

ASX
RELEASE

28 November 2008

**The Largest Calcrete
Uranium Exploration
Portfolio In Western
Australia**

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OLD STATION WEST

**STRONG URANIUM ANOMALIES IDENTIFIED
IN FIRST DRILL PROGRAM**

**DRILLING TO FOCUS ON 10km WESTERN
EXTENSION**

Desert Energy Limited has now received the results from 4 metre composite samples from its first round of drilling at its 100% owned Old Station West (E57/672) property located in the northeast Yilgarn region of Western Australia, 150km southwest of Yeelirrie, the world's largest calcrete uranium deposit.

A number of uranium anomalies extending over several kilometres have been intersected in the drilling. This initial relatively wide spaced drill program only tested the eastern half of a prominent uranium-channel radiometric anomaly.

The map shows the maximum downhole uranium values for the 4m composite drill samples.

The drilling has delineated an east-west zone of over 40ppm U₃O₈ (4m composite samples) up to 500m wide, open to the west across the tenement boundary where the radiometric anomaly continues and strengthens in intensity to the west for a further 10 kms through Desert Energy's exploration licence application ELA58/368. This area has not yet been drill tested.

Desert Energy plans to drill test this target area after the tenement has been granted.

The uranium mineralisation strikes east-west and is very consistent at a depth of between 12 and 16 metres below surface throughout the mineralised zone (see Map).

Prior to the next round of drilling, selected 4m composite samples in the most mineralised zones will be re-assayed at 1m intervals to identify the most favourable depth for uranium mineralisation and this may also lead to significantly higher assay results within those intervals.

Best Uranium Grades Parallel to Radiometric Anomaly

The best uranium grades are east-west trending with the uranium-anomalous zone parallel to, but several hundred metres north of the uranium-channel radiometric anomaly identified earlier this year by an airborne radiometric survey.

Drilling Details

A total of 148 holes were drilled for 2,960m with an average hole depth of 20m. Holes were drilled on lines generally spaced 1600m apart with holes spaced between 100m and 200m along each line.

Standard 4m composite drill samples were collected from each hole, and those analysing greater than 20ppm U_3O_8 are listed in the attached table and shown on the attached map.

Calcrete was intersected in most holes varying in thickness between 1m and 24m (averaging approximately 9m), and is up to 2km wide.

The Exploration Model

The identification of uranium-bearing calcrete in an area of widespread soil and sand cover gives further weight to Desert Energy's exploration model which is to focus on areas hidden under cover in similar interpreted geological settings to that of the Yeelirrie deposit.

Old Station West is the second drill campaign undertaken by Desert Energy, the first being Downs East. Both campaigns identified calcrete-hosted uranium mineralisation under sand and soil cover and represent only a small part of the Company's portfolio of uranium-channel radiometric targets for calcrete-hosted uranium mineralisation.

From early 2009 the Company plans a significant increase in the number of targets for drilling. The aim is to test these very efficiently with wide spaced scout drilling to identify the best uranium zones for Yeelirre style mineralisation.

Robert Taylor
Executive Director

Garry O'Hara
Executive Director

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Dr Robert S Taylor, a Member of The Institute of Materials, Minerals and Mining and Mr. Garry P O'Hara, a corporate member of the Australasian Institute of Mining and Metallurgy.

Robert Taylor and Garry O'Hara are both executive directors of Desert Energy Limited and consult to the Company through their respective consulting companies Able Kids Pty Ltd and Anketell Pty Ltd.

