

ASX RELEASE

1 May 2012

Toro commences 2012 drilling at the Theseus Uranium Project in WA

Toro Energy Limited (“Toro” | ASX: TOE) is pleased to announce the start of its 2012 drilling program at its 100% owned Theseus Uranium Project in WA.

In November 2011, Toro announced an Exploration Target Range[#] (“ETR”) for the project of:

**20Mt to 40Mt @ approx. 400 to 500parts per million (ppm) U₃O₈, for
10,000t to 20,000t U₃O₈ or 22Mlb to 44Mlb U₃O₈[#]**

The purpose of this drilling campaign is to convert a significant portion of the ETR to an Inferred Resource and to follow up on existing identified mineralisation from previous drilling campaigns that are outside the area of the ETR.

A mud rotary rig will commence the initial program of approximately 20,000 metres in the target areas shown on Figure 1.

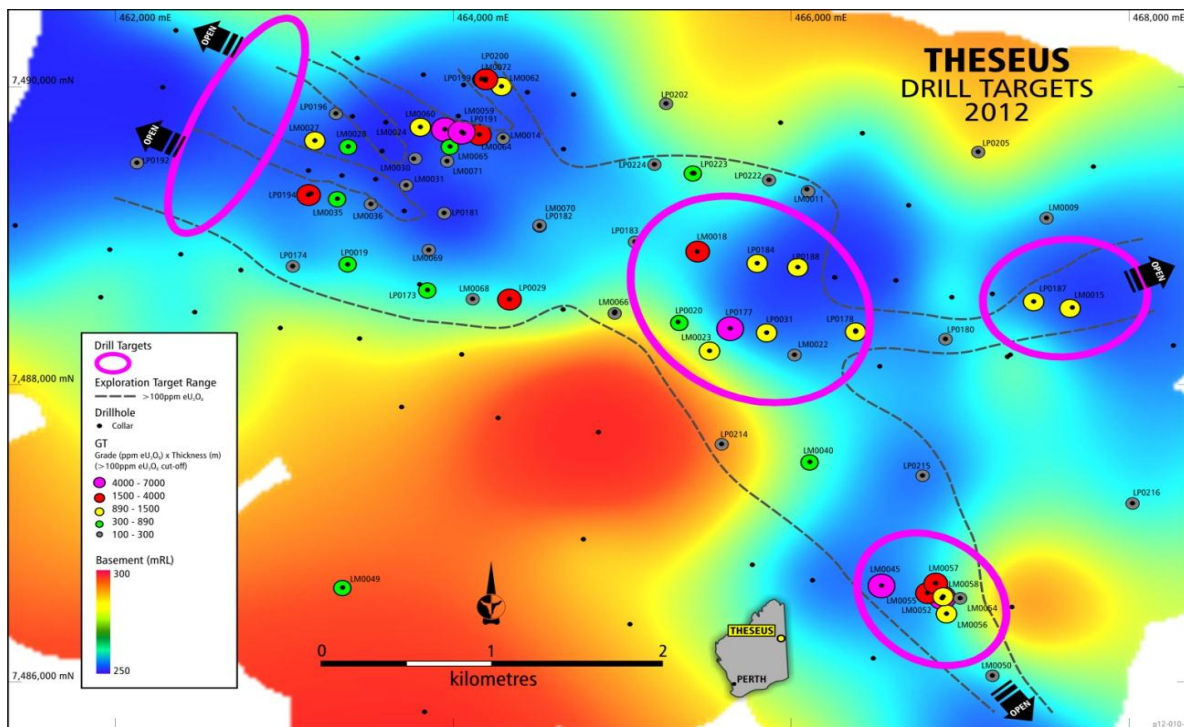


Figure 1 : Drilling Target Areas for the commencement of drilling at Theseus.

CAUTIONARY STATEMENT: The Exploration Target Range is conceptual in nature and there has been insufficient exploration completed to define this material as a Mineral Resource. There is no certainty that the further work referred to herein will result in the determination of a Mineral Resource

The main zone of mineralisation ($0.5\text{m} > 100\text{ppm eU}_3\text{O}_8$) covers an area about 6.0 kilometres long by up to 1.5 kilometres wide. This zone is open to the northwest and southeast and a second zone, about 2 kilometres long by 0.5 kilometres wide, is open to the east.

