A S X A N N O U N C E M E N T
19 JUNE 2007

AURA ENERGY TARGETS MAJOR SWEDISH URANIUM PROVINCE

Highlights

- Aura Energy has made applications for a significant landholding in the major Alum Shale uranium province of Sweden.
- The Alum Shale contains substantial resources of uranium and other metals.
- 77 million pounds of uranium in inferred resources have been identified within 1400 metres of one of Aura's applications.
- Extensive exploration by the Swedish Geological Survey (SGU) indicates the mineralised Alum Shale extends into all of the Aura application areas. Aura therefore interprets that considerable quantities of uranium are present within its applications.
- The Alum Shale has been mined for uranium in both Sweden and Estonia.
- The region possesses substantial credits from other metals present, particularly vanadium, molybdenum and nickel.
- No previous assessment of the Alum Shale has taken into account credits from these metals which may add significantly to the potential in ground value.
- Key tenement applications are close to drill holes containing the highest molybdenum grades reported for the Swedish Alum Shales.
- Aura has focussed on areas where the Shales outcrop and may be amenable to low cost, open pit mining.

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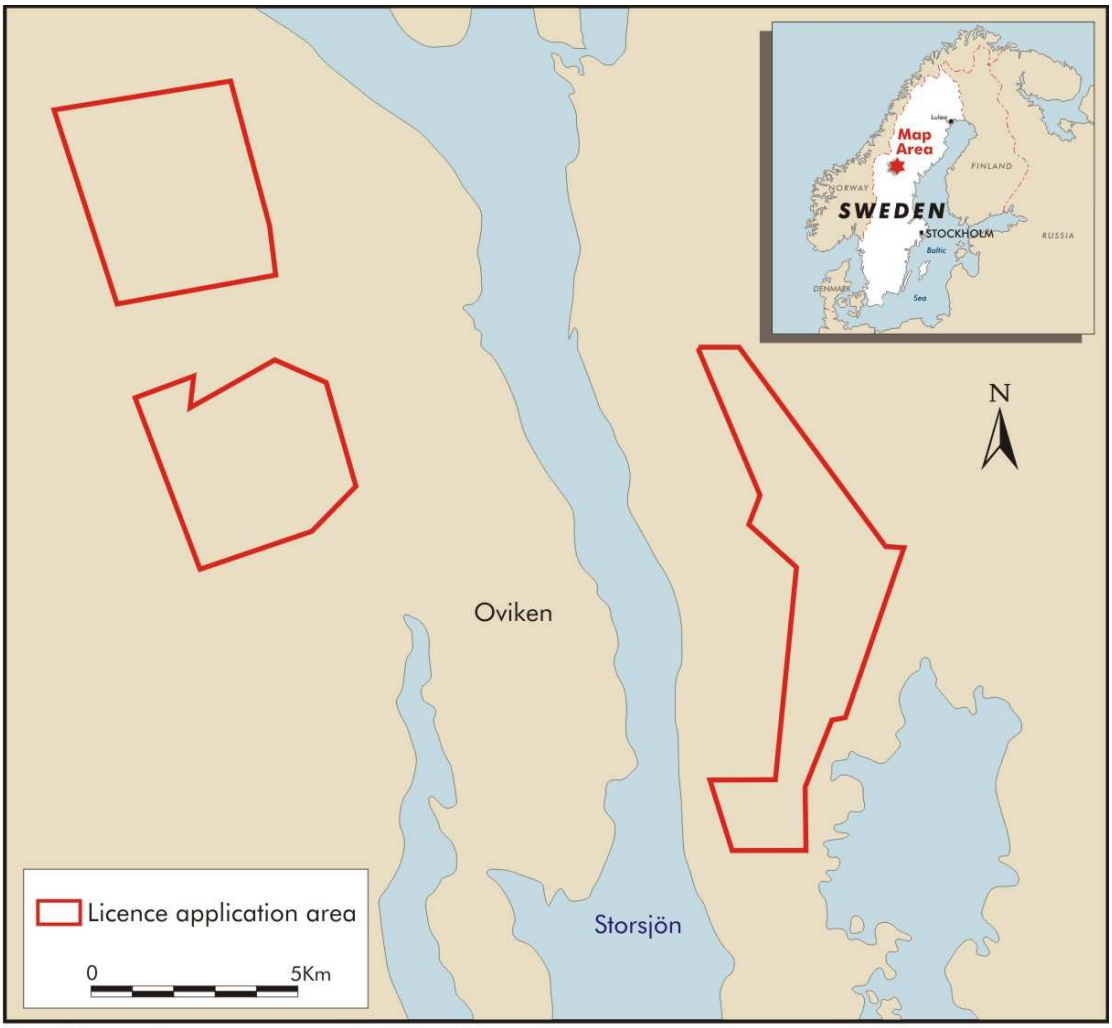
Aura Energy Ltd (ASX Code: AEE) has lodged applications for a significant landholding in one of the world's major uranium provinces in Sweden.

The Alum Shale Formation of Scandinavia is regarded as the largest known uranium resource in Europe. The shale is widely distributed throughout the Baltic States. The Swedish section contains exceptionally large resources of uranium, vanadium, molybdenum and nickel.

Aura has applied to the Bergsstaten (Swedish Mines Inspectorate) for five exploration licences in Jämtland, a county in the centre of Sweden adjoining the Norwegian border.

Aura applications cover 64 square kilometres of outcropping and near-surface Alum Shale, where it would be amenable to open pit mining.



Southern Storsjön Area - Sweden :
Location Map showing Aura Energy's Application Areas

The Swedish Geological Survey ("SGU") carried out extensive exploration in the area of Alum Shale south of Östersund in the 1970's and early 1980's. The SGU drilled 28 vertical diamond drill holes in an area of about 250 square kilometres. The drill holes were radiometrically logged and mineralised sections were analysed for molybdenum, vanadium, uranium and organic carbon. The results of this drilling in the vicinity of Aura's applications are given in the figures below.

Although no previous drilling has been completed in the areas that Aura has applied for, a number of outcrops plus the continuity of geology in nearby drill holes led the SGU to conclude that the Alum Shale host rocks continue into the applications.

Nuclear power is a very important power source for Sweden, with ten nuclear reactors providing approximately 50% of the country's electricity.

Aura's exploration and evaluation programme

Aura's proposed exploration in its licence application areas will focus on establishing the distribution of the Alum Shale and defining those areas where the higher grade uranium, molybdenum and vanadium shales are located. Consequently the initial programmes will be drilling based.

A programme to investigate the options available for extracting uranium and other metals will start when sample material is available.

The regional centre of Östersund is within 30kilometres of all the Aura applications and the area has good access roads.

Typical forested landscape in the western applications area

Aura's strategy has been to acquire a substantial landholding of shales with uranium content of 200ppm U and 400ppm Mo, with other credits from nickel and vanadium. These higher grades occur in a particular unit at or near the top of the shale sequence, above thicker sequences that contain lower grades of the metals. The higher grade zone is up to 20m in thickness.

Comparison with other deposit types

The grades of uranium in the Alum Shale are similar to the alaskite-type deposits found at Rossing in Namibia. For example, the Bannerman Resources' Wel Witchia Project has an inferred resource of 27 million pounds at 186ppm U, and Forsys Metals' Valencia deposit has a quoted resource of 34 million pounds at 187 ppm U.

The Alum Shale grades are comparable with the lower part of the range of grades for large calcrete deposits such as Trekoppje in Namibia and Lake Maitland in Western Australia.

The advantage that the Alum Shale resources have over the Rossing and calcrete deposits is the presence of other metals. **Credits from molybdenum, vanadium and nickel can double the in-ground value of the contained metals.**

Aura's western applications

Aura has applied for 40 square kilometres of ground in its Marby and Häggån applications. The Häggån application boundary lies only 1400m west of the Continental Precious Minerals (CZQ) Viken exploration licence, where that company has recently reported the presence of 77 million pounds of uranium in resources. These resources are contained within only 5% of the area of the Viken tenement.

Uranium-bearing Alum Shale outcrops occur within both Aura applications. Indeed the Swedish Geological Survey (Sveriges Geologiska Undersökning, SGU) has interpreted all of the area to be underlain by Alum Shale (see attached sections).

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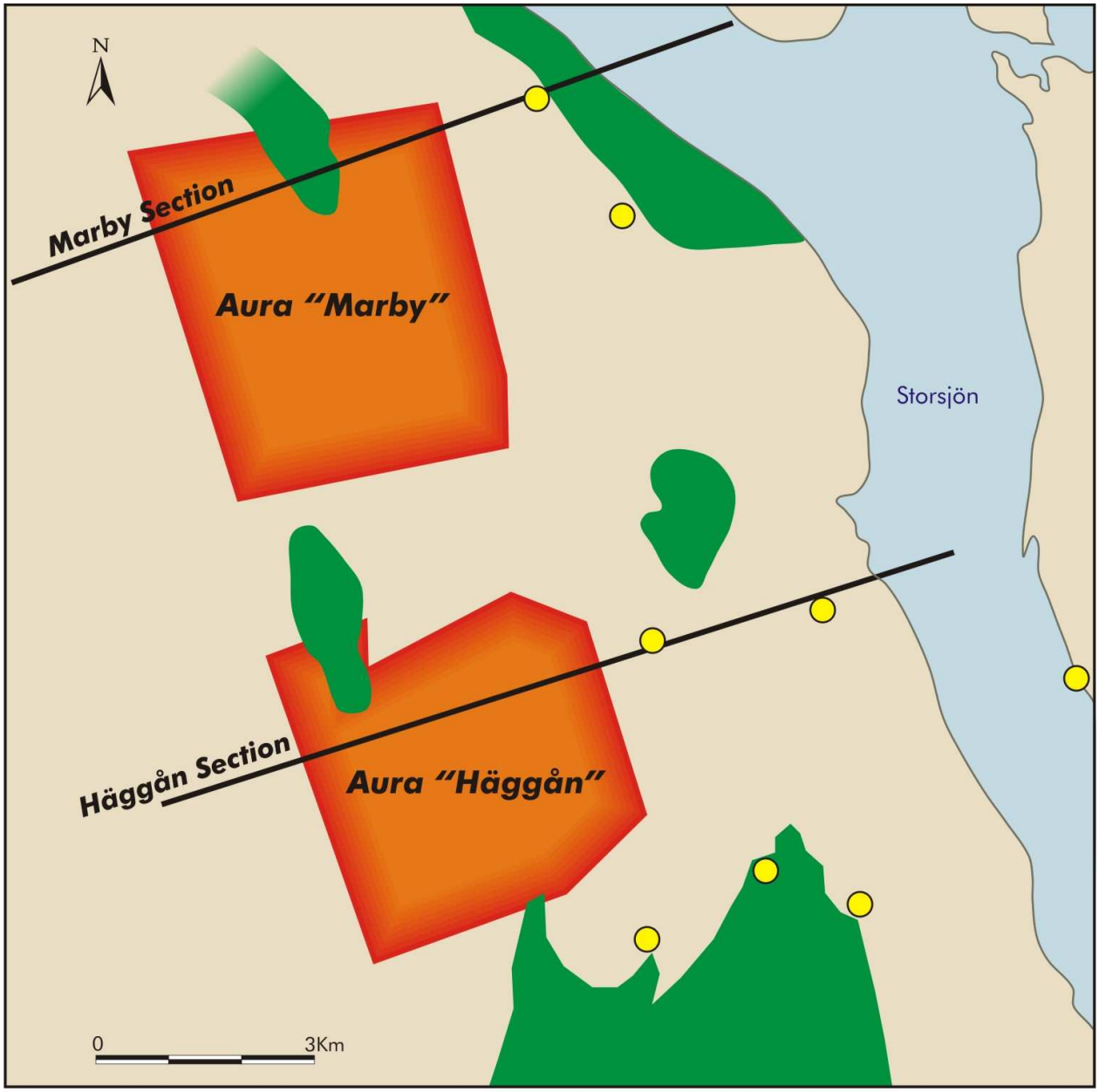

Southern Storsjön Area - Sweden :
Alum Shale outcrops in the vicinity of Aura's western applications

The thickest package of Alum Shale occurs within the CZQ Viken licence, where it exceeds 180m thickness. Drill hole Myrviken 78005 gave an intersection of 184m at 179ppm U and 0.033% Mo within this licence. Comparative assays by CZQ have indicated that the original SGU grades are repeated in recent assays.

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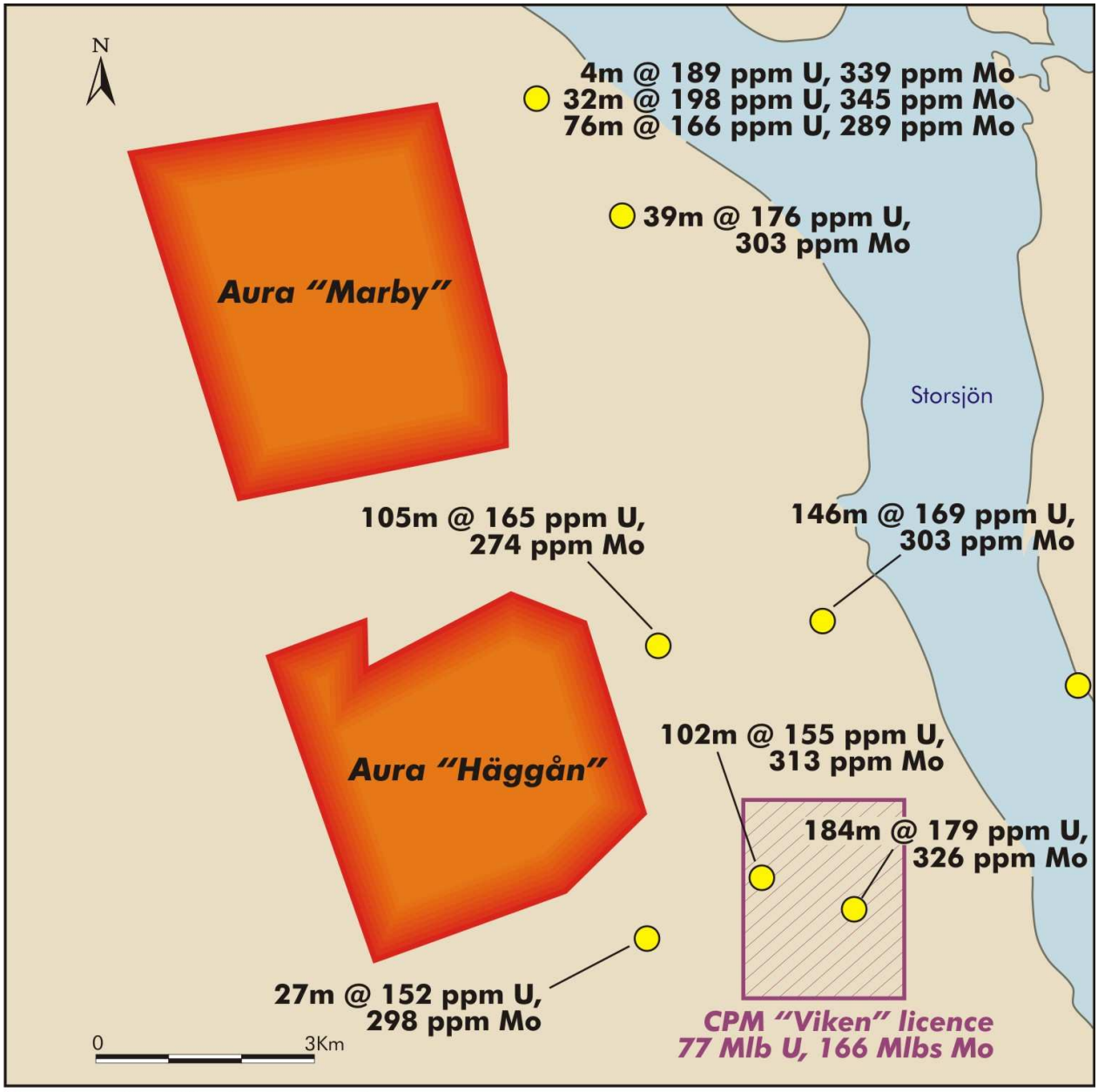

Southern Storsjön Area - Sweden :
Drill hole intersections close to Aura's western applications

Drill holes close to the two Aura applications also contain very thick intersections of uranium-bearing shale:

- Drill hole Mänsäsen 78001 is within 900m of the eastern boundary of Aura's Häggån application. This contains two main intersections **totalling 105m at 165ppm U and 0.027% Mo**.

- Drill hole Marby 79001 is 1600m east of the Marby application and has intersections of **4, 32 and 76 metres, including 32m at 198ppm U and 0.035% Mo**.