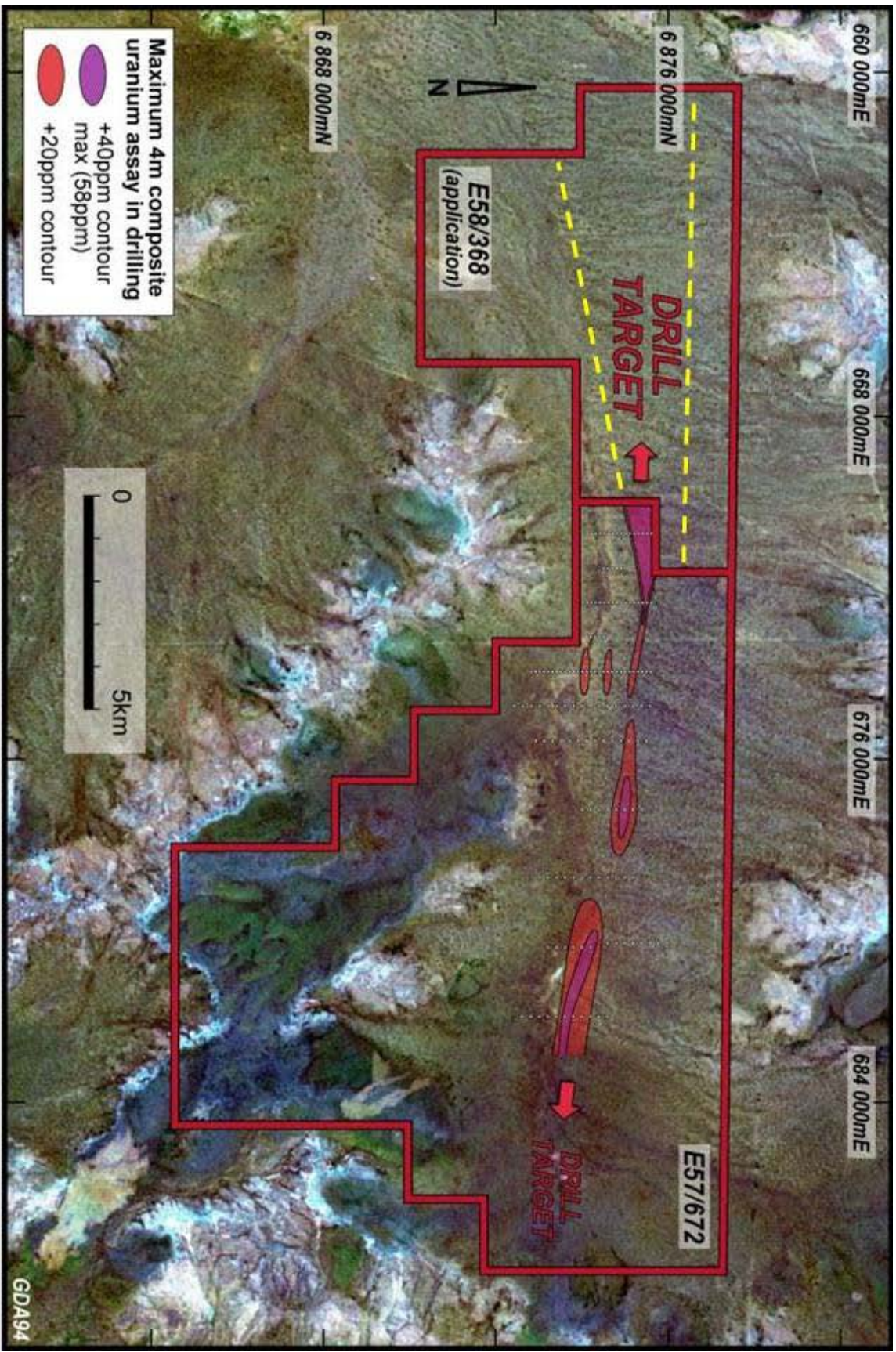
Robert Taylor and Garry O'Hara have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as Competent Persons as defined

in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Robert Taylor and Garry O'Hara consent to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The Company's website is recommended reading for interested market watchers, brokers and investors. The website contains information on the Company's projects including maps, a list of the Company's announcements to ASX, information on Native Title (including the tenement grant process and heritage surveys) including in the Desert Energy Prospectus, the legislative environments under which the Company operates, Corporate Governance, a section on risks, many of which are common to exploration companies, and other useful information. A list of the Company's announcements is also obtainable from the Australian Stock Exchange website at www.asx.com.au

If you would like copies of announcements emailed to you, contact Ken Banks.

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Old Station West
Desert Energy Limited

