ASX RELEASE

Thursday, 27 October 2011

Toro completes drilling at Theseus Project with additional high-grade uranium intersections

Drilling by Toro Energy Limited (ASX: TOE, "Toro") at its 100%-owned Theseus uranium project in Western Australia was completed on Friday 14 October 2011. For the last phase of the program, Toro concentrated on testing the extent of higher-grade zones within the eight kilometres of palaeochannel previously defined. Drilling at 100m spacing has intersected higher grade zones of mineralisation in three locations.

Some of the higher grade in-hole gamma results from the mud rotary programme include:

1.52m @ **0.15%** eU_3O_8 [0.22%GT] from 116.61m in LM0045,
including ***0.46m @ 0.44%*** *eU_3O_8 from 117.39m*

3.44m @ **0.13%** eU_3O_8 [0.45%GT] from 111.4m in LM0052
including ***1.34m @ 0.31%*** *ppm eU_3O_8 from 112m*

3.74m @ **0.17%** eU_3O_8 [0.65%GT] from 100.2m in LM0060
including ***2.62m @ 0.23%*** *ppm eU_3O_8 from 100.98m*

1.74m @ **0.11%** eU_3O_8 [0.19%GT] from 101.39m in LM0064
including ***1.22m @ 0.14%*** *ppm eU_3O_8 from 101.79m*
(using a 100ppm eU_3O_8 cut off)

The tenor and grade of intersection results above at >0.1%GT would be considered ore-grade for a typical In Situ Recovery (ISR) operation.

The mineralised zone at the Theseus Project palaeochannel system is now confirmed over a minimum strike length of 8km and averages 500m wide, varying in thickness from 1m to 9m. This palaeochannel system is considered open to the northwest and to the southeast with a secondary, mineralised, 2km long tributary that is also open to the east.

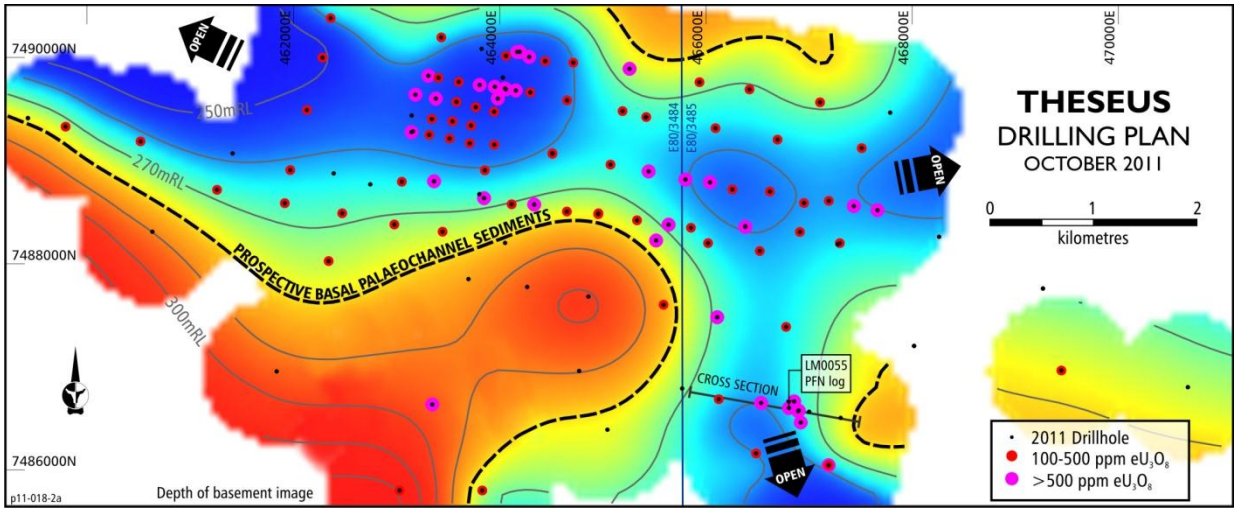

Figure 1: Drillhole location summary plan for the Theseus Prospect

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During 2011, a total of 51 aircore holes for 6,666m and 64 mud rotary holes for 8,519m have been completed at the Theseus Project. The addition of the extra geophysical information gained from the mud rotary drilling is enabling Toro to build a geological model to constrain higher-grade mineralisation and provide targets for drilling in 2012. Once a full analysis of the geophysical data is completed early in November, an exploration target range for 2012 will be announced for the Theseus Project. Drill-hole locations and significant intersections are shown on Figure 1 and Appendix 1. Figure 2 shows a typical cross section of the palaeochannel system with high grade mineralisation defined in three drill holes.

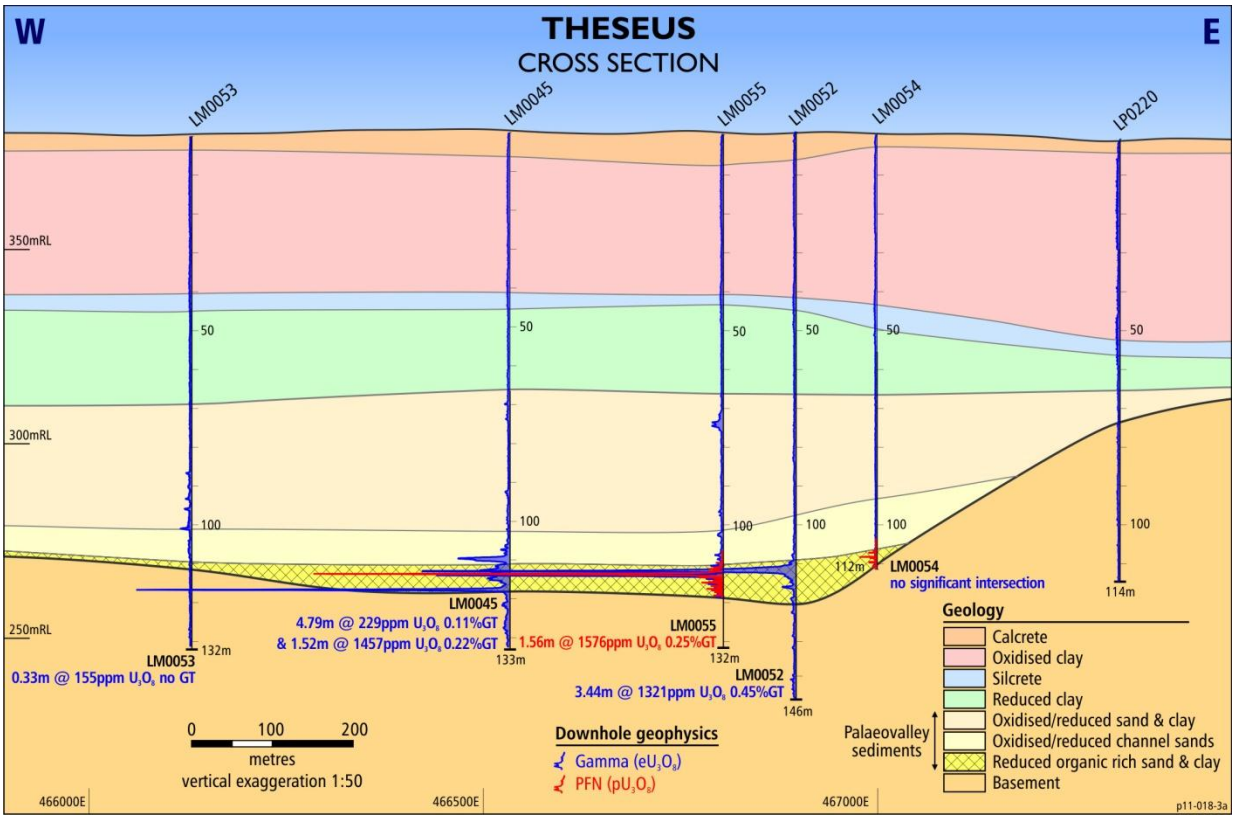

Figure 2: Cross section for holes LM0053 to LP0220

The finalised results have also been received for the Prompt Fission Neutron (PFN) logging completed in two holes, LM0054 for calibration purposes on low order gamma signal and on LM0055, reported to the ASX in a preliminary form on 19 October 2011. The PFN tool measures the amount of the isotope U^{235} that is present in all natural uranium. Down-hole gamma logging relies on detecting the daughter products of uranium, Bi^{214} and Pb^{214}. The main intersection logged with both gamma and PFN in LM0055 shown on Figure 2 is confirmed as:

