17 May 2010

Assays from Storsjön identify major new uranium intersection

HIGHLIGHTS

- **Next batch of assay results continues to confirm extensive mineralisation at Storsjön**
- **One intersection of 192m at 171ppm U_3O_8 and 326 ppm molybdenum oxide and 0.28% vanadium oxide from 52.15m,**
- **A further hole reported intersections of 46m at 196 ppm U_3O_8 and 22m at 202ppm U_3O_8.**

Aura Energy Limited (ASX Code AEE, "Aura") is pleased to announce the second batch of assay results for three additional diamond drill holes in the programme designed to define an initial JORC compliant uranium resource in the Storsjön Uranium-Molybdenum-Vanadium Project.

The recent resource drill out programme of 25 diamond drill holes covering only 5% of the permit area was completed in early April.

Further assay results are expected to be received over the next two months and a JORC compliant resource estimate is planned for July 2010.

Aura Energy (AEE) is a uranium explorer with advanced projects in Sweden, West Africa and Australia. The company is focusing on two main projects: the Storsjön Project located in Sweden's Alum Shale Province, one of the largest depositories of uranium in the world; and the highly prospective Reguibat Province in Mauritania. The company aims to create shareholder value by rapidly establishing resources and then completing feasibility studies on these two projects. Aura Energy is headquartered in Melbourne, Australia and has been listed on the ASX since May 2006.

Previous Work

Aura's previous drilling in 2008 included 17 holes in its Häggån permit. These holes contained an average of 116 metres of uranium mineralisation.

Continental Precious Minerals Inc. has reported one of the largest JORC or 43-101 compliant uranium resources (1.05 billion pounds) in the world in permits adjoining the Storsjön Project. This resource also includes 1.5 billion pounds of molybdenum.

Current Progress

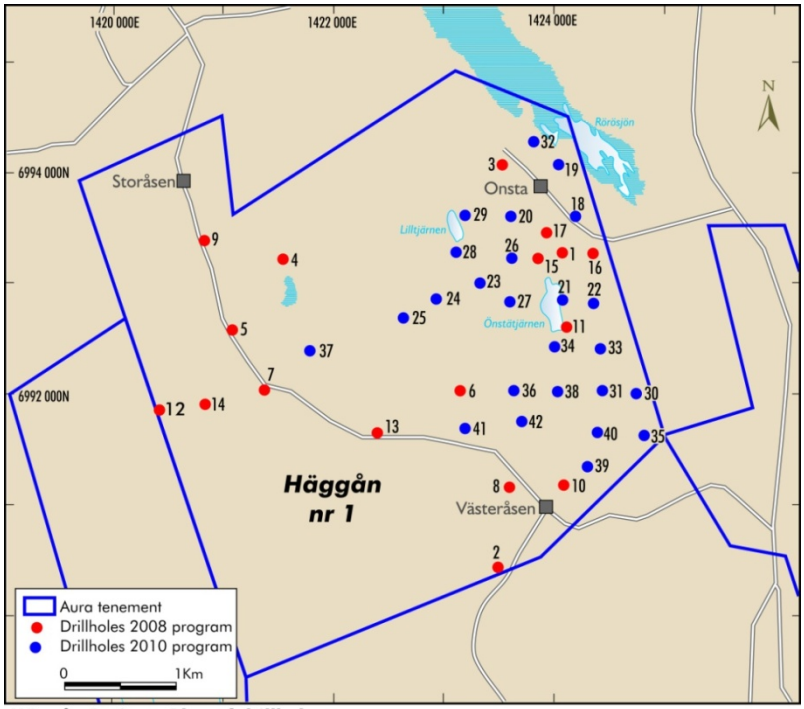
The resource drilling is part of Aura's 2010 programme to define the potential value of this vast, multi-metal deposit. Overall, the programme includes this drilling, metallurgical testwork, mineralogical studies, and continuing discussions with potential partners.

Hole No	From	To	Intercept	U_3O_8	MoO_3	V_2O_5	Ni
Hole 20	57.2	63.15	5.95	193	407	3849	440
And	80.83	153.2	72.37	172	361	3282	382
Including (using 175 ppm cut)	84	102	18	214	441	3695	459
Hole 22	52.15	244	191.85	171	326	2791	335
Including (using 175 ppm cut)	146	192	46	196	380	2604	352
(using 175 ppm cut)	196	218	22	202	372	2330	355
Hole 23	120.92	166.2	45.28	144	290	2245	276

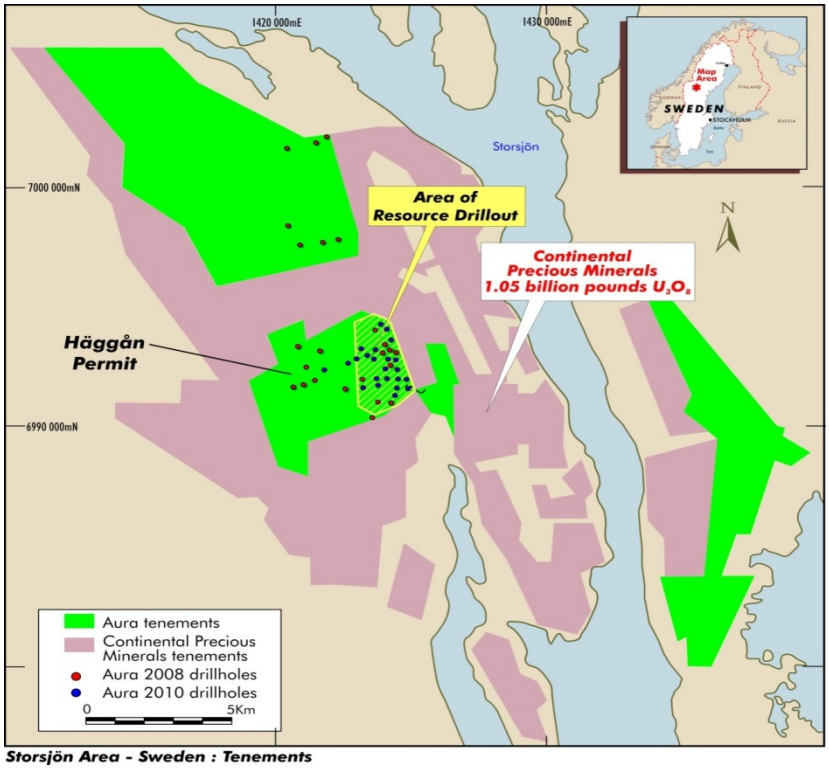
Using a 90ppm U_3O_8 cut off and up to 2m of internal waste

Table 1: Assay results for holes HG20, 22 and 23

The three holes were analysed for uranium using a Delayed Neutron Counting (DNC) technique. The DNC technique is reportedly more accurate than a four acid digest and ICP MS/AES analysis previously used for the 2008 drill programme and the technique used routinely for the molybdenum, vanadium and nickel analyses reported above.



Häggån Project : Plan of drillholes



Storsjön Area - Sweden : Tenements

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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. Dr Beeson is a member of the Australian Institute of Geoscientists.