All holes will be logged using a prompt fission neutron (“PFN”) tool that will allow Toro to directly measure and report the grade of uranium mineralisation.

Background

Theseus was discovered by Toro during a grassroots regional aircore drilling program by the Company in 2009. Initial results highlighted the potential for sandstone hosted uranium mineralisation at Theseus. Drilling in 2011 confirmed the presence of significant uranium mineralisation. A total of 130 vertical mud rotary and aircore holes have been drilled and downhole gamma logged at the project. Almost 50% of the holes (64 of 130, drilled at Theseus) report a gamma, assay or PFN result greater than $0.5\text{m} @ 100\text{ppm U}_3\text{O}_8$.

Uranium mineralisation (as shown in Figure 2) is hosted within the variably oxidised sand-clay sequence and its distribution is concentrated at boundaries between reduced and oxidised sediments (“redox” boundaries). The thickest and highest grade mineralised intercepts are hosted within sands ranging from 1m to 6m thick, while thinner intercepts are localised at the upper and lower boundaries of sand units. This distribution is consistent with the classic “roll-front” style of mineralisation.

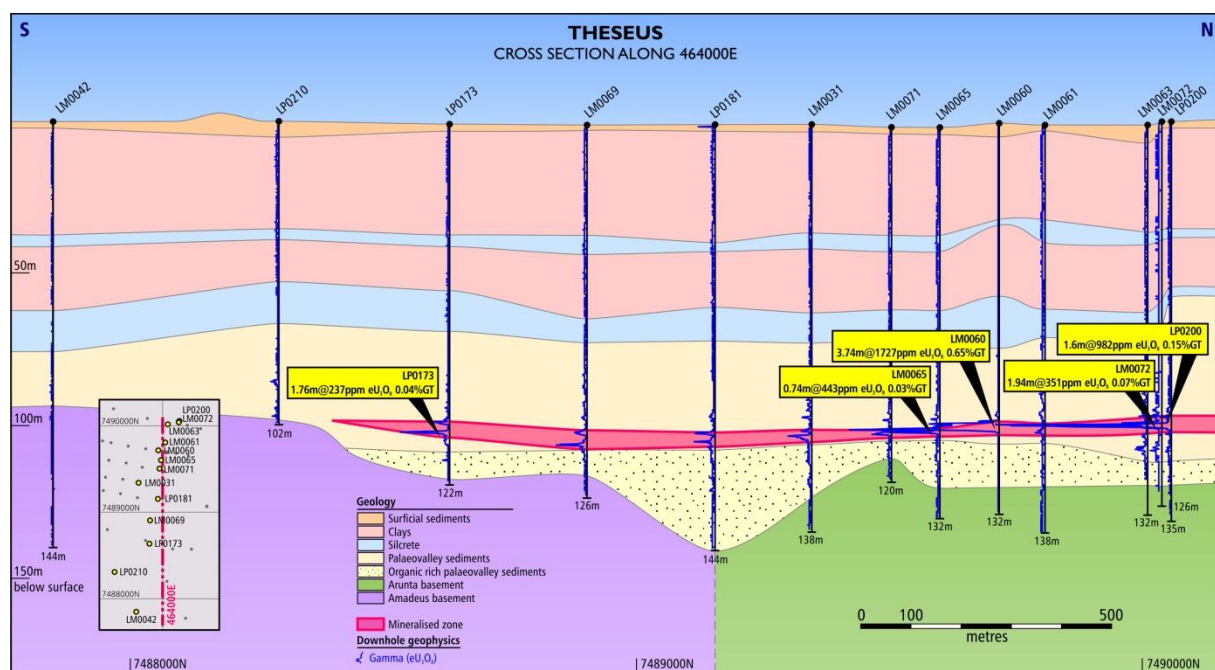


Figure 2: A schematic cross section through Theseus

Theseus shows similarities to the Beverley and 4 Mile uranium deposits in the Frome Embayