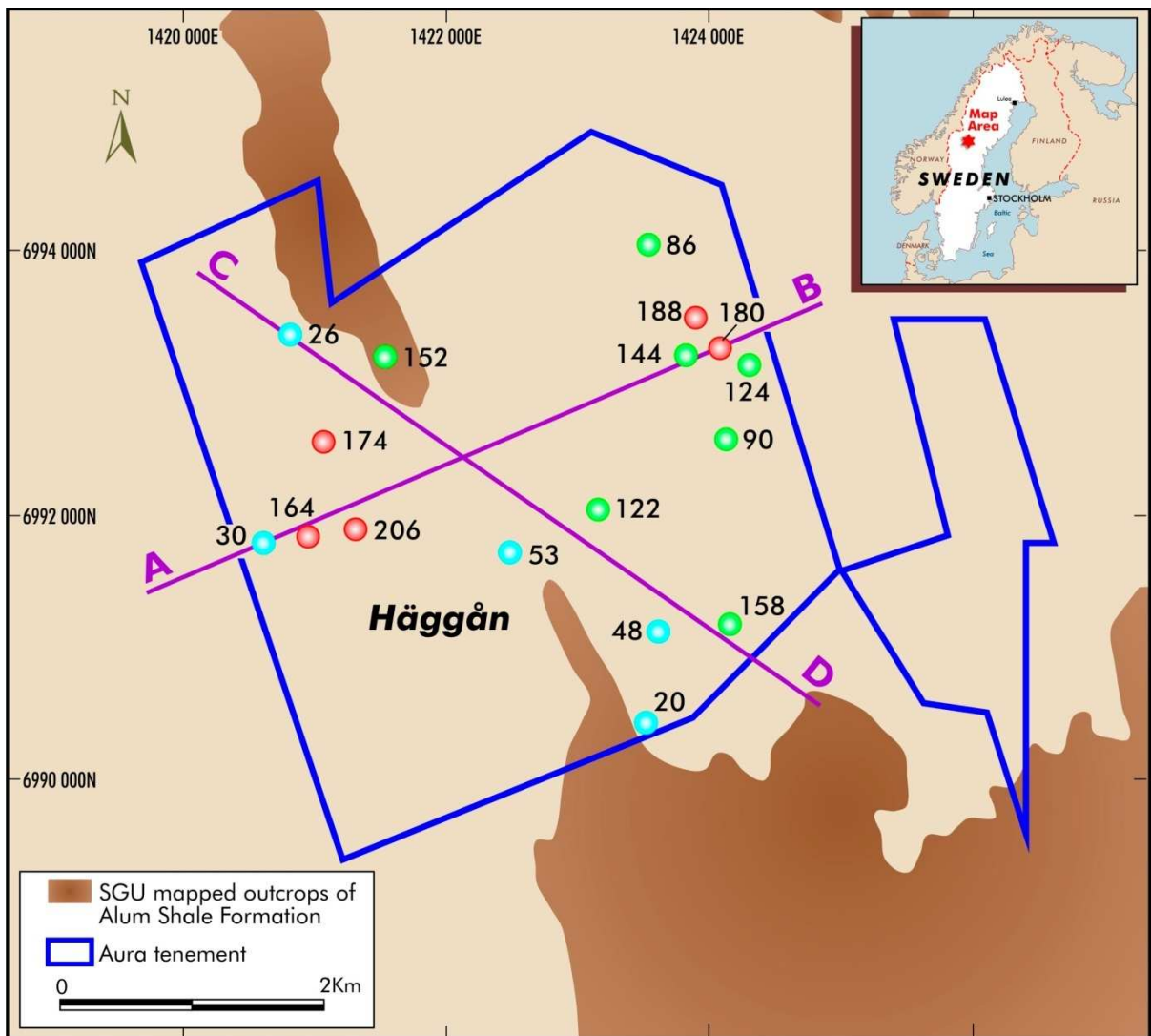
Drill hole	Intersect (m)	Depth from (m)	ppm U ₃ O ₈	ppm MoO ₃	% V ₂ O ₅
DDHG015	14	44	124	259	2327
and	18	62	149	299	3790
and	50	84	169	377	3378
<i>Incl</i>	26	84	186	406	3806
and	14	140	140	301	2561
and	12	162	127	244	1178
and	16	184	160	349	2697
DDHG016	70	70	175	395	3311
<i>Incl</i>	42	78	201	440	3451
<i>Incl</i>	18	102	215	478	3275
and	34	168	145	318	1921
DDHG017	174	8	151	341	3125
and	10	212	170	314	1685

The sample interval for the assays is 2 metres in most cases, and a 100ppm U₃O₈ cut off, 150ppm U₃O₈ cut off or 200ppm U₃O₈ cut off was used for the reported tabulated results, with a maximum internal waste of 2 metres.

These assay results confirm the exceptional mineralised thicknesses of the Alum Shale in Aura's Häggån licence indicated by the radiometric logging of the drill core. The exceptional thickness in DDHG007 and DDHG017, which intersected 206 and 174 metres respectively of mineralised shale, is particularly encouraging.

