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INITIAL TESTWORK DELIVERS HIGH URANIUM RECOVERIES FOR STORSJÖN PROJECT, SWEDEN

First metallurgical test results for Aura's Storsjön Uranium-Molybdenum-Vanadium Project in Sweden gives high uranium recoveries using conventional treatment methods

- **Conventional acid leaching achieved recoveries of 91-93% from Aura's samples**
- **Recovery levels are towards the upper end of the range, compared with other uranium projects**
- **Majority of uranium extraction was achieved in first 12 hours of leaching**

Aura's Managing Director, Dr Bob Beeson, commented: "There has been no previous metallurgical testwork for the extraction of the uranium in the Alum Shale from the area of the Storsjön Project. We are therefore extremely pleased that this first work at ANSTO has given such encouraging results".

Aura Energy (AEE) is a uranium explorer with advanced projects in Sweden, West Africa and Australia. The company is focusing on two main projects: the Storsjön Project located in Sweden's Alum Shale Province, one of the largest depositories of uranium in the world; and the highly prospective Reguibat Province in Mauritania. The company aims to create shareholder value by rapidly establishing resources and then completing feasibility studies on these two projects.

Aura Energy is headquartered in Melbourne, Australia and has been listed on the ASX since May 2006.

Introduction

Aura Energy Limited (ASX Code AEE, "Aura") is undertaking a programme to determine the optimal process route for its giant uranium deposit at Storsjön in Sweden. The style of mineralisation has been mined and processed for uranium previously by the Swedish government, but for strategic rather than commercial purposes.

Aura announced in late 2009 that it had commenced a programme of bioleach testwork with the Parker CRC for Hydrometallurgy in Perth, Western Australia. This work is ongoing, and Aura will advise the market of results when these are available.

In addition Aura has continued its work with ANSTO (the Australian Nuclear Science and Technology Organisation) at Lucas Heights near Sydney, New South Wales. ANSTO has been examining standard acid and alkali-leach options for the Swedish uranium mineralisation.

ANSTO results

Aura is pleased to report that high levels of recovery of uranium have been obtained from initial bench-scale conventional acid leaching tests on samples from drill hole 08DD-HG001. Extractions from 91-93% were achieved with a standard acid leach.

The extractions have been achieved with relatively short leaching times, with the majority of the uranium being removed in less than twelve hours.

Next Steps

The work at ANSTO will continue, and also address the other metals in the Shale. In parallel to this we anticipate initial results from the Parker Centre's examination of the potential for bioleaching of the mineralisation in the second half of 2010.

Aura has recently completed the first resource drilling programme for the Storsjön mineralisation, and anticipates receiving an initial inferred resource estimate for the part of the Project early in the next quarter.

Aura believes that the exploration target for its tenements is comparable with the resource defined by Continental Precious Minerals Inc. of 1.05 billion pounds of U_3O_8 in their permits adjoining Aura's Storsjön Project. The recently completed programme has tested only 5% of Aura's permits in the Project Area, and will define part of this target resource.

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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. Dr Beeson is a member of the Australian Institute of Geoscientists.