



ASX ANNOUNCEMENT

1 June 2006

AURA ENERGY EXPANDS ITS URANIUM PROSPECT PORTFOLIO

New Listing

Aura Energy Ltd (ASX Code: AEE) listed on 30 May 2006. It is capitalised at \$7 million, with \$4,400,000 in cash after tenement acquisitions.

Wondinong Exploration and Drilling

The Company has the advanced Wondinong exploration project, where poorly explored mineralisation extends over an area of at least 8 square kilometres. Aura Energy is currently arranging permits, clearances and a drilling rig, and will drill this property at the earliest opportunity.

Extension of Land Holding

Aura has applied for six additional exploration licenses in the Yilgarn calcrete- and sandstone-hosted uranium province.

These applications will increase the size of Aura's land holding in the province by 25%, and its tenure over prospective channels and lake systems by a similar proportion.

| Projects (all 100% Aura) | No. Tenements | Area (square kilometres) | Channel length (kilometres) |
|------------------------------|------------------|--------------------------------|-----------------------------------|
| Altona | 2 | 424 | 115 |
| Neale | 2 | 377 | 59 |
| Minigwal | 1 | 209 | 30 |
| <i>Kirgella Rocks</i> | 2 | 290 | 50 |
| Wondinong | 1 | 52 | 8 |
| Lake Austin | 1 | 46 | 10 |
| Shaws Bore | 1 | 54 | 17 |
| Barlee | 1 | 126 | 27 |
| Giles | 1 | 185 | 38 |
| Lake Moore | 1 | 102 | 22 |
| <i>Empress</i> | 1 | 156 | 27 |
| <i>Carlton</i> | 1 | 123 | 24 |
| <i>Musson</i> | 1 | 74 | 19 |
| <i>Diemal</i> | 1 | 27 | 7 |
| <i>Wongawal</i> | 1 | 86 | 14 |
| Totals | | 2331 | 467 |

(New projects in bold italics)

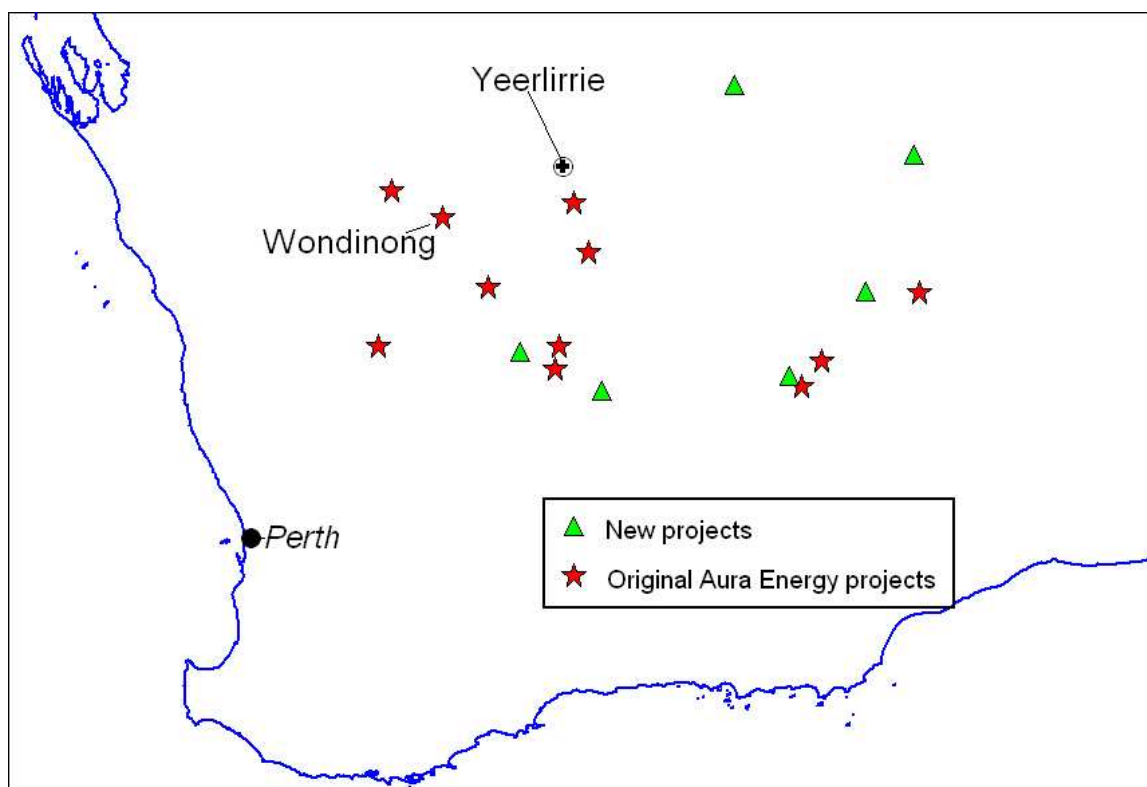
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Five of the new license applications primarily target calcrete-hosted uranium mineralisation. Each application contains strong radiometric anomalies. Four of these five applications are within drainage systems with known uranium mineralization. This maintains the focus of Aura's tenement portfolio within the key mineralized region.

Aura has also expanded its land holding in its Kirgella Rocks Project, which adjoins the Paladin exploration license containing the Ponton uranium deposit. The Kirgella Rocks Project contains 50 kilometres of very poorly tested palaeochannel upstream of the deposit.



New Opportunities

Aura is seeking to expand its project portfolio in the Australian domestic market and internationally. Particular focus will be Africa and Europe.

For further information, please contact:

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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.

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