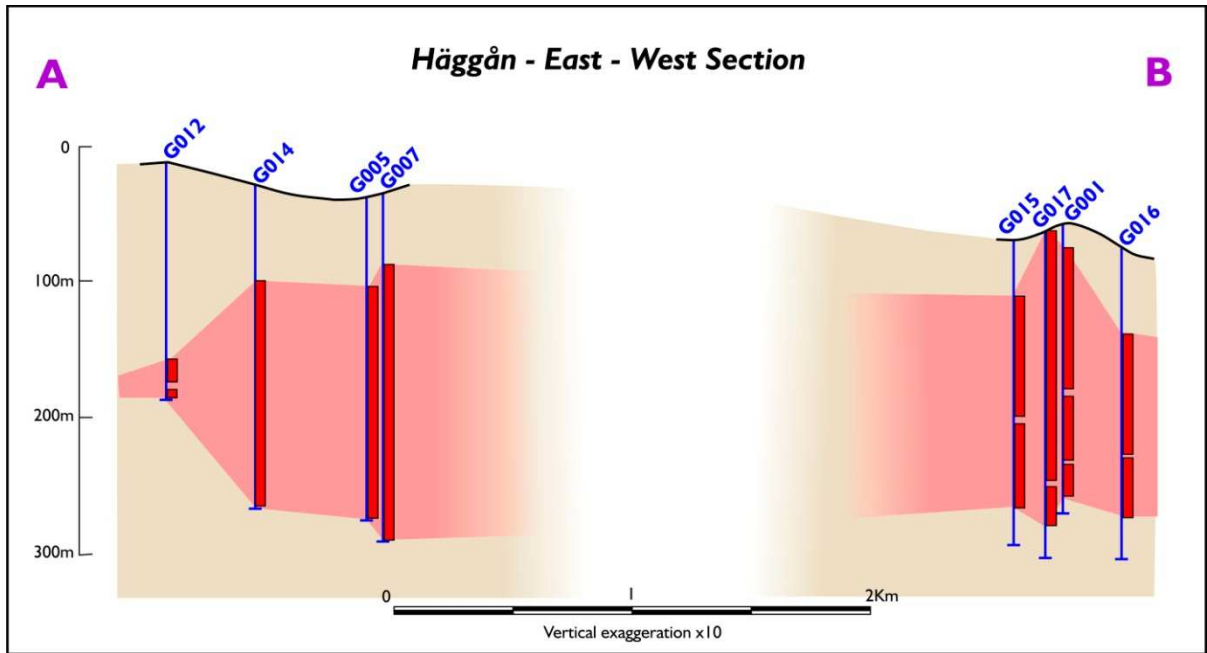


Summary of Reconnaissance Drilling - Häggån, Sweden



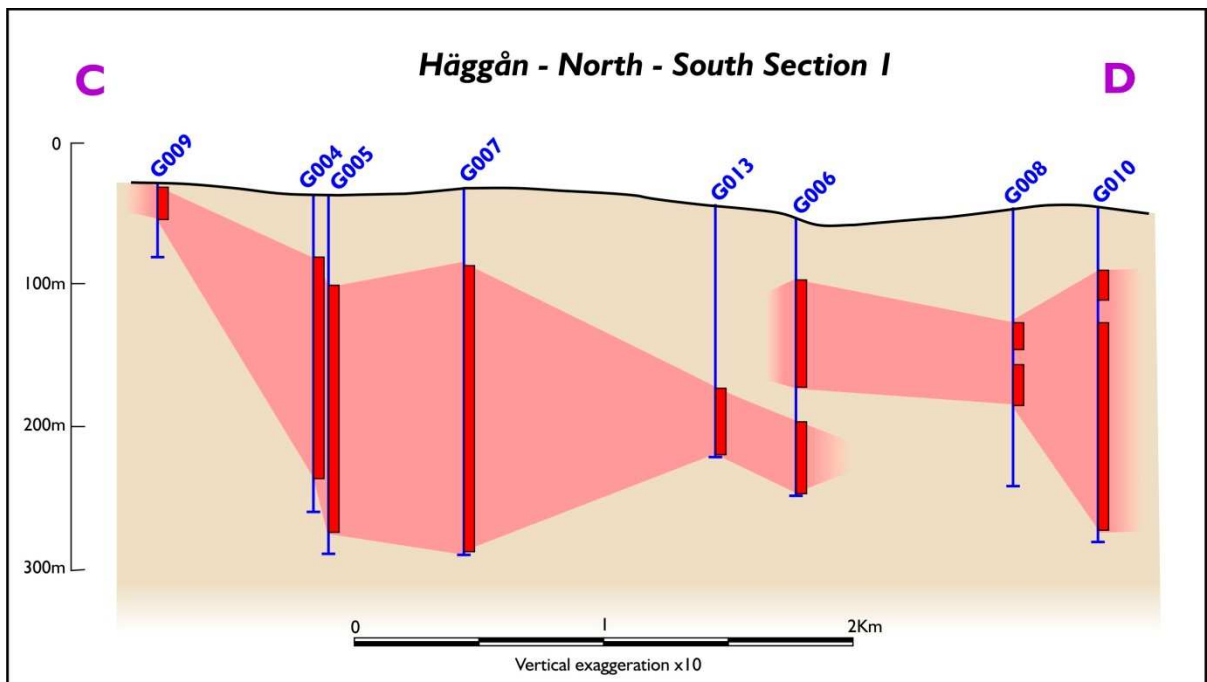
Thickness of radiometrically anomalous shale in Aura's Haggån licence

The cross section below indicates the presence of particularly thick sections in the eastern and western parts of the licence. It is not possible to access the central part of this section in summer because the area comprises low-lying, swampy ground.



Section A-B Thickness of radiometrically anomalous shale in Aura's Häggån licence

The thicknesses of radiometrically anomalous shale for the first seventeen holes vary between 16 and 206 metres, with an average of 116 metres, throughout Aura's 18 square kilometre Häggån licence.



Section C-D Thickness of radiometrically anomalous shale in Aura's Häggån licence



DDHG007 drill site in December

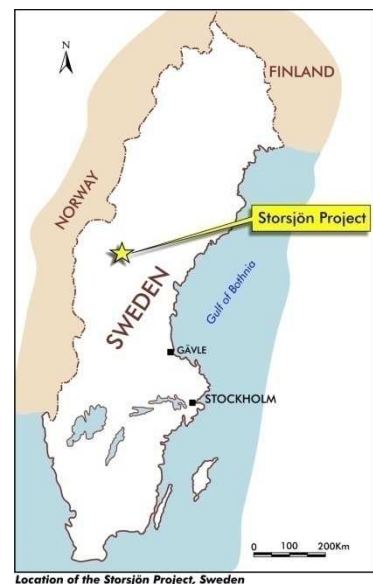
Drilling Results – Marby Exploration Permit

The drilling and assay programme in its Marby exploration licence in Sweden has also returned substantial thicknesses of uranium-mineralised Alum Shale.

The second drilling programme was carried out in the period July to September 2008. Drill core assays of the samples for holes DDMA001- 007 were received in the quarter. The sample interval for the assays is 2 metres in most cases, and a 100ppm U₃O₈ cut off was used for the reported tabulated results, with a maximum internal waste of 2m.

