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## **AURA ENERGY LIMITED – SINO KING HEADS OF AGREEMENT**

The board of **Aura Energy Limited** (ASX Code AEE) have been advised by Sino King Enterprise Investment Limited (“Sino King”) that the Heads of Agreement (“Agreement”) to help fund development of the Company’s Storsjön Project (“Project”) in central Sweden, as announced in October 2008, is unlikely to be recommended for completion at this stage. The term of the Agreement has now expired.

While Sino King acknowledged the exceptional potential of the Project, The Project is at an exploration stage and Aura was not in a position to provide the information required for Sino King to conclude their evaluation..

Aura Energy’s Managing Director, Dr Bob Beeson. said that other parties have expressed interest in the Company and Project as a consequence of the original agreement with Sino King.

“Now that the Agreement has expired, Aura is free to hold discussions regarding future participation in, and funding of, the Project with these parties as well as Sino King,” he said.

In the second half of 2008, Aura announced a succession of very positive drilling results in the Project. Seventeen drill holes in the Häggån licence have an average intersection of 116 metres of mineralised shale, with the thickest intersection being 204 metres.

Continental Precious Minerals (TSX: CZQ), a company that holds the adjoining land to Aura’s Storsjön Project, last week announced a very substantial upgrade to their indicated and inferred uranium resources in their tenements to 1.05 billion pounds of uranium. This is significant to Aura because the Company shares the Storsjön uranium field with CZQ.

In addition, the Swedish government announced plans late last week to overturn a near 30-year ban on atomic plants as part of a new drive to increase energy security and combat global warming.

Should Aura’s new discussions regarding the advancement and funding of Storsjön prove to be productive, further announcements will be made to the market.

**For further information, please contact:**

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## **About Aura Energy**

**Aura Energy** (ASX: AEE, "Aura") is a uranium 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 continues to be very active, with drilling on all three continents in 2008.

Aura is a major landholder 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's near-term strategy is to develop an inferred resource of one to three billion tonnes of material grading 160ppm or higher, excluding other metal credits, in this region.

The Company is actively exploring its Storsjön East and West Projects (100%) in Sweden. These licences are located in close vicinity to Continental Precious Metals' (TSX: CZQ) Viken Project that contains 1.05 billion pounds U<sub>3</sub>O<sub>8</sub> grading 0.017%.

In Australia, Aura is exploring prospective uranium districts of Western Australia targeting calcrete deposits in the Murchison and Goldfields regions and lignite/sandstone Mulga Rock style in the Gunbarrel Basin. Aura has a joint venture with Mega Redport (TSX: MGA) and exploration is continuing at paleochannel targets defined by EM and radiometrics. Aura has completed three drilling programmes at its Wondinong Project (100%), located near Mt Magnet.

In an alliance with GCM Resources plc (LSE & AIM: GCM), Aura is exploring in West Africa. Under the alliance, Aura has been granted three exploration licences in Mauritania and applied 11 further licences. The Company has also made applications for three in Niger on the margin of the Air Massif. Aura has recently reported the presence of extensive areas of significant grade uranium mineralisation at surface in the licences.

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