ASX RELEASE

Monday, 29 August 2011

Toro's Theseus Uranium Prospect Continues to Expand

Drilling by Toro Energy Limited ("Toro") at its 100%-owned Theseus uranium prospect in Western Australia continues to expand the large uranium mineralised system, with the aerial extent now defined over an 8km^2 area. Although the grade tenor at Theseus remains to be defined in detail, this aerial extent is larger than the combined footprint of comparable systems such as the various deposits of the Frome embayment in South Australia. The mineralisation trend remains open in all directions except to the northwest.

Toro is encouraged by the fact potentially economic tenor intersections with grade (ppm) – thickness (m), or GT, of greater than 1500, continue to be found on the wide spaced grid:

5.4m @ **460**ppm eU_3O_8 [2464GT] from 107.93m in LP00194 using 100ppm eU3O8 cut off
*including **1.2m @ 1145ppm** eU_3O_8 from 109.5m using a 500ppm eU3O8 cut off*

1.6m @ **982** ppm eU_3O_8 [1571GT] from 102.07m in LP00200 using 100ppm eU3O8 cut off
*including **1.1m @ 1316ppm** eU_3O_8 from 102.3m using a 500ppm eU3O8 cut off*

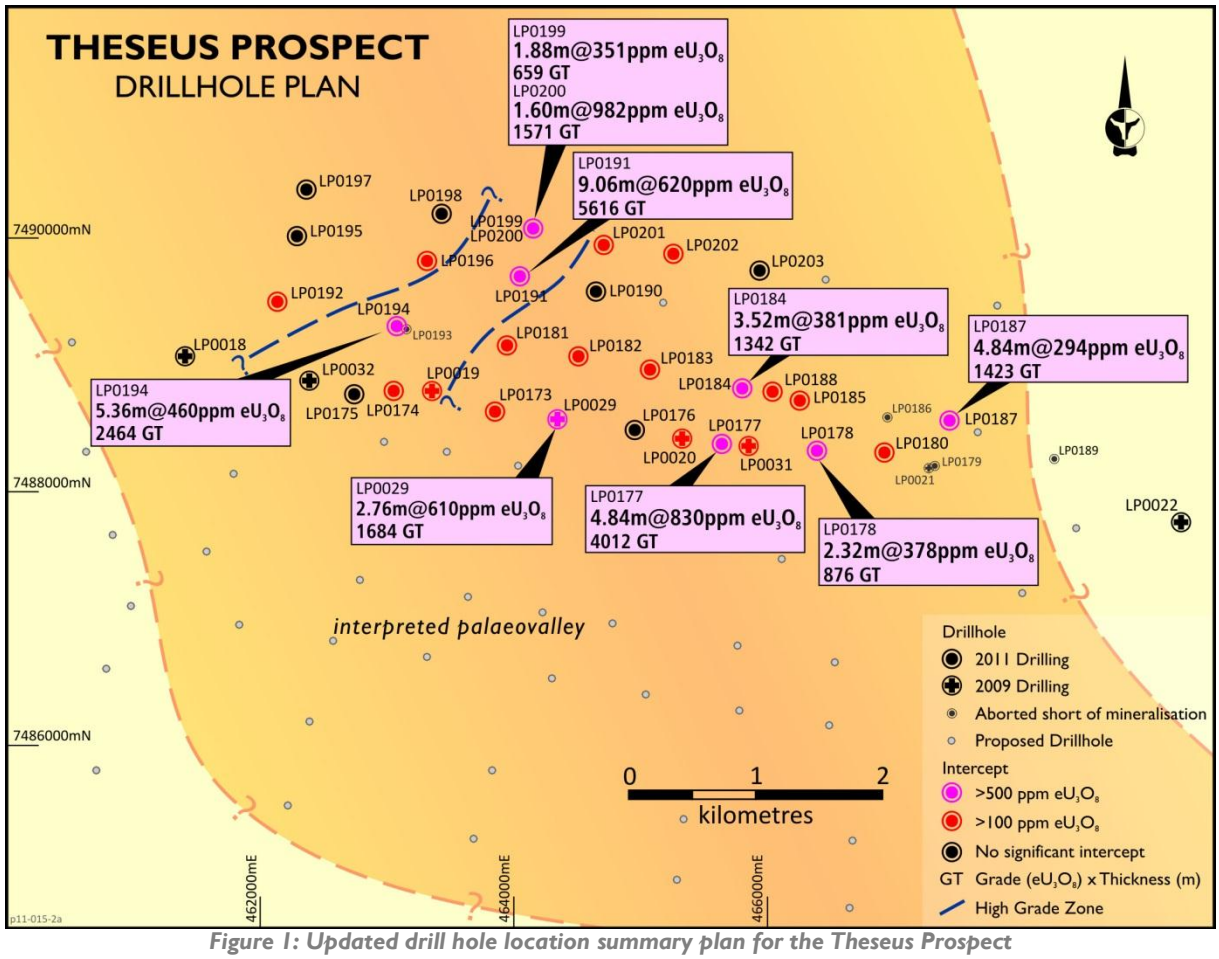

Figure 1: Updated drill hole location summary plan for the Theseus Prospect

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Since the previous Theseus ASX release (18 August, 2011), gamma probe results for a further 12 holes, LP192 – LP203, are now available. These include two holes returning results of economic interest (>1500GT, reported above), five returning mineralisation zones confirming the regional mineralised trend (>100ppm), four returning no significant intersection and one requiring re-drill due to completion issues. Table 1 on page 4 has more detail.

A total of 31 aircore holes has now been drilled in the planned 60 hole program. Over the past 10 days, the drill holes were spaced at a nominal 800m to 1.2km, designed to define the western and northern edges of the uranium mineralised system at Theseus. This was essential, given the intersections in LP00194 of 5.36m @ 460ppm eU_3O_8 [2464GT] and LP00191 of 9.06m @ 620ppm eU_3O_8 [5616GT] failed to close the mineralised system in this direction. Results from previously reported holes are listed in Table 2 on page 5.

The aircore program will continue for another 2-3 weeks, moving this week to the yet to be drilled southern half of the prospect. A mud rotary drill rig has also been sourced and should be on site shortly. This rig will drill intermediate holes between high grade intersections as well as assist in covering the full grid. Each mud rotary hole will be down-hole probed with a range of geophysical tools with results being used to build a detailed understanding of the prospect's geology and mineralisation.

Aircore drilling will continue to test the discovery at 500m to 1km spacing to cover the original grid drill plan of 5km x 8km area.

On the most northern drill traverse, drill hole LP00200 was drilled as a twin of LP00199, when this hole was abandoned failing to intersect the basement. The uranium intersection in LP00200 is nearly three times as high in grade as drill hole LP00199, indicating closer spaced drilling is essential to fully evaluate this prospect.

Toro Managing Director, Mr Greg Hall, commented:

"The high grade gamma results from LP194 and LP200 are highly encouraging with greater than 1500GT results providing an early indication of potential economic grades of mineralisation in an in-situ recovery scenario. It is early days and we are yet to undertake flow tests or other key tests. However, the essential geological building blocks appear to be in place."

"The addition of a mud rotary drill rig for the program will accelerate drill production and allow important geological information to be collected. We are looking forward to the next set of drill results from the field so we can continue to build the geological and mineralisation picture."

Greg Hall
Managing Director

Information in this report is based on information compiled by Mr Mark McGeough, who is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr McGeough is a full-time employee of Toro, and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr McGeough consents to the inclusion in this release of the matters based on his information in the form and context in which it appears.

Information in this report relating to Deconvolved Gamma Results, is based on information compiled by Mr David Wilson BSc MSc who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Wilson is a full-time employee of 3D Exploration Ltd, a consultant to Toro and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Wilson consents to the inclusion in this release of the matters based on his information in the form and context in which it appears.

** Downhole gamma logging of drill holes provides a powerful tool for uranium companies to explore for and evaluate uranium deposits. Such a method measures the natural gamma rays emitted from material surrounding a drill hole. Gamma radiation is measured from a volume surrounding the drill hole that has a radius of approximately 35cm. The gamma probe is therefore capable of sampling a much larger volume than the geological samples recovered from any normal drill hole.*

Gamma ray measurements are used to estimate uranium concentrations with the commonly accepted initial assumption being that the uranium is in (secular) equilibrium with its daughter products (or radio- nuclides) which are the principal gamma ray emitters. If uranium is not in equilibrium (viz. in disequilibrium), as a result of the redistribution (depletion or enhancement) of uranium and/or its daughter products, then the true uranium concentration in the holes logged using the gamma probe will be higher or lower than those reported in this announcement.

The logging programme was undertaken by Toro Energy Ltd utilising an Auslog Logging System. The gamma tools were calibrated in Adelaide at the Department of Water in calibration pits constructed under the supervision of CSIRO. Toro Energy carries out regular recalibration checks to validate the accuracy of gamma probe data.

The gamma ray data was converted from counts per second to eU3O8 using calibration factors obtained from measurements made at the calibration pits. The eU3O8 data was also adjusted by an attenuation factor, determined onsite, due to logging in drill rods. These factors also take into account differences in drill hole size and water content. The eU3O8 data has been filtered (deconvolved) to more closely reproduce the true grades and thicknesses where thin narrow zones are encountered.

The various calibration factors and deconvolution parameters were calculated by David Wilson BSc MSc MAusIMM from 3D Exploration Ltd based in Perth, Western Australia.