Assays for drill holes DDMA001 - 007

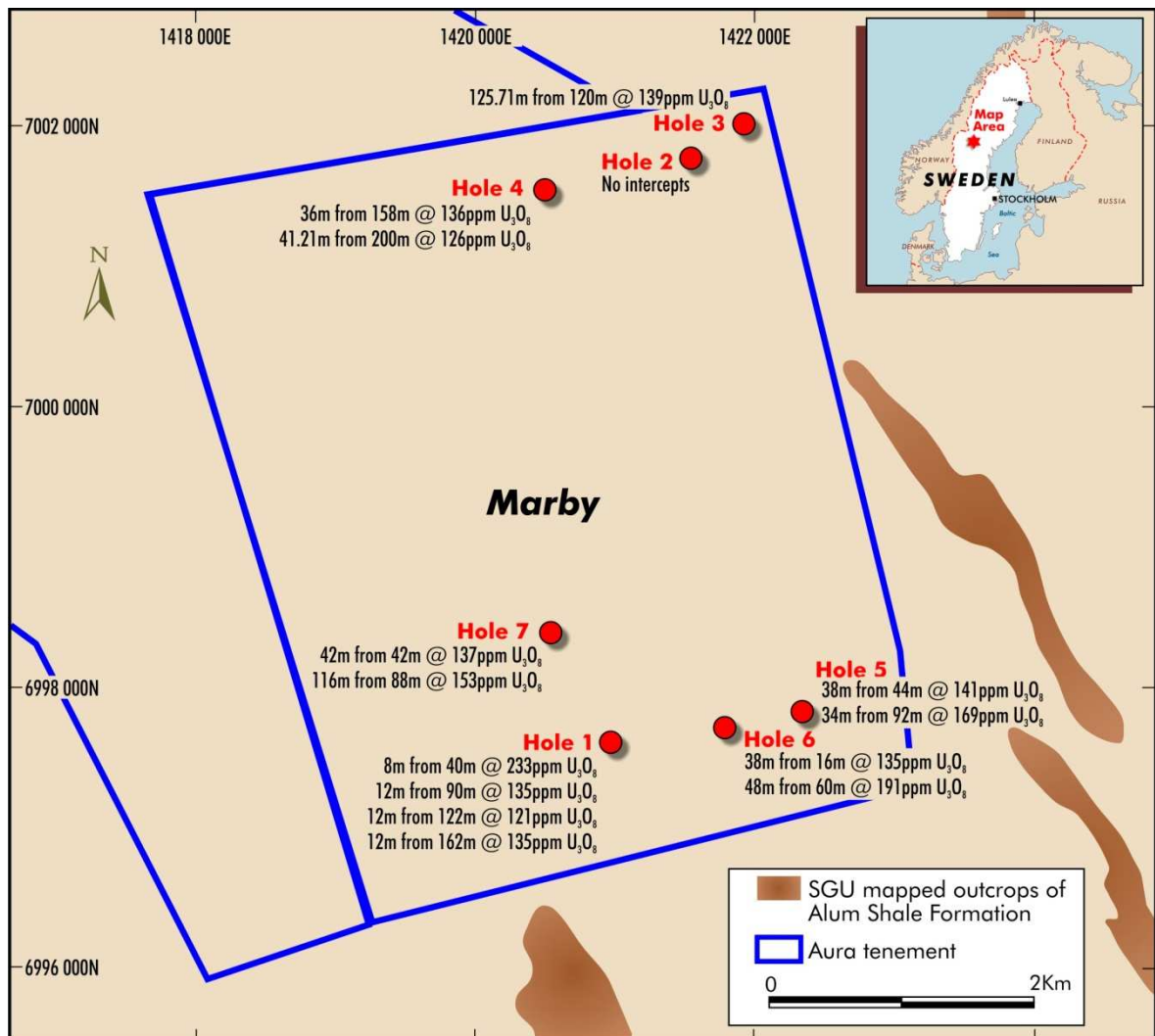
The assay intercepts for the Marby drilling are given below:-



Location of the Storsjön Project, Sweden

Drill hole	Intersect (m)	Depth from (m)	ppm U ₃ O ₈	ppm MoO ₃	ppm V ₂ O ₅
DDMA001	8	40	233	411	3866
And	12	90	135	244	1803
And	12	122	121	273	2376
And	12	162	135	280	1546

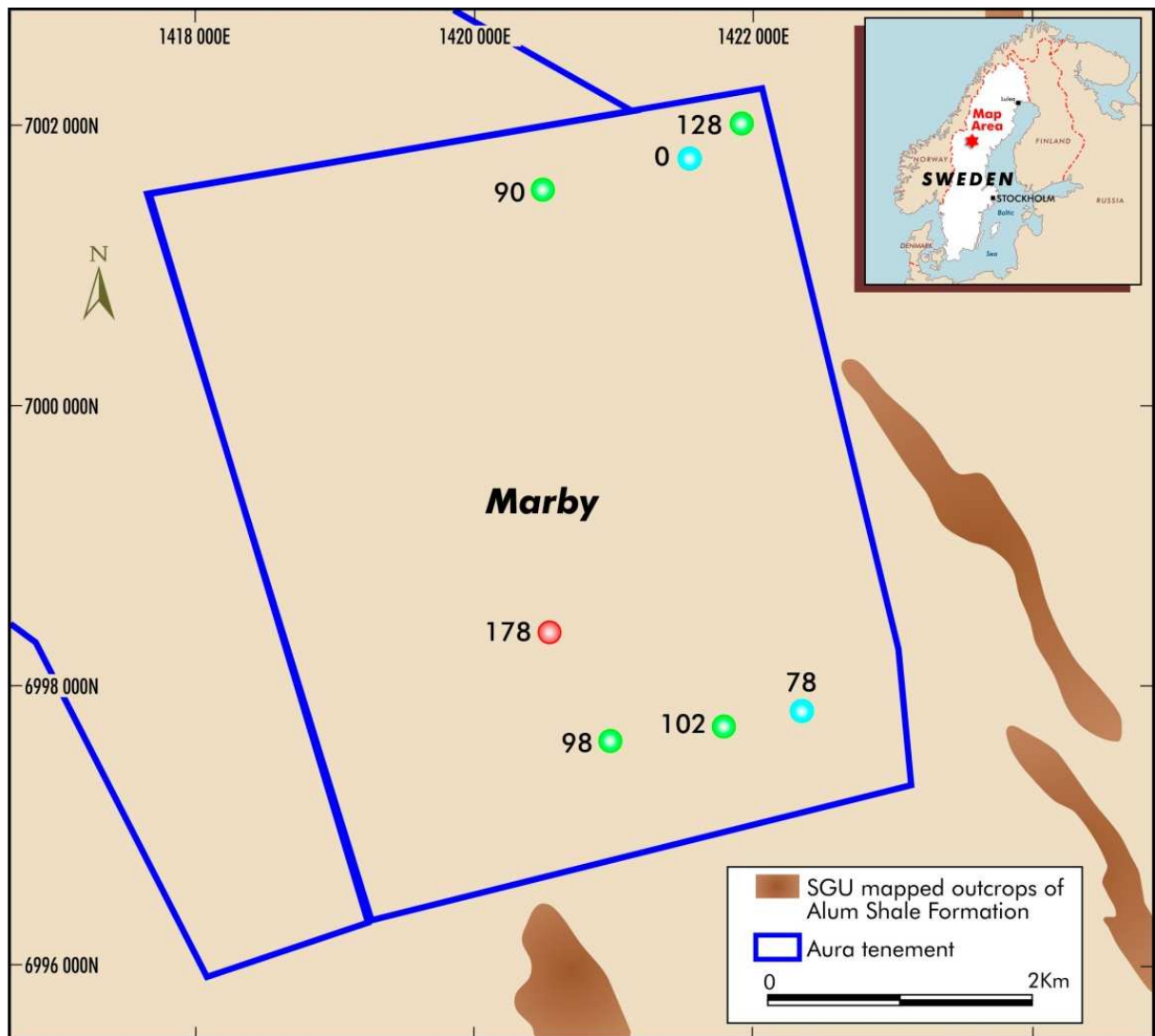
Drill hole	Intersect (m)	Depth from (m)	ppm U ₃ O ₈	ppm MoO ₃	ppm V ₂ O ₅
DDMA002	All results below 100ppm U ₃ O ₈				
DDMA003 <i>Incl</i>	125.7 16	120 218	139 160	300 374	3673 4448
DDMA004 <i>Incl</i> and	36 12 41.21	158 162 200	136 172 126	288 373 284	2507 3586 2643
DDMA005 And <i>Incl</i>	38 34 28	44 92 98	141 169 178	296 412 439	3493 2972 3003
DDMA006 and	38 48	16 60	135 191	255 384	2962 3286
DDMA007 and	42 116	42 88	137 153	252 349	2725 2197



Plan showing the location of Marby diamond drillholes and reported intercepts

These assay results confirm the exceptional mineralised thicknesses of the Alum Shale in Aura's Marby licence, and add further to the positive results already reported for the Häggån licence to the south.

Aura believes that the Alum Shale in the Marby licence will add considerable tonnages to the future resource that it will be defining at Storsjön.



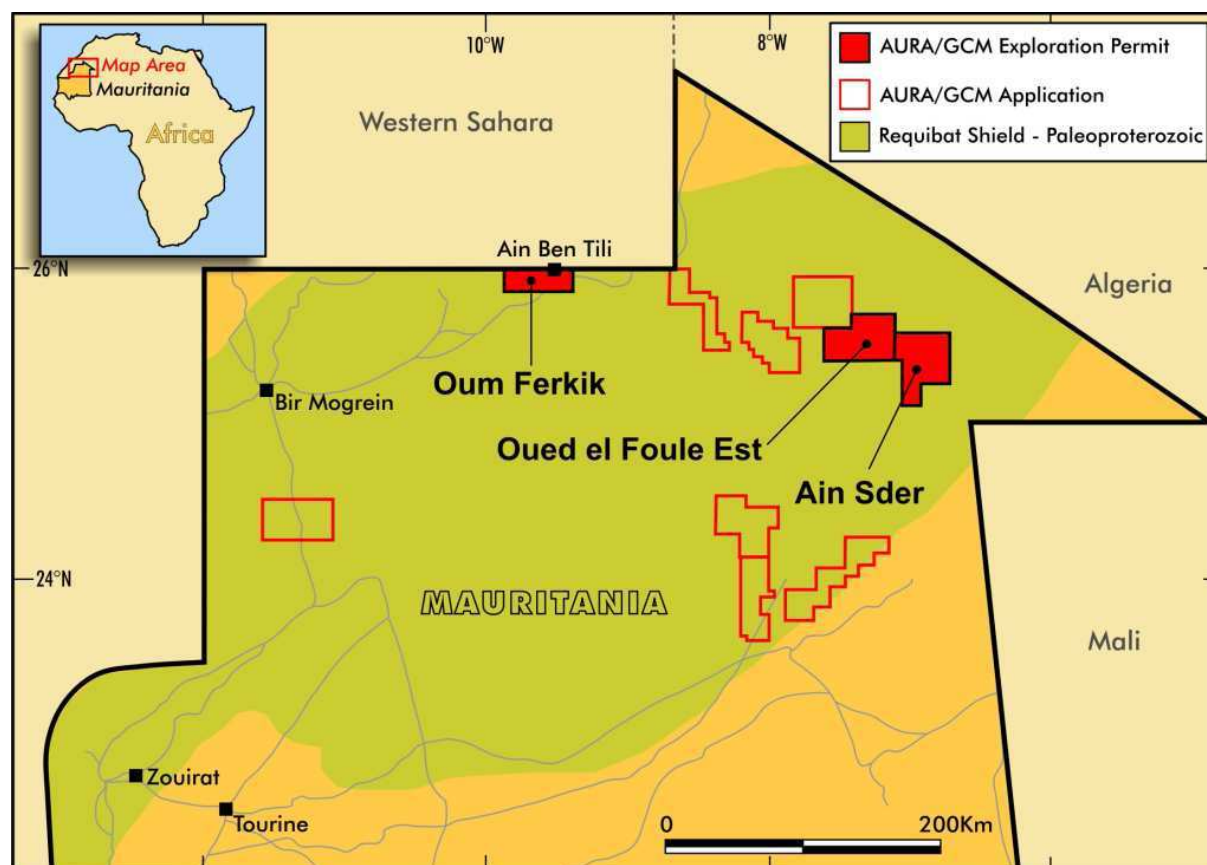
Thickness of radiometrically anomalous shale in drillholes in Aura's Marby licence

All holes were drilled vertically to obtain the maximum intersection of the Alum Shale.

