



8 August 2014

Dear Shareholder

Aura Energy Limited – pro-rata non-renounceable entitlement issue

As announced on 5 August 2014, Aura Energy Limited (ACN (115 927 681) (Company) is undertaking a pro rata non-renounceable entitlement issue (Entitlement Issue or Offer) of approximately 52,428,510 fully paid ordinary shares (New Shares) and 26,214,255 options (New Options) to raise approximately \$1,572,855. The price of New Shares under the Offer is \$0.03 each (Issue Price). The New Options are exercisable at \$0.06 expiring on or before 1 September 2015. The Company lodged a prospectus for the Offer (Prospectus) with ASIC and ASX on 7 August 2014.

The Entitlement Issue is not underwritten.

The funds raised from the Offer are planned to be used in accordance with the table set out below:

Item	Proceeds of the Offer	Minimum Subscription (\$)	Full Subscription (\$)	%
1.	Commence Reguibat Feasibility	0	800,000	51
2.	Maintain permits in good standing	150,000	240,000	15
3.	Expenses of the Offer ¹	48,811	48,811	3
4.	Working capital	51,189	484,044	31
	Total	250,000	1,572,855	100

In the event the Company raises more than the minimum subscription of \$250,000, the additional funds raised will be first applied towards expenses of the Offer and then on a pro-rata basis amongst the remaining items in the table above.

The Offer is being made to all shareholders of the Company (Shareholders) named on its register of members at 5pm (WST) on 14 August 2014, whose registered address is in Australia or New Zealand.

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New Shares will rank equally with all fully paid ordinary shares in the capital of the Company (Shares) already on issue.

Following completion of the Offer, the Company will have issued approximately 52,428,510 New Shares resulting in total Shares on issue of approximately 262,142,548 and 26,214,255 New Options resulting in total Options on issue of approximately 85,748,473.

Ineligible shareholders

A Shareholder who has a registered address outside Australia and New Zealand (Ineligible Shareholder) will not be eligible to participate in the Offer.

You are not eligible to participate in the Offer and you will not be sent a copy of the Prospectus. This decision has been made pursuant to Listing Rule 7.7.1(a) of the ASX Listing Rules after taking into consideration the costs of complying with legal and regulatory requirements in jurisdictions outside of Australia and New Zealand compared with the small number of Ineligible Shareholders and the number and value of New Shares to which they would otherwise be entitled.

If you have any queries concerning the Entitlement Issue, or the action you are required to take to subscribe for New Shares, please contact your financial adviser or the Company Secretary, Stan Zillwood on +61 3 9890 1744.

Yours sincerely

Dr Bob Beeson
Managing Director

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