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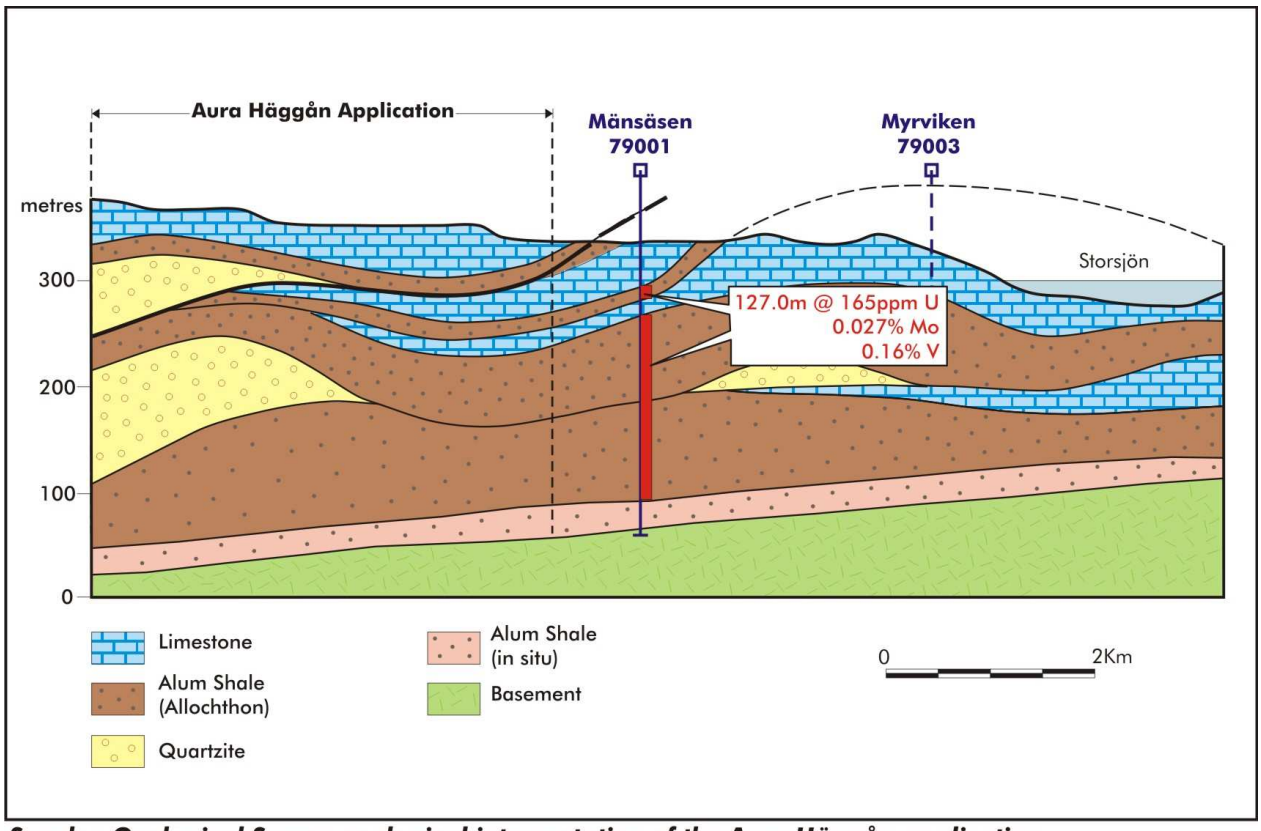
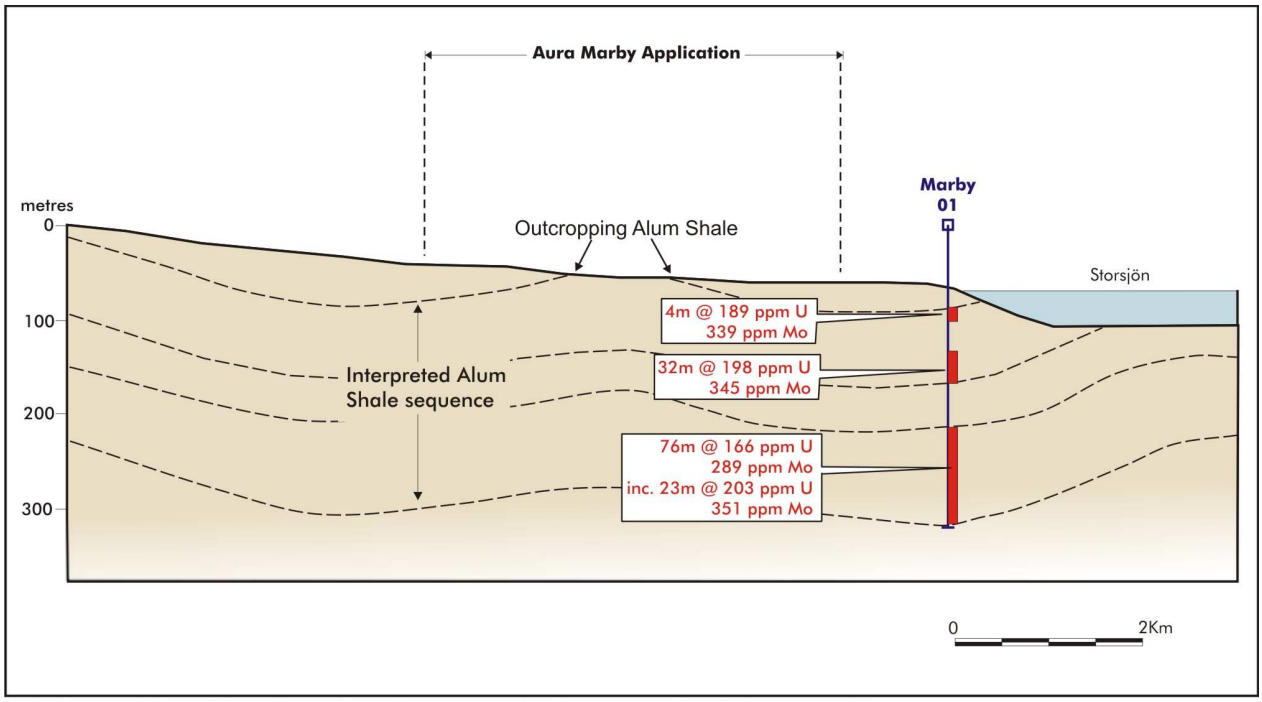