AFRICA ALLIANCE – GCM RESOURCES plc

Mauritania

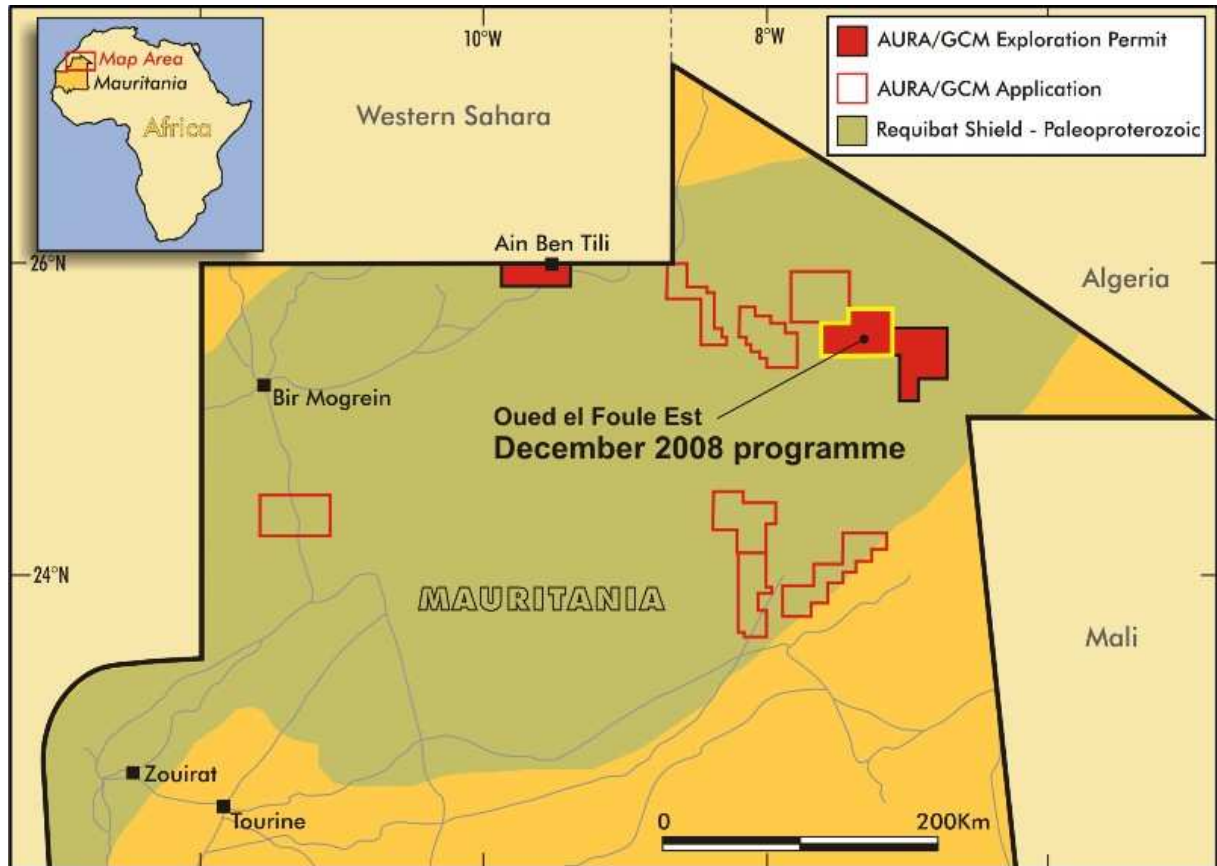
Aura Energy, in alliance with GCM Resources plc, has been granted 3 uranium exploration licences covering 3600 km² in Mauritania. The licences cover known uranium mineralisation and multiple radiometric uranium anomalies. The Aura / GCM Alliance has been actively pursuing opportunities in Mauritania, and has a further 11 applications for uranium exploration licences pending in the country.



Key features of the licences are:

- The 3 licences contain strongly anomalous uranium-channel radiometric zones ranging in area up to 3.5 square kilometres
- Initial field reconnaissance by Aura within these areas in March located visible uranium mineralisation in each of 7 shallow pits on 5 separate radiometrically anomalous zones.

Aura carried out a second field programme in December 2008 on its Oued el Foule Est exploration permit in Northern Mauritania. The objective of the programme was to test the extent of uranium mineralisation encountered during previous reconnaissance surveying by Aura.

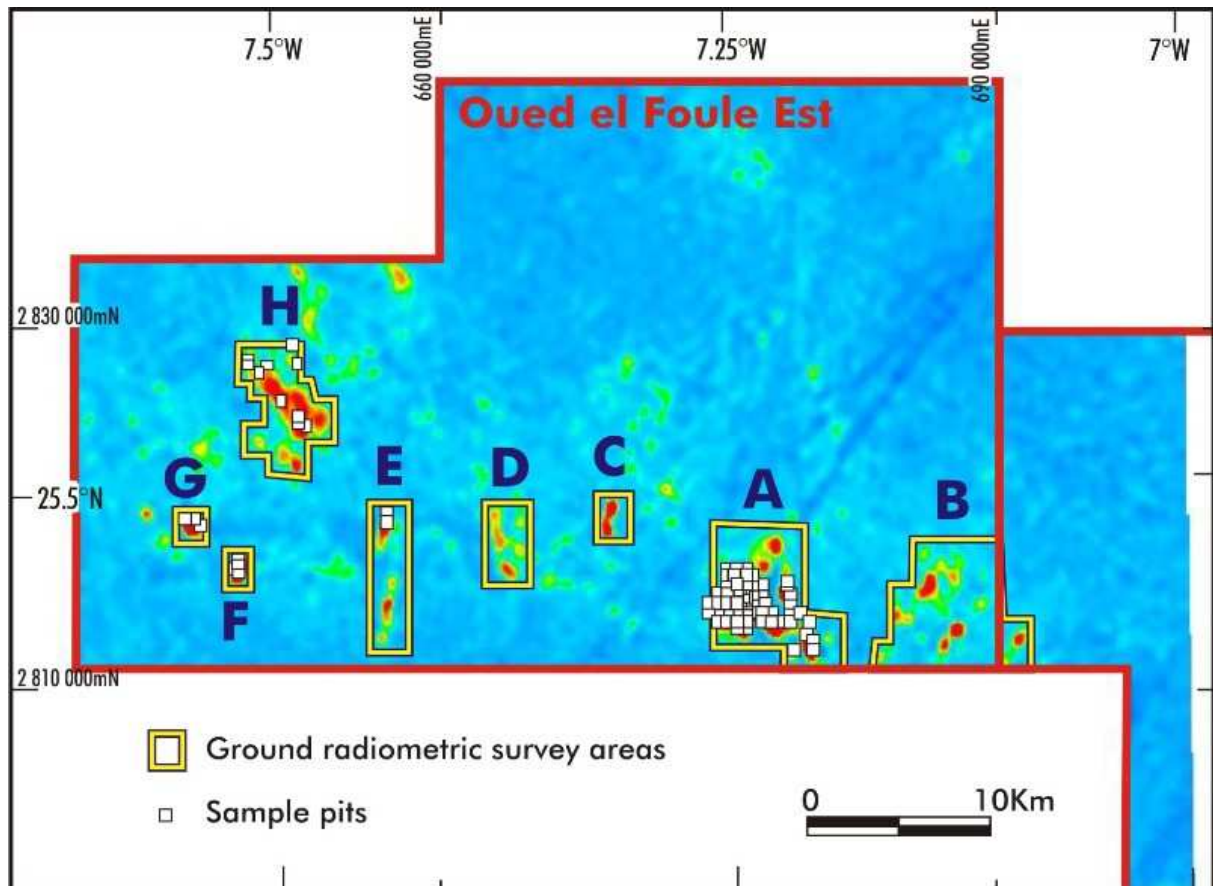


Location of December sampling programme & Aura/ GCM permit areas, Northern Mauritania.

