



## **MEDIA RELEASE**

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### **Toro says Australian uranium has a key role in meeting global energy solutions**

Australia has a key place in meeting a potential shortfall in primary uranium supply and its related contribution as one emerging global energy solution. This role will involve both expanding existing mines and discovering and developing new ones – provided the price is right, according to Toro Energy Limited (ASX code: "TOE").

Addressing the World Nuclear Association in London overnight, Toro's Managing Director, Mr Greg Hall, said that approximately US\$3 billion had been spent globally on uranium exploration since late in 2003. While this had resulted in substantial increases in uranium through existing known resource expansions, it had not yet generated a wealth of new discoveries.

"There have been some new, globally significant discoveries, and there will be a few more – somewhere we believe, in the order of five new globally significant uranium discoveries are likely between 2003 and 2020," Mr Hall said.

"However, it will be on average between eight to 15 years before any of these opportunities move from discovery to stable production," he said.

"The last such major discoveries were Four Mile in South Australia in 2004-2005 and the HUSAB project in Namibia.

"Yet the uranium market – already constrained by the time to develop discoveries – needs to service ongoing long-term contracting demand by energy utilities, an increasing rate of new power station construction and the rush by Asian utilities and energy majors to lock in future potential uranium production sources.

"The increases in uranium through expansion of known resources are important, as some of these projects are and will need to commence production shortly to support adequate global supply.

"However, not all of these previously known projects will be economic. So the global risk of secure supply is not being addressed in an environment where the time and the cost of commencing these historically defined deposits has been, and continues to be, underestimated."

Mr Hall said current long-term pricing regimes supported the expansion of existing uranium mines and regions, but not necessarily the establishment of brand new mines using historical resources.

“With expansion of uranium production occurring rapidly in countries such as Kazakhstan, Australia may miss global opportunities to contribute to this new production need unless it continues to bring new projects through the approval and feasibility process,” he said.

“To do so, however, needs the right pricing environment and we are already seeing some more supportive pricing coming through as reality creeps into new project economics – so that favors increasing Australian exploration, mine development and supply to recognised overseas markets.”

Mr Hall said that at the high price end, Australia could be producing 7000 tonnes of additional uranium oxide by 2015 rising to an additional 14,000 tonnes by 2022.

A median price range would see this output ease back to range between 3000 additional tonnes in 2015 up to just under 12,000 additional tonnes in 2022. A low price environment going forward would see only a low increase in Australian uranium oxide output to barely above 2,000 additional tonnes in 2015 and up to 4,000 additional tonnes between 2018 and 2022.

Toro is emerging as one of Australia’s most advanced modern era uranium developers, and has just completed the trial mining test pit at its Wiluna project in Western Australia where it has set a target of first production from 2013.

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Toro Energy is a modern Australian uranium company with progressive project development, acquisition and growth. The company is based in Adelaide, South Australia with a project office in Perth, Western Australia.

Toro’s flagship and wholly-owned Wiluna uranium project (includes existing mining lease) is 30 kilometres southeast of Wiluna in Central Western Australia.

Wiluna contains two shallow calcrete deposits, Lake Way and Centipede, with prefeasibility and optimisation studies completed and a definitive feasibility study underway. Toro has commenced the Approvals process targeting the Company’s first uranium production by late 2012/early 2013.

Toro has three other exploration and development projects in Western Australia, and owns uranium assets in Northern Territory, South Australia and in Namibia, Africa. Toro is well funded with a supportive major shareholder in OZ Minerals.

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