

Aura Energy Limited ACN 115 927 681 ABN 62 115 927 681
Registered Office 6/34 York Street North Perth Western Australia 6006
PO Box 35 North Perth Western Australia 6906
Phone 08 9228 0711 Fax 9228 0704



18 August 2006

Company Announcements
Australian Stock Exchange Limited
20 Bond Street
SYDNEY NSW 2000

OPTION ISSUE CLOSURE AND SHORTFALL NOTIFICATION

Aura Energy Limited ("Aura") (ASX Code AEE) advises that the recent fully underwritten Option Issue closed on 16 August 2006. The results of the Option Issue are as follows:

- Total number of options on offer 18,000,000
- Total number of options validly applied for: 15,172,113
- Number of applications received: 343
- Pro Rata shortfall: 2,827,887
- Underwriters shortfall 2,827,887

The issue was fully underwritten by Taylor Collison Limited and Aura confirms that a shortfall notice has been issued in accordance with the underwriting agreement dated 12 July 2006 and that when completed the total funds raised under the issue will be \$180,000 before issue costs.

JAY STEPHENSON
COMPANY SECRETARY