To achieve this aim a programme of detailed ground-based geophysics (radiometrics) was completed over 8 target areas, and a programme of pitting and sampling was conducted. In total 85 shallow pits were excavated to an average depth of approximately 0.7m and samples taken from the walls and the bottom.

Regional sampling pits were dug generally on a 500m x 500m grid to determine areal extent of the mineralisation. In addition in one area 12 sampling pits were dug on an approximate 50m grid to determine short range variability.

19 of these contained elevated U values ranging from 119 ppm U_3O_8 to 2217 ppm U_3O_8 , with wall samples of these pits averaging 535 ppm U_3O_8 .



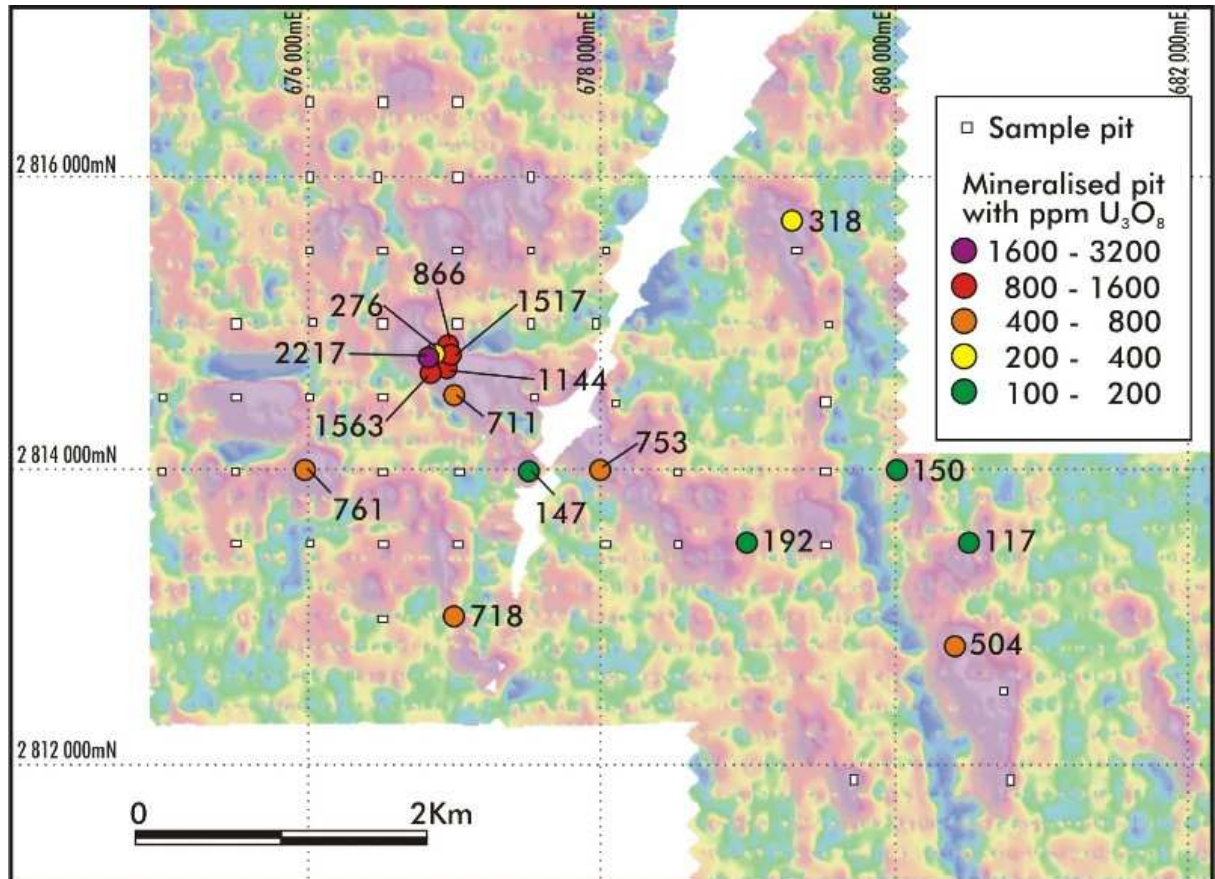
Oued el Foule Exploration Permit showing location of December ground geophysical surveys and sample pits. Background image is uranium-channel radiometrics from airborne survey.

Key results emerging from the field programme were:

- Ground radiometric surveying defined multiple zones of high radiometric response.
- Within Area A, where most of the sampling was completed, one strong radiometric zone approx 3.0 km in length with width varying between 100 to 500m, returned evidence of U mineralisation in 10 of 15 pits. These 10 pits averaged 810 ppm U_3O_8 in pit walls and 780 ppm U_3O_8 from pit floor samples.
- Peak wall sample was 1700 ppm U_3O_8 and peak floor sample was 2217 ppm U_3O_8 .
- The uranium mineralisation occurs within weathered lower Proterozoic granites and is commonly associated with calcrete.
- Uranium occurs as yellow uranium vanadate (tyuyamunite and/or carnotite).
- The depth extent of the uranium mineralisation below the base of the sampling pits remains unknown.
- As far as Aura is aware the area has had no previous systematic exploration for uranium.

Aura and GCM jointly hold 2 other granted permits in northern Mauritania, and on both located similar strong uranium mineralisation during reconnaissance in 2008. Follow-up to test the extent of the mineralisation on the other 2 licences remains to be carried out.

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



**Survey Area A showing sample pits and mineralised pits (greater than 120 ppm U₃O₈).
Background image is total count radiometrics from ground surveying.**



Sampling at Oued el Foule Est.



Weathered granite containing pervasive yellow uranium vanadate mineralisation.

WESTERN AUSTRALIA CALCRETE PROJECTS

The change of government at the 2008 State Election in Western Australia has renewed Aura's interest in its portfolio of advanced calcrete uranium projects in the state. Aura announced an inferred resource compliant with the JORC Code for its Wondinong Project earlier in 2008.

The main features of the Wondinong deposit are:

- An Inferred Resource of 2.6 million pounds at a 150ppm U_3O_8 cut-off Grade
- 7.0 million pounds of uranium at 100ppm U_3O_8 cut-off grade
- Potential to significantly increase the resource with further infill drilling
- Further potential to increase the resource in the untested extensions of the deposit to the south and west

Wondinong is one of several calcrete deposits in the Mt Magnet district of Western Australia. Aura is examining synergies with other deposit owners in the district with regard to progressing these projects.