1.56m @ 0.16% pU_3O_8 [0.25%GT] from 112.43m from the PFN compared to

1.56m @ 0.12% eU_3O_8 [0.2%GT] from 112.43m from down-hole gamma

The significance of the PFN result from LM0055 should not be under-estimated in that the results demonstrate a true uranium grade and the positive disequilibrium suggests that the routine gamma logging may be understating the actual uranium values at Theseus. Further work underway includes mineral speciation and simple bottle roll extraction tests.

Toro Managing Director, Mr Greg Hall:

"The most recent drilling results from the Theseus Project point to a large uranium mineralised system with the right ingredients for in-situ recovery. The potential size of the system is very encouraging for Toro. Further work already underway will provide more information on the uranium mineral species and the potential to extract uranium in a leach solution, but we have been especially encouraged by the tenor of intersections late in the program where ore-grades seen elsewhere are now being regularly intersected at Theseus."

Greg Hall
Managing Director

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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

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 of aircore 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.

Bore Hole Geophysical Services based in Perth, WA collected down-hole gamma measurements along with density and resitivity measurements in mud rotary holes.

Downhole gamma and PFN measurements in hole LM0054 and LM0055 were collected by GAA Wireline of Mt Barker SA. For further information on the use and calibration of the PFN readers are directed to the GAA Wireline website www.gaawireline.com

Appendix 1: Full summary of drill hole locations and significant uranium results

Hole	East	North	Interval From (m)	Interval >100ppm eU3O8 (m)	>100ppm Grade eU3O8	*eU3O8 Grade x Interval (% GT)*	Interval From (m)	Interval >500ppm eU3O8 (m)	>500ppm Grade eU3O8
LP00206	459788	7489328			No significant intersections				
LP00207	460514	7489187			No significant intersections				
LP00208	461967	7488908			No significant intersections				
LP00209	464050	7488202			No significant intersections				
LP00210	463445	7488310			No significant intersections				
LP00211	462977	7488380			No significant intersections				
LP00212	461913	7488586			No significant intersections				
LP00213	464265	7487775			No significant intersections				
LP00214	465588	7487601	88.08	1.42	**121**				
LP00215	466777	7487388	119.27	1.58	**173**				
LP00216	468019	7487202			No significant intersections				
LP00217	469448	7486963			No significant intersections				
LP00218	470675	7486803			No significant intersections				
LP00219	465770	7486790			No significant intersections				
LP00220	467307	7486505			No significant intersections				
LP00221	463029	7485801			No significant intersections				
LP00222	463829	7485801			No significant intersections				
LP00223	465420	7489423	97.95	0.9	**224**				
LP00224	465191	7489480	101.67	1.04	**148**				
LM0019	461257	7488717			No significant intersections				
LM0020	462470	7488488			No significant intersections				
LM0021	466523	7488122			No significant intersections				
LM0022	466020	7488200	101.04	1	**198**	0.02			
LM0023	465516	7488226	86.74	1.84	**208**	0.04			
LM0023	465516	7488226	90.44	1.42	**434**	0.06	90.94	**0.64**	**414**
LM0024	463805	7489732	103.75	1.44	**781**	0.11	103.93	**0.75**	**911**
LM0025	463602	7489763			No significant intersections				
LM0026	463404	7489803			No significant intersections				
LM0027	463181	7489640	109.71	0.5	**454**	0.02			
LM0028	463379	7489600	103.72	1	**334**	0.03			
LM0029	463579	7489569			No significant intersections				
LM0030	463765	7488519			No significant intersections				
LM0031	463722	7489340	105.12	1.52	**161**	0.02			
LM0032	463540	7489380			No significant intersections				

