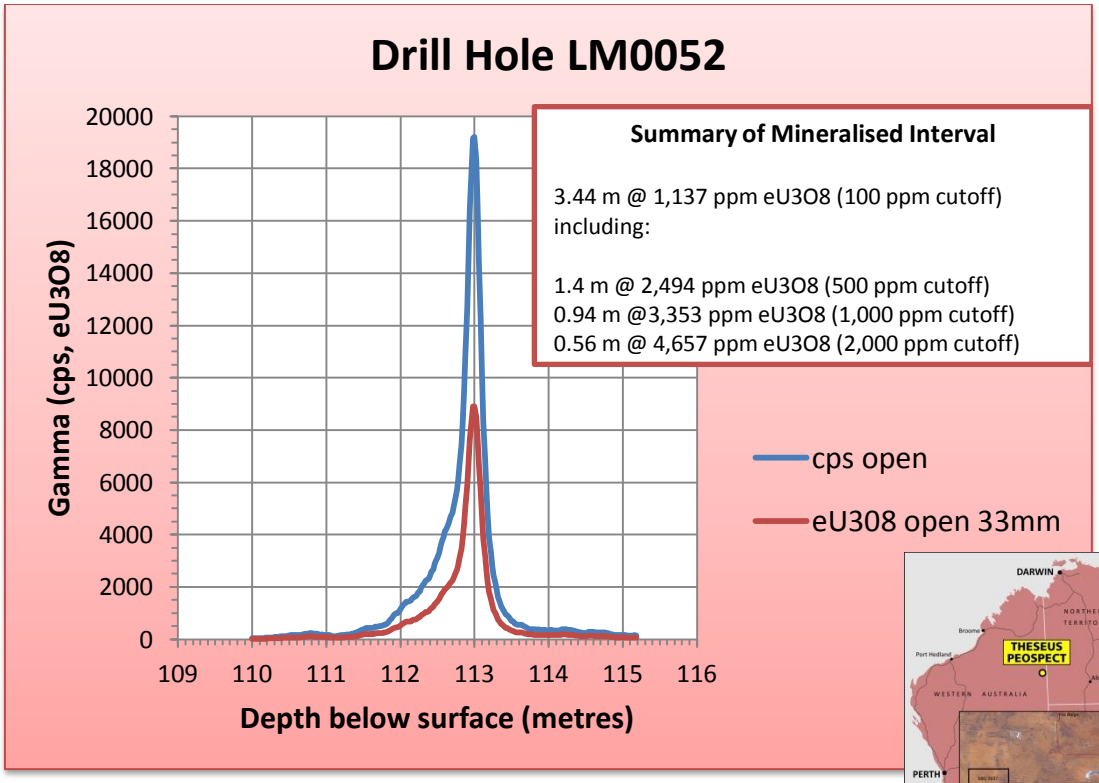
ASX RELEASE

Thursday, 20 October 2011

Toro's Theseus Project records peak result of nearly 1% eU3O8

- **Toro Energy Limited (ASX: TOE - "Toro") is very pleased to announce that drilling at the Theseus Project in WA, near the NT border, has continued to record strong uranium discovery results. In particular drill hole LM0052 recorded a peak result of nearly 9,000ppm (0.9% eU_3O_8) within an interval of 3.44m @ 1,137ppm eU_3O_8.**
- **The tenor of the mineralisation in this hole provides further evidence of the encouraging potential, with significant areas yet to be tested. The data for this and other recent holes is undergoing detailed review, and will be reported in a market summary shortly.**
- **A Prompt Fission Neutron (PFN) probe was trialled in two holes this year. In drill hole LM0055, the peak result of 6,575ppm pU_3O_8 as against a peak gamma result of 4,330ppm eU_3O_8 demonstrates significant positive disequilibrium. This indicates that grades calculated by gamma readings may be understating the true grade.**
- **The main mineralised zone is associated with an interval of reduced sediments which occupy the base of the palaeochannel sequence. This interval is up to 18m thick, some 500m wide, and extends for more than 10km along the palaeochannel axis, providing significant targets for future programs.**



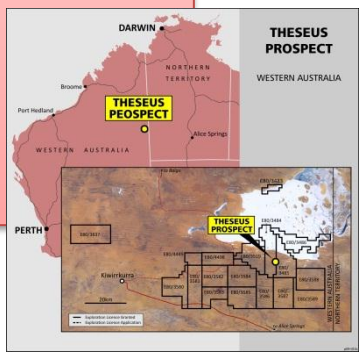


Figure 1: Downhole gamma data from drill hole LM0052.

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Initial Geological Evaluation

An initial interpretation of drilling results has been undertaken at the Theseus Project, with a typical geological cross section shown in the diagram below. The main mineralised zone is associated with the transition between oxidized and reduced (i.e. organic-rich and pyritic) sediments. The reduced interval is up to 18 m thick and forms the lower part of the palaeochannel fill. Drilling to date indicates that the reduced interval is locally over 500 m wide and extends for more than 10 km along the palaeochannel axis.

Sands that host the mineralization are bounded by clay and overlain by up to 100 m of clay-dominant sediments.

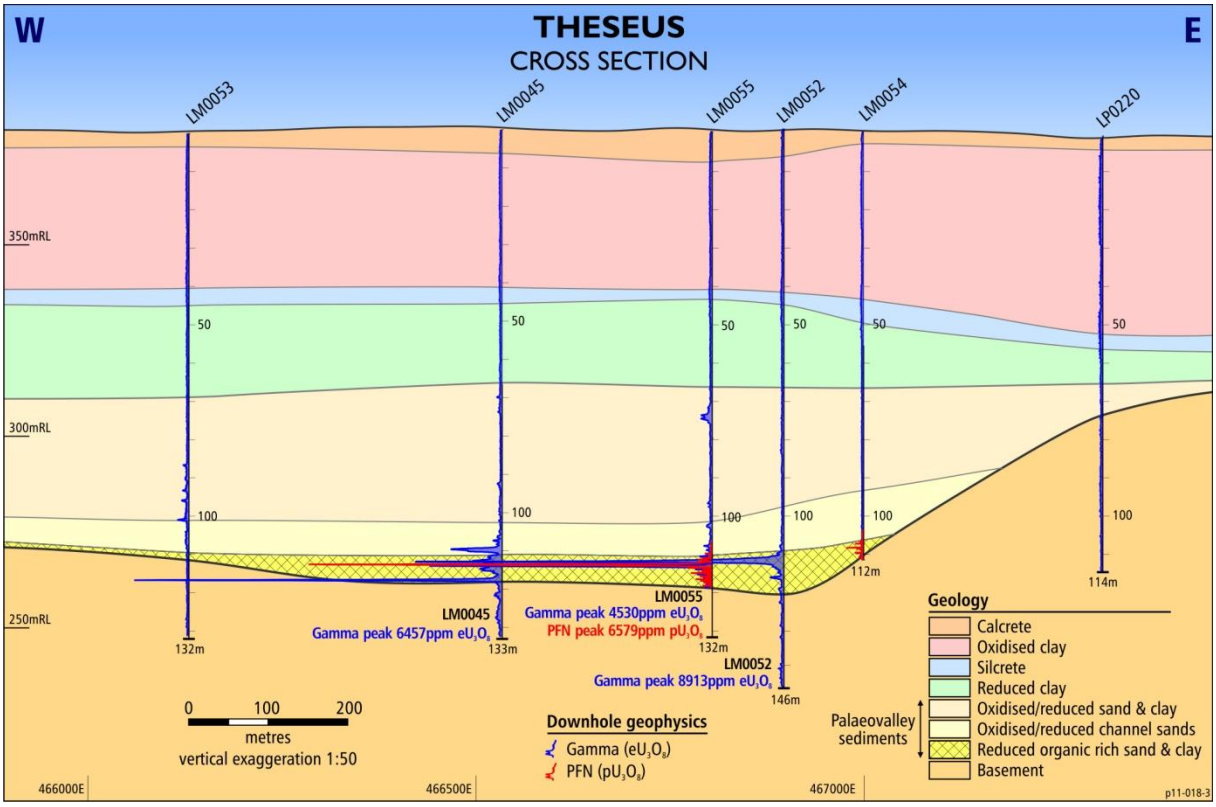

Figure 2: Geological cross section showing the mineralized zone and down hole logging results (gamma, PFN) in the vicinity of drill holes LM0052 and LM0055.

Toro has completed its drilling program at Theseus for this season, and anticipates releasing final drilling results and an exploration target range within a few weeks.

Greg Hall
Managing Director

Information in this report is based on information compiled by Mr MarkMcGeough, 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.

** 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.

Downhole gamma measurements in hole LM0052 were completed by Bore Hole Geophysical Services based in Perth, WA. Downhole gamma and PFN measurements in hole LM0054 and LM0055 were collected by GAA Wireline of Mt Barker SA.