Aura has recommenced fieldwork at its calcrete projects in Western Australia. Ground work has been completed at its Elora and Wongawal Projects, and further sampling carried out at Porcupine Well.

New exploration at Porcupine Well demonstrates that the system is more extensive than the findings of the first reconnaissance programme indicated. This prospect is situated midway between the Lake Way/Centipede deposits (Toro Energy – 19.8 million lb U_3O_8) and Lake Maitland (Mega Uranium - 23.7 million lb U_3O_8).

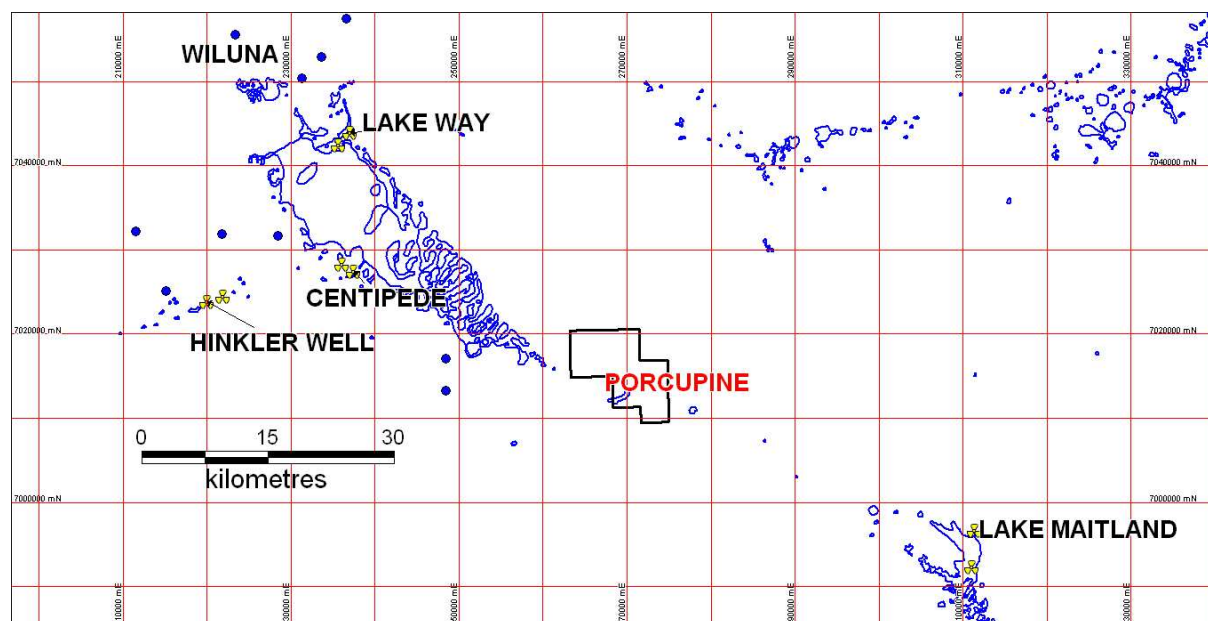


Figure 1: Locality map showing Porcupine in relation to Lake Way and Lake Maitland deposits.

Detailed groundwork located a radiometric anomaly close to the western boundary of the Aura tenement. Six shallow auger holes tested the anomaly to a maximum depth of 3 metres. All holes contained uranium, with values in the range 29 to 233ppm U_3O_8 .

The initial results from Porcupine Well indicated that:

- Anomalous uranium values occur throughout the area tested
- All samples testing below 1.5 metres contain values above 67ppm U_3O_8
- All holes end in mineralisation
- The highest value of 233ppm U_3O_8 , at 1-2 metres depth in PA05, is the southernmost hole drilled
- PA05 is on the southern margin of the surface radiometric anomaly