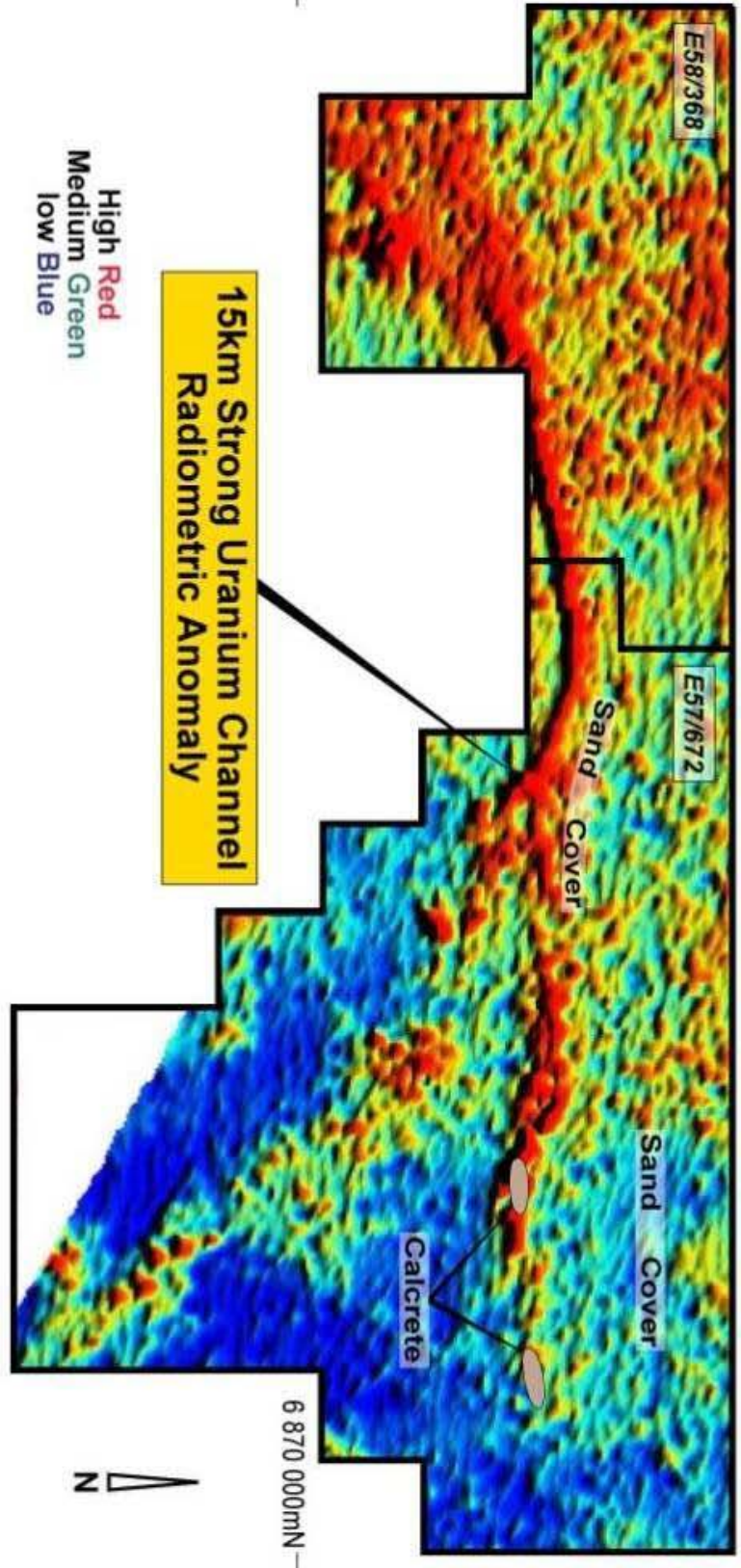
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DESERT ENERGY LIMITED
OLD STATION WEST PROSPECT
RADIOMETRIC ANOMALY



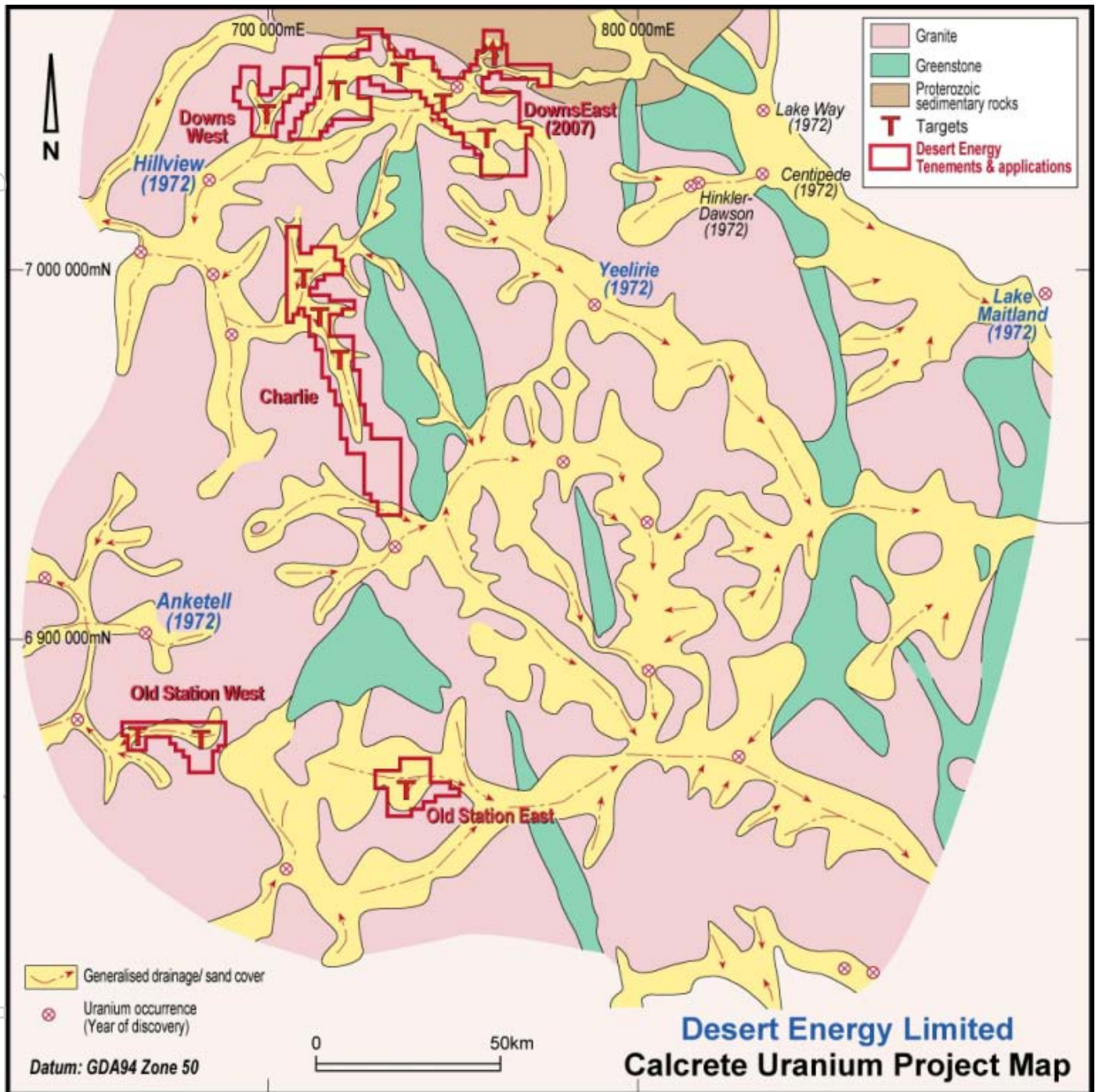
15km Strong Uranium Channel Radiometric Anomaly

High Red
Medium Green
Low Blue

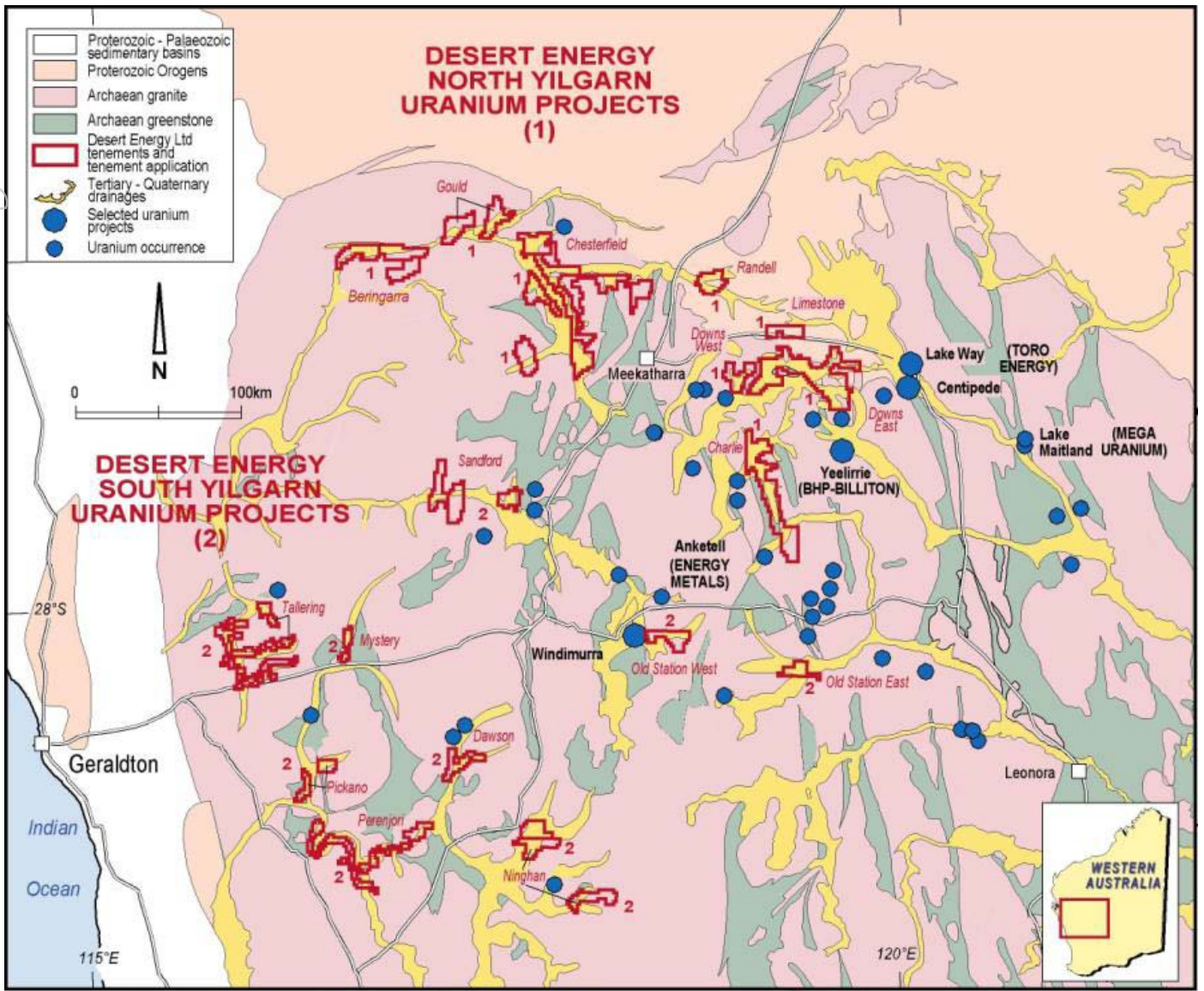


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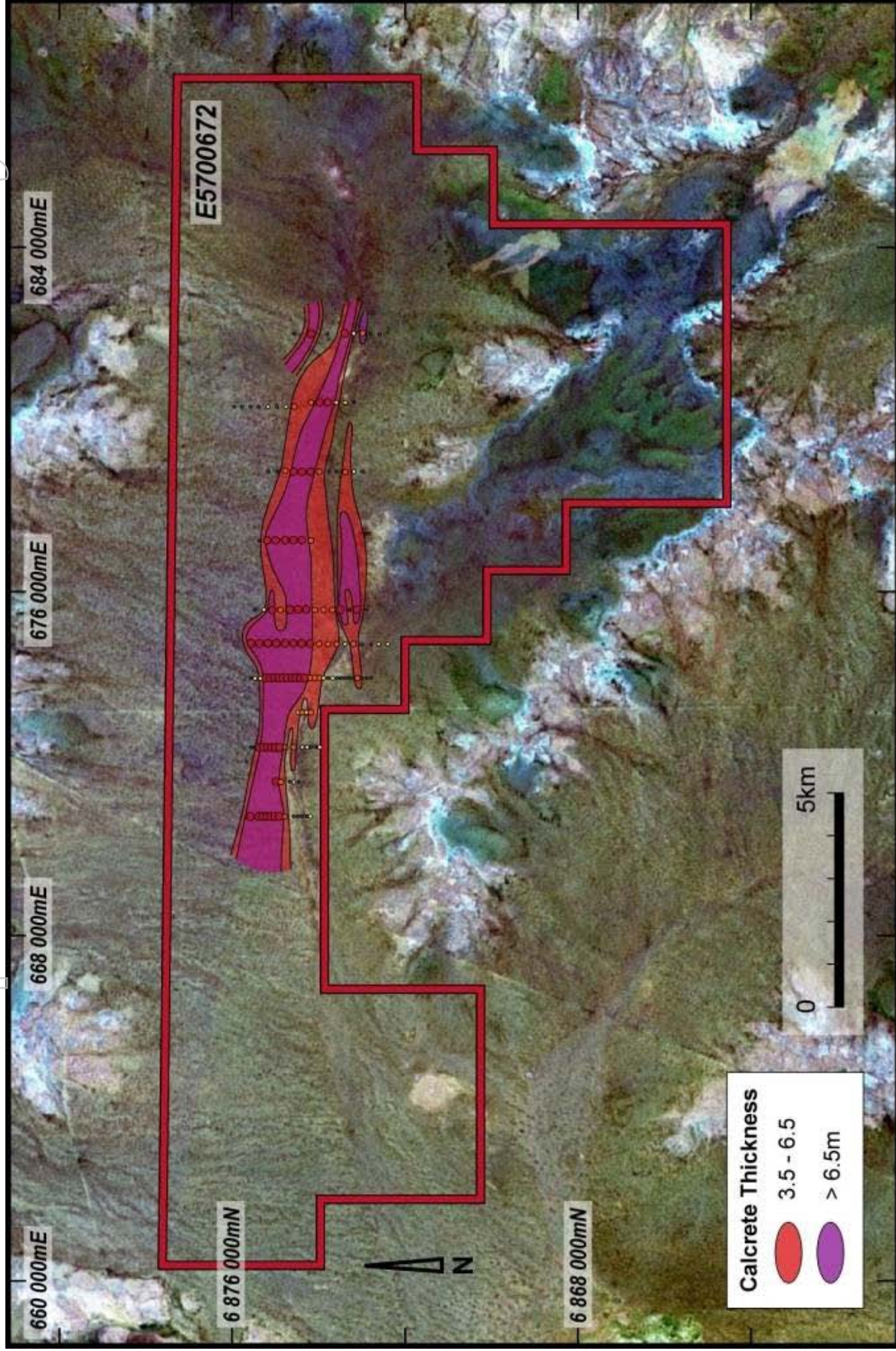
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Desert Energy Limited Calcrete Uranium Prospects on the Yilgarn Block



Old Station West

Table of Composite Drill Results
>20ppm U₃O₈

Sample Number	Hole ID	Co-Ordinates		Composite Detail			U ₃ O ₈ ppm
		Northing	Easting	Depth From	Depth to	Width	
107914	OSWAC132	680400	6874200	8	12	4	68.32
107971	OSWAC143	682000	6873600	12	16	4	63.25
107431	OSWAC017	672400	6875500	12	16	4	61.95
107345	OSWAC001	670800	6875600	12	16	4	55.58
107357	OSWAC003	670800	6875400	12	16	4	52.86
107369	OSWAC005	670800	6875200	12	16	4	49.91
107794	OSWAC106	677200	6875000	12	16	4	48.97
107363	OSWAC004	670800	6875300	12	16	4	48.26
107959	OSWAC141	682000	6874000	12	16	4	43.54
107789	OSWAC105	677200	6875200	15	20	5	43.19
