



ASX ANNOUNCEMENT

18 May 2006

AURA ENERGY COMMENCES AIRBORNE GEOPHYSICAL SURVEYS IN THE GUNBARREL BASIN

Aura Energy Ltd (ASX CODE: AEE) will commence its exploration programmes in the Gunbarrel Basin with the flying of airborne radiometric surveys at the Junction Project, the most northerly of the Aura's tenement package in the region. The survey is planned to start on 20 May.

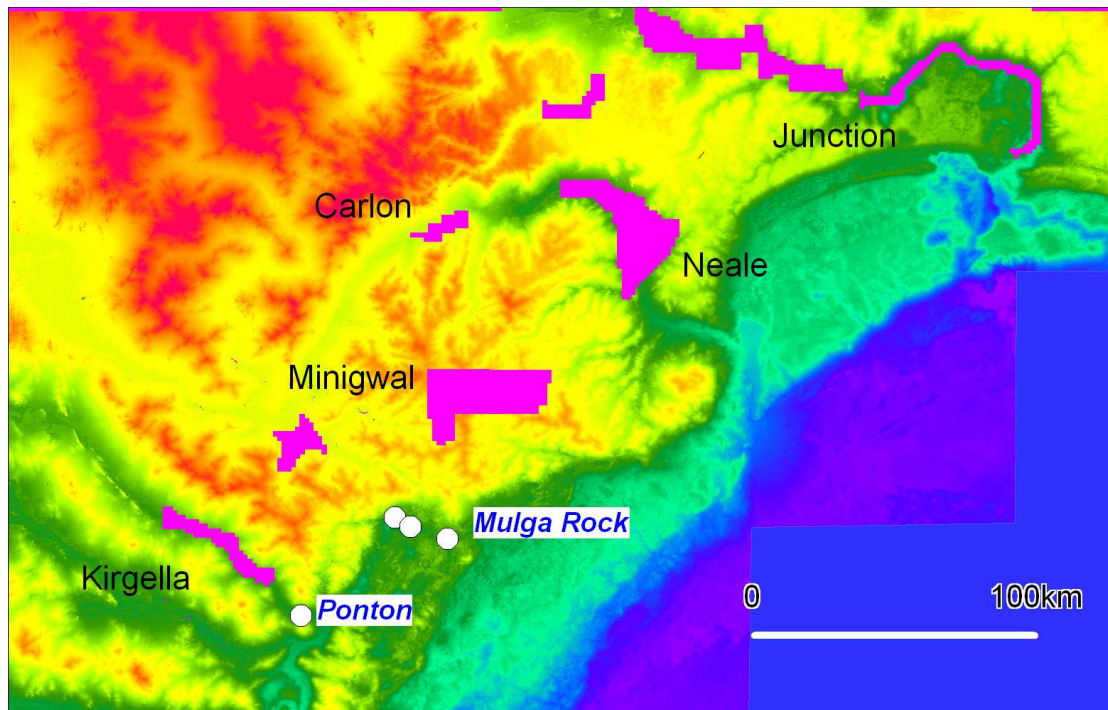


Figure 1: Digital Terrain Model for the western Gunbarrel Basin showing the Aura-Mega joint venture tenements



The Junction Project area has not been previously flown to collect radiometric data downstream of Lake Yeo. The results of this survey will assist in defining prospective areas for follow up, particularly for near-surface calcrete uranium mineralisation.

Aura's Gunbarrel exploration is a joint venture with Mega Uranium Ltd. Mega can earn an initial 50% interest, and up to 70%, in Aura's tenements in the Gunbarrel Basin of Western Australia.

The Gunbarrel Basin, located east of the Archaean Yilgarn Block, contains a large endowment of sediment-hosted uranium mineralisation, but is significantly less explored than the other major uranium provinces of Australia. The combined uranium resources of the two largest known deposits in the region, Mulga Rock and Ponton, are reported to exceed 100 million pounds U₃O₈.

Aura's properties, totalling 3750 km², cover extensive portions of three of the four main palaeochannels in the region, including large areas upstream from both the Ponton and Mulga Rock deposits. In the Kirgella Rocks Project, upstream from Ponton, limited previous drilling has intersected a favourable uranium host lithology in the form of reduced, carbonaceous channel sands. Elsewhere in Aura's ground holding the prospective palaeochannels are untested by drilling.

ENDS

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:

35,641,500 fully paid ordinary shares
17,858,500 listed options
4,050,000 unlisted options