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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 technical work leading to a definitive feasibility study underway. Toro has commenced the Approvals process targeting the Company's first uranium production late 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.

www.toroenergy.com.au

Hole	East	North	Interval From (m)	Interval >100ppm eU3O8 (m)	>100ppm Grade eU3O8	Interval From (m)	Interval >500ppm eU3O8 (m)	>500ppm Grade eU3O8	*>500ppm eU3O8 Grade x Thickness (GT)*
LP00192	462128	7489491	109.05	0.74	**144**				
LP00193	463163	7489280	Terminated short of mineralised zone		No significant intersections			**Redrilled as LP00194**	
LP00194	463143	7489276	95.75	0.5	**166**				
LP00194	463143	7489276	107.93	5.36	**460**	109.49	1.18	**1145**	***1351***
LP00194	463143	7489276	116.63	0.56	**119**				
LP00194	463143	7489276	118.83	1.44	**181**				
LP00194	463143	7489276	140.01	0.62	**122**				
LP00195	462280	7489998			No significant intersections				
LP00196	463306	7498823	114.18	0.98	**222**				
LP00197	462359	7490381			No significant intersections				
LP00198	463433	7490195			No significant intersections				
LP00199	464168	7490053	101.86	1.88	**351**				
LP00200	464193	7490054	102.07	1.6	**982**	102.27	1.1	**1316**	***1447***
LP00201	464713	7489949	100.64	0.68	**146**				
LP00202	465259	7489890	89.49	0.64	**348**				
LP00203	465937	7489760			No significant intersections				

Table 1: Recent uranium intersections using deconvolved data reporting greater than 100ppm eU_3O_8, compiled using a minimum interval width of 0.5m and max internal dilution of 0.2m
Note 2: Slight corrections in the eU3O8 grades have been made allowing for the presence of water in holes.

Hole	East	North	Interval From (m)	Interval >100ppm eU3O8 (m)	>100ppm Grade eU3O8	Interval From (m)	Interval >500ppm eU3O8 (m)	>500ppm Grade eU3O8	*>500ppm eU3O8 Grade x Thickness (GT)*
LP00173	463847	7488636	100.56	0.76	**145**				
LP00173	463847	7488636	103.7	0.92	**334**				
LP00174	463049	7488796	110.46	0.64	**199**				
LP00175	462743	7488770			No significant intersections				
LP00176	464956	7480489			No significant intersections				
LP00177	465638	7488378	87.25	3.2	**138**				
LP00177	465638	7488378	92.55	1.52	**115**				
LP00177	465638	7488378	96.81	0.54	**200**				
LP00177	465638	7488378	97.73	4.84	**829**	98.47	1.56	**2010**	***3135***
LP00177	465638	7488378	104.51	0.48	**122**				
LP00178	466382	7488356	101.58	2.32	**430**	102.3	0.44	**1286**	***583***
LP00179	467298	7488200	Terminated short of mineralised zone		No significant intersections				
LP00180	466912	7488308	102.45	0.58	**149**				
LP00181	463946	7489154	104.04	0.68	**173**				
LP00182	464511	7489071	102.42	1.12	**219**				
LP00183	465074	7488961	109.72	1.32	**140**				
LP00184	465800	7488816	105.65	3.52	**381**	106.57	0.44	**1473**	***648***
LP00185	466257	7488720	101.86	0.72	**134**				
LP00186	467435	7488559	Terminated short of mineralised zone		No significant intersections				
LP00187	467435	7488559	107.54	4.84	**294**	108.6	0.66	**1035**	***683***
LP00188	466040	7488789	74.87	1.02	**256**				
LP00188	466040	7488789	97.05	0.78	**115**				
LP00188	466040	7488789	99.51	0.7	**469**				
LP00188	466040	7488789	106.39	0.9	**365**				
LP00189	468262	7488262	Terminated short of mineralised zone		No significant intersections				
LP00190	464653	7489583			No significant intersections				
LP00191	464050	7489698	100.36	9.06	**620**	101.14	2.92	**1497**	***4371***
LP00191	464050	7489698	116.18	0.56	**138**				
LP00019	463377	7488811	102.13	0.98	**340**				
LP00020	465339	7488417	97.29	2.8	**148**				
LP00029	464333	7488573	97.77	0.72	**146**				
LP00029	464333	7488573	101.83	2.76	**610**	102.55	1.44	**899**	***1295***
LP00029	464333	7488573	107.43	0.82	**118**				
LP00031	465854	7488349	105.22	2.28	**235**				

Table 2: Previously reported uranium intersections using deconvolved data reporting greater than 100ppm eU_3O_8, compiled using a minimum interval width of 0.5m and max internal dilution of 0.2m
Note 2: Slight corrections in the eU3O8 grades have been made allowing for the presence of water in holes.