107569	OSWAC043	674000	6874600	12	16	4	41.06
107918	OSWAC133	680400	6874000	8	12	4	40.47
107970	OSWAC143	682000	6873600	8	12	4	37.76
107432	OSWAC017	672400	6875500	16	20	4	35.99
107351	OSWAC002	670800	6875500	12	16	4	33.63
107800	OSWAC107	677200	6874800	12	16	4	32.45
107607	OSWAC049	674000	6874000	8	12	4	29.85
107530	OSWAC037	674000	6875200	12	16	4	29.15
107733	OSWAC092	675600	6875100	12	16	4	28.44
107538	OSWAC038	674000	6875100	12	16	4	28.32
107601	OSWAC048	674000	6874100	8	12	4	26.67
107965	OSWAC142	682000	6873800	12	16	4	26.20
107922	OSWAC134	680400	6873800	4	8	4	25.49
107383	OSWAC007	670800	6875000	12	16	4	22.54
107679	OSWAC080	671600	6874900	12	16	4	22.07
107376	OSWAC006	670800	6875100	12	16	4	21.59
107748	OSWAC095	675600	6874500	4	8	4	20.18
107375	OSWAC006	670800	6875100	8	12	4	20.18

28 of 763 Drill Samples

Datum GDA94 Zone 50 – All Holes drilled Vertical

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