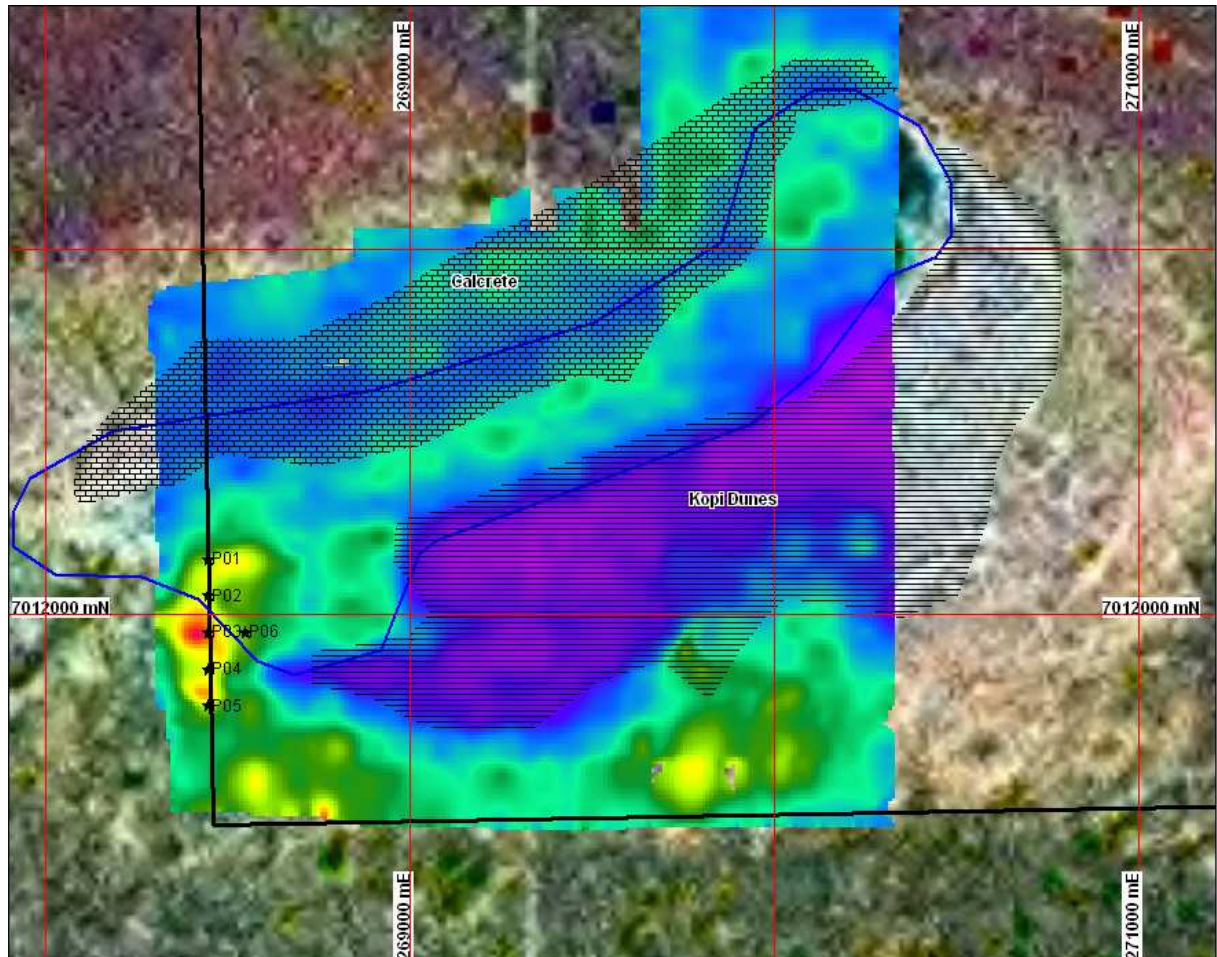


Figure 2: Porcupine Well area showing radiometric anomaly, calcrete area and auger sample locations.

The new exploration in the Project Area suggests that similar mineralisation to that drilled extends to the south and east. The area covered by Kopi dunes masks the radiometric response, but may also be underlain by mineralisation.

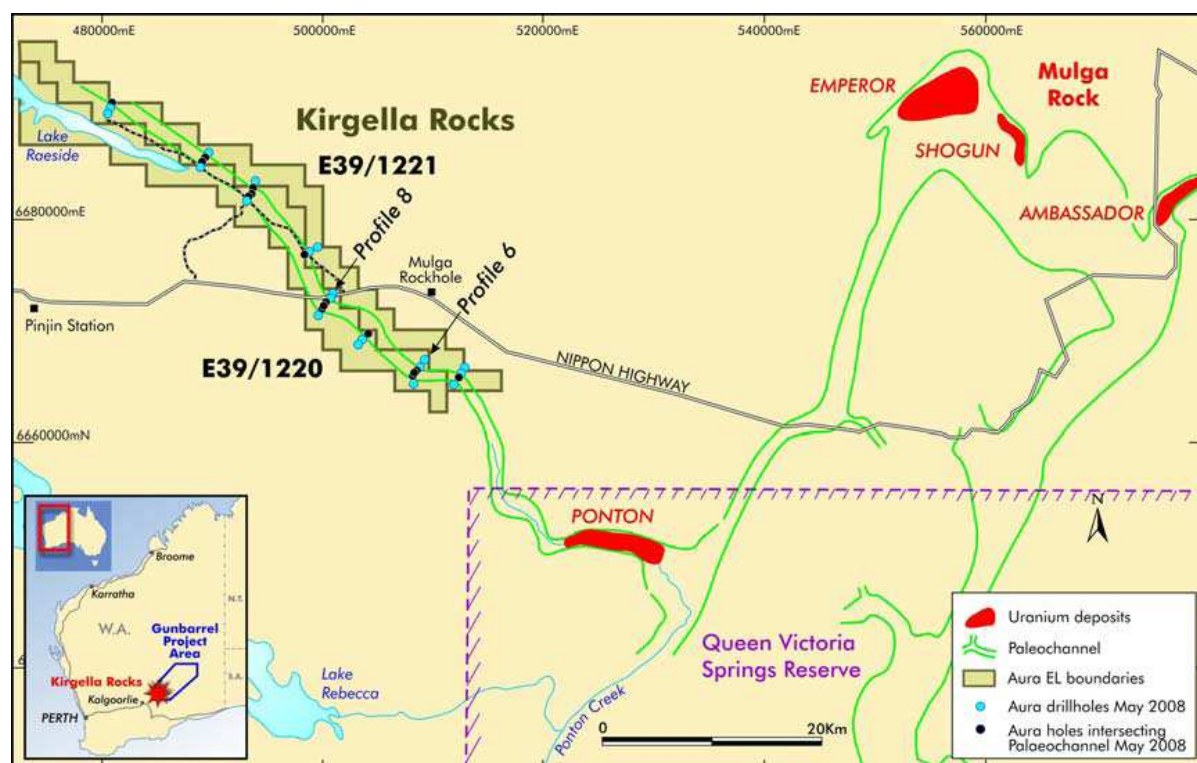
Aura plans to drill the Porcupine Prospect in 2009.

WESTERN AUSTRALIA - GUNBARREL BASIN JOINT VENTURE

It was reported last quarter that the Gunbarrel Joint Venture between Aura Energy Ltd (ASX code: AEE) and the Toronto listed Mega Uranium Inc (TSX code MGA) has obtained encouraging results in its Stage 1 reconnaissance drill testing for sandstone-hosted uranium within palaeochannels in the Gunbarrel Basin. Aura is the operator of the Joint Venture.

Anomalous uranium was intersected in two of the holes drilled in the Kirgella Rocks licences in the southwest of the joint venture area, as follows;

- KRAC 006 intersected:
 - 0.26m @ 142.8ppm eU3O8 from 66.44m
- KRAC 017 intersected:
 - 0.24m @ 112.4ppm eU3O8 from 72.05m
 - 0.12m @ 139.5ppm eU3O8 from 74.95m
 - 0.12m @ 228.7ppm eU3O8 from 88.15m



Plan view showing recent Aura drilling and location of channel relative to Palaeochannels & Ponton and Mulga Rock uranium deposits

As the drill sections are approximately 7 kilometres apart, the anomalies intersected are regarded as encouraging indications of the uranium potential of the Kirgella channel.

A further air core drill programme is being developed for the 2009 field season to follow up these anomalies with drilling on approximately 4km by 400m centres.

Although no JORC-compliant resource is available for the Ponton deposit, it constitutes one of the larger known sandstone uranium deposits in Australia. The deposit has recently been purchased by Uranio Ltd.

Mega Uranium is considering a programme presented by Aura to evaluate other palaeochannels in the JV tenements to the north and north east of Kirgella Rocks. The program will be conducted in the 2009 field season.

Aura's Gunbarrel Basin exploration is a joint venture with Mega Uranium Ltd (TSX CODE: MGA), whereby Mega can earn up to 50% in Aura's tenements by sole-funding exploration to a level of \$3.0 million. The joint venture properties, totalling 3750 km², cover extensive portions of three of the four main palaeochannels 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, and is a member of the Australian Institute of Geoscientists. 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.