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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. The Approvals process is well advanced, targeting the Company's first uranium production late 2013.

Toro has 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

APPENDIX I

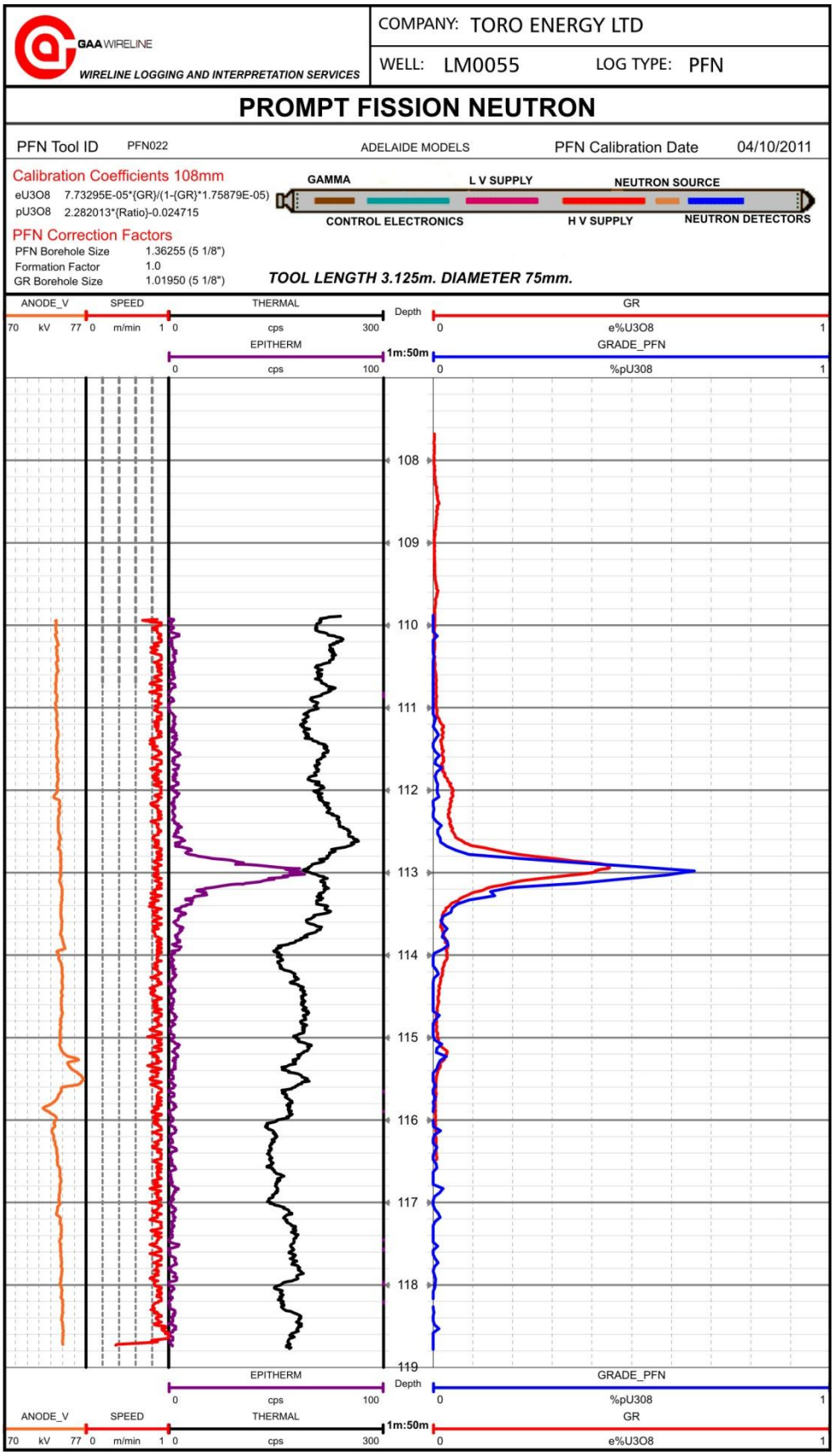

Figure 3: PFN Log from LM0055.

APPENDIX 2

Hole ID	Easting	Northing	Terminal Depth (m)
LP0220	467307	7486505	114
LM0045	466535	7486650	134
LM0052	466895	7486570	146
LM0053	466125	7486685	132
LM0054	467000	7486565	132
LM0055	466805	7486600	132

Table 1: Location and terminal depth of drill holes referred to in this document.