Sweden Geological Survey geological interpretation of the Aura Häggån application



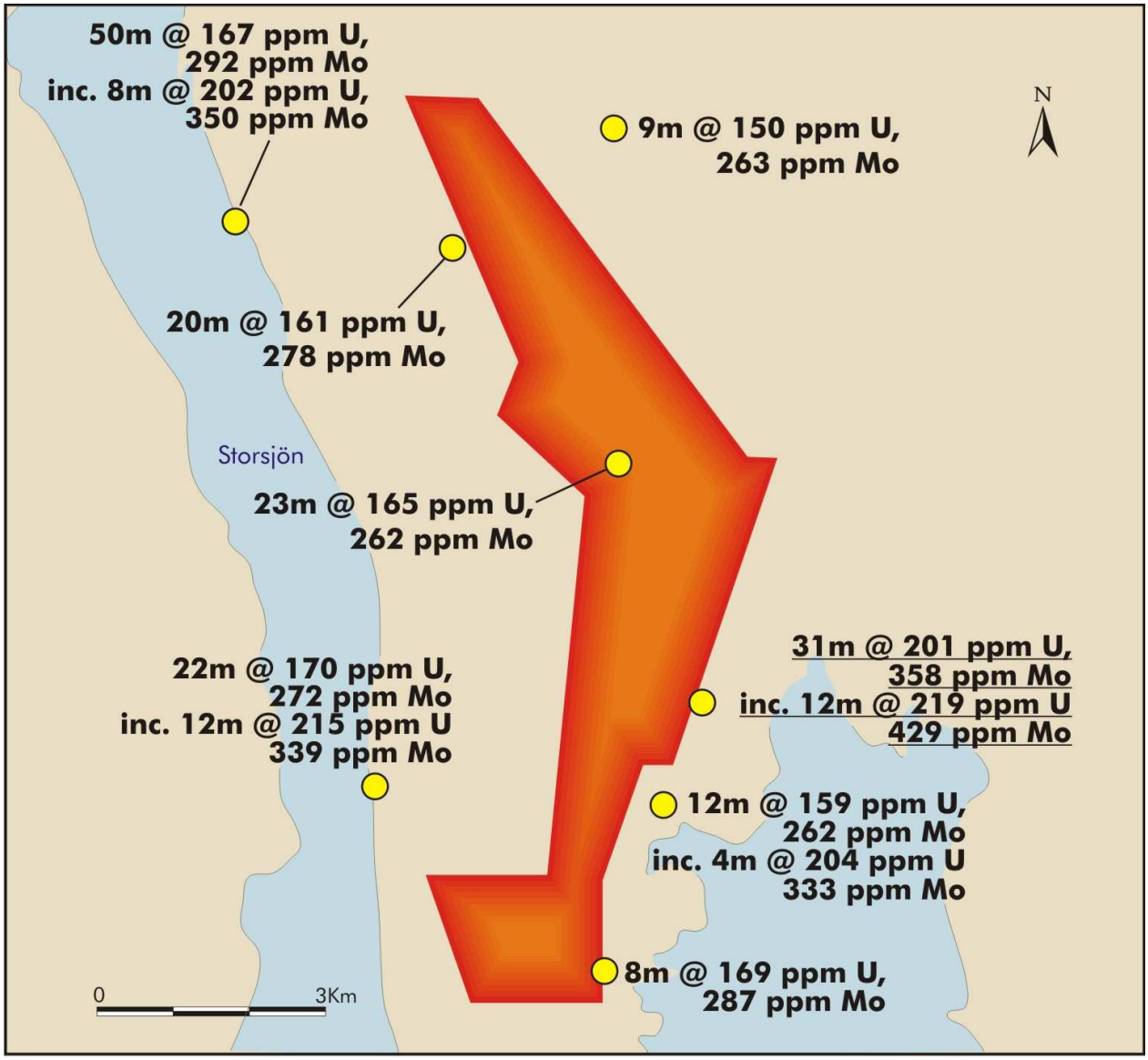
Sweden Geological Survey geological interpretation of the Aura Marby application

The remarkable thickness of the Alum Shale intersections in this area is caused by structural repetition by thrust faulting. The three-dimensional geology is not well constrained because of

the limited drilling information and by the poor outcrop in the area. However, the SGU and Aura interpretations suggest a very extensive development of the uranium-bearing shale throughout the area.

Aura's eastern applications

Aura's main focus in the Östersund area is to concentrate on areas where in-ground metal values are at their maximum. The most significant drill hole in this respect is Näkten 78004, on the eastern boundary of Aura's application areas. Näkten 78004 contains an intersection of 11.7m at 219ppm U, 0.043% Mo and 0.16% V. This is within an overall intersection of 31.1m at 201ppm U, 0.036% Mo and 0.14% V. Individual 2 metre samples within these intersections have maximum values of 263ppm U and 0.046% Mo.



Southern Storsjön Area - Sweden :
Drill hole intersections in the vicinity of Aura's eastern applications

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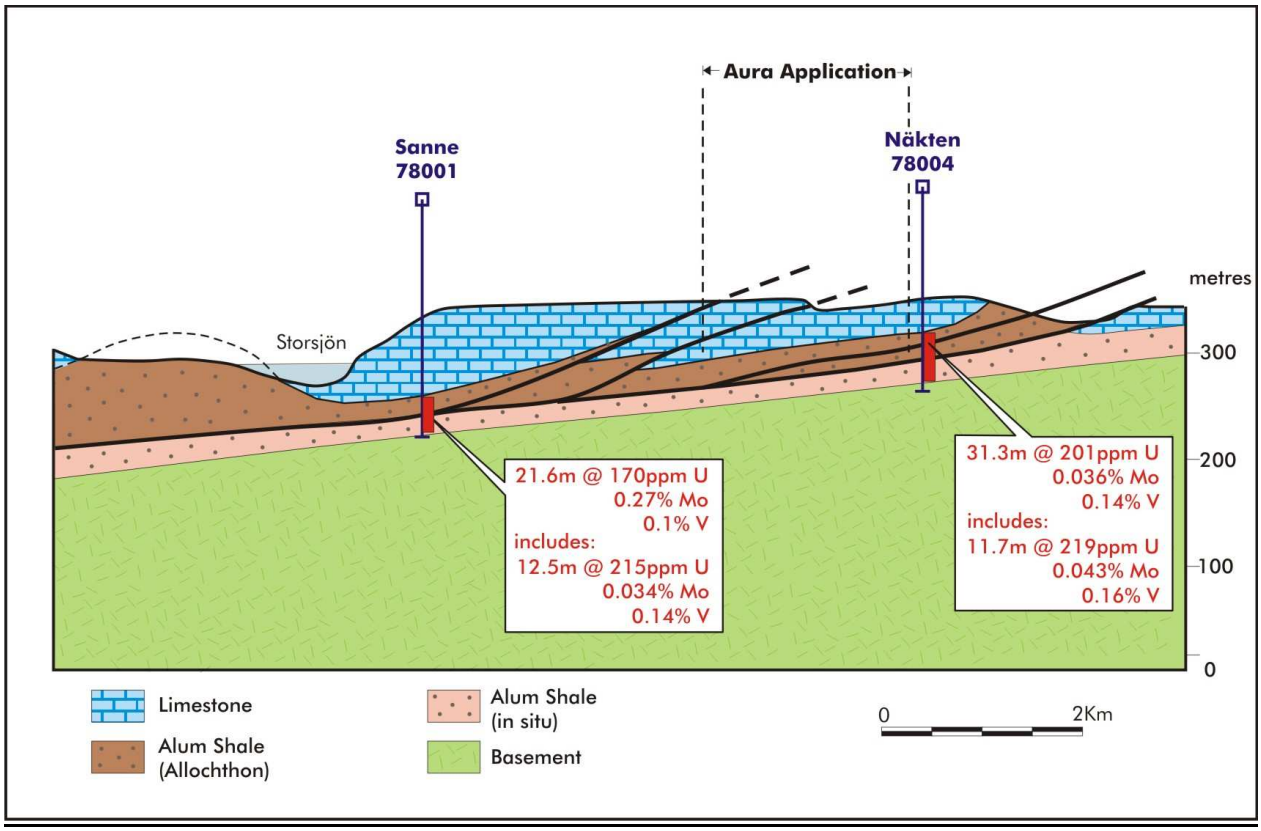
The better intersections occur in the uppermost part of the Alum Shale intersection in Näkten 78004. Similar levels of U, Mo and V at this stratigraphic position extend for several kilometres to the west and south from Näkten 78004. In drill hole Sanne 78001, 5kilometres west, the uppermost part of the intersection contains 12.3m at 219ppm U, 0.034% Mo and 0.14% V. In Näkten 78003, 1700m south of Näkten 78004, this part of the sequence has largely been eroded, but there is a 2.1m intersection of 249ppm U, 0.04% Mo and 0.12% V from 8.1m depth, the uppermost sample taken in the drill hole.



Swedish Geological Survey interpretation through the Eastern applications

Drilling is required to determine the extent of the Alum Shale with 200ppm U and greater than 0.04% Mo in the Näkten area.

Uranium levels of approximately 150-200ppm U and 262-350ppm Mo occur in drill holes for at least 10kilometres northwards, throughout the length of the Aura tenement applications.

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Background geology

The Cambrian stratigraphy of the Östersund district comprises black shales interlayered with subordinate quartzites, clean and bituminous limestones. These are overlain in parts of the project area by Ordovician limestones.

The Alum Shale is a mud and clay sedimentary rock that formed widely in northern Europe during the Cambrian period approximately 570 to 500 million years ago. The shale often contains organic carbon.

The Alum Shales are remarkable for their content of a number of metals, including uranium, vanadium, molybdenum, nickel and rare earth elements. These elements do not necessarily occur together, but Aura has focused its tenement acquisition in the Östersund area, where uranium, vanadium and molybdenum are relatively high.

The highland region of Scandinavia experienced major tectonic disruption in the Caledonide orogenic event. Rocks have been thrust from west to east and Alum Shale occurs both in its original position (in situ or autochthonous), and also in thrust sheets which came from the west (allochthonous). This can be particularly positive for the amount of Alum Shale present in any single area, giving repeated stacking of the same unit, and in places quadrupling the amount of shale present.

In the Aura application areas, the Alum Shale is either outcropping or lies under thin limestone cover.

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Past uranium production from the Alum Shale

The Alum Shale has been mined as a source of uranium in the post-war period in both Sweden and Estonia, a Baltic state southeast of Sweden.

An operation to extract uranium from the Alum Shale began at Kvarntorp in southern Sweden in 1965. 400,000-500,000 tonnes of ore were mined per annum; the plant had a nominal capacity of 120 tonnes of uranium per year.

The plant operated for 5 years before closure because of low uranium prices. Recoveries of uranium in the plant were 80% at closure.

Uranium production from the Alum Shales began in Estonia in 1948, and the plant ran for several decades processing both Alum Shale and other uranium ores.

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

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.