Hole	East	North	Interval From (m)	Interval >100ppm eU3O8 (m)	>100ppm Grade eU3O8	*eU3O8 Grade x Interval (% GT)*	Interval From (m)	Interval >500ppm eU3O8 (m)	>500ppm Grade eU3O8
LM0033	463340	7489404			No significant intersections				
LM0034	463144	7489438			No significant intersections				
LM0035	463315	7489250	106.83	1.76	**176**	0.03			
LM0036	463513	7489214			No significant intersections				
LM0037	463709	7489167			No significant intersections				
LM0038	464439	7489965			No significant intersections				
LM0039	463823	7490083			No significant intersections				
LM0040	466110	7487480	106.37	1.34	**349**	0.05			
LM0041	464860	7487680			No significant intersections				
LM0042	463695	7487850			No significant intersections				
LM0043	462340	7488025			No significant intersections				
LM0044	460630	7488310			No significant intersections				
LM0045	466535	7486650	109.04	1.42	**521**	0.07			
LM0045	466535	7486650	111.07	4.79	**229**	**0.11**			
LM0045	466535	7486650	116.61	1.52	**1457**	**0.22**	117.39	**0.46**	***4393***
LM0046	464770	7486960			No significant intersections				
LM0047	466485	7486160			No significant intersections				
LM0048	465045	7486390			No significant intersections				
LM0049	463345	7486635	80.11	0.89	**387**	0.03			
LM0050	467190	7486045	120.54	1.38	**131**	0.02			
LM0051	461835	7486955			No significant intersections				
LM0052	466895	7486570	111.4	3.44	**1321**	**0.45**	112	**1.34**	***3070***
LM0053	466125	7486685			No significant intersections				
LM0054	467000	7486565			No significant intersections				
LM0055	466805	7486600	112.43	1.56	**1576**	**0.25**	PFN result		
LM0056	466920	7486460	110.63	3.44	**289**	**0.1**			
LM0057	466855	7486665	110.16	2.9	**610**	**0.18**	111.16	**0.74**	***1698***
LM0058	466900	7486575	110.75	2.96	**320**	**0.1**	112.15	**0.41**	***1124***
LM0059	464060	7489690	103.69	0.85	**575**	0.05	103.79	**0.64**	***682***
LM0060	463950	7489715	100.2	3.74	**1727**	**0.65**	100.98	**2.62**	***2321***
LM0061	464030	7489805			No significant intersections				
LM0062	464285	7490005	105.12	2.14	**516**	**0.11**	106.26	**0.76**	***1029***
LM0063	464060	7490015			No significant intersections				
LM0064	464155	7489680	101.39	1.74	**1085**	**0.19**	101.79	**1.22**	***1441***
LM0065	463981	7489601	102.68	0.74	**443**	0.03			
LM0066	464955	7488480	98.77	1.2	**221**	0.03			
LM0067	464650	7488505			No significant intersections				

Hole	East	North	Interval From (m)	Interval >100ppm eU3O8 (m)	>100ppm Grade eU3O8	*eU3O8 Grade x Interval (% GT)*	Interval From (m)	Interval >500ppm eU3O8 (m)	>500ppm Grade eU3O8
LM0068	464115	7488575	105.74	0.52	**496**	0.03			
LM0069	463855	7488905	107.96	0.68	**259**	0.02			
LM0070	464510	7489065	101.82	1.37	**164**	0.02			
LM0071	463963	7489503	103.18	0.78	**164**	0.01			
LM0072	464190	7490045	102.18	1.34	**325**	0.05			

Table 1: Recent 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

Hole	East	North	Interval From (m)	Interval >100ppm eU3O8 (m)	>100ppm Grade eU3O8	*eU3O8 Grade x Interval (% GT)*	Interval From (m)	Interval >500ppm eU3O8 (m)	>500ppm Grade eU3O8
LP00019	463377	7488811	102.13	1.12	**274**	0.04			
LP00020	465339	7488417	97.29	2.9	**156**	0.05			
LP00029	464333	7488573	101.83	4.24	**404**	**0.17**	102.55	1.44	**899**
LP00031	465854	7488349	105.22	2.3	**215**	0.05			
LP00173	463847	7488636	100.56	0.76	**145**	0.01			
LP00173	463847	7488636	103.7	0.9	**337**	0.03			
LP00174	463049	7488796	110.46	0.61	**190**	0.01			
LP00175	462743	7488770			No significant intersections				
LP00176	464956	7480489			No significant intersections				
LP00177	465638	7488378	87.31	3.14	**130**	0.04			
LP00177	465638	7488378	98.11	4.46	**837**	**0.37**	0.3	1.56	**2010**
LP00178	466382	7488356	102.08	1.8	**430**	**0.08**	102.3	0.44	**1286**
LP00179	467298	7488200	Terminated short of mineralised zone		No significant intersections				
LP00180	466912	7488308	102.45	0.56	**142**	0.008			
LP00181	463946	7489154	104.04	0.68	**172**	0.01			
LP00182	464511	7489071	102.42	1.10	**221**	0.02			
LP00183	465074	7488961	109.72	1.32	**139**	0.02			
LP00184	465800	7488816	105.63	3.54	**378**	**0.13**	106.57	0.44	**1473**
LP00185	466257	7488720	101.86	0.72	**134**	0.01			
LP00186	467435	7488559	Terminated short of mineralised zone		No significant intersections				
LP00187	467435	7488559	107.54	4.84	**298**	**0.14**	108.6	0.66	**1035**
LP00188	466040	7488789	74.87	1.0	**258**	0.03			
LP00188	466040	7488789	99.51	0.68	**478**	0.03			
LP00188	466040	7488789	106.39	0.9	**364**	0.03			
LP00189	468262	7488262	Terminated short of mineralised zone		No significant intersections				
LP00190	464653	7489583			No significant intersections				
LP00191	464050	7489698	100.38	9.02	**620**	**0.56**	101.14	2.92	**1497**
LP00192	462128	7489491	109.05	0.74	**144**	0.01			
LP00193	463163	7489280	Terminated short of mineralised zone		No significant intersections		Redrilled as LP00194		
LP00194	463143	7489276	107.93	5.36	**460**	**0.25**	109.49	1.18	**1145**
LP00194	463143	7489276	118.83	1.44	**181**	0.03			
LP00195	462280	7489998			No significant intersections				
LP00196	463306	7498823	114.18	0.98	**222**	0.02			
LP00197	462359	7490381			No significant intersections				
LP00198	463433	7490195			No significant intersections				
LP00199	464168	7490053	101.86	1.88	**351**	0.07			
LP00200	464193	7490054	102.07	1.6	**982**	**0.16**	102.27	1.1	**1316**

Hole	East	North	Interval From (m)	Interval >100ppm eU3O8 (m)	>100ppm Grade eU3O8	*eU3O8 Grade x Interval (% GT)*	Interval From (m)	Interval >500ppm eU3O8 (m)	>500ppm Grade eU3O8
LP00201	464713	7489949			No significant intersections				
LP00202	465259	7489890	89.49	0.64	**348**	0.02			
LP00203	465937	7489760			No significant intersections				
LP00204	466424	7489687			No significant intersections				
LP00205	467106	7489565	Terminated short of mineralised zone		No significant intersections				
LM00008	467788	7489464			No significant intersections				
LM00009	467511	7489120	99.76	1.54	**266**	0.04			
LM00010	466695	7489204	106.49	1.4	**148**	0.03			
LM00011	466100	7489300			No significant intersections				
LM00012	465430	7489415	Terminated short of mineralised zone		No significant intersections			Redrilled as LM00013	
LM00013	465415	7489415	Gamma probe stuck at 84m		No significant intersections				
LM00014	464295	7489655	102.52	0.82	**278**	0.03			
LM00015	467650	7488514	99.92	1.06	**603**	0.07	100.18	0.6	**885**
LM00015	467650	7488514	103.78	1.48	**205**	0.03			
LM00016	467190	7488610	101.98	0.7	**166**	0.01			
LM00017	466620	7488700	69.94	0.48	**286**	0.01			
LM00018	465445	7488895	100.26	1.96	**513**	**0.1**	101. 4	0.36	**1071**
LM00018	465445	7488895	108.24	2.82	**565**	**0.16**	108.48	0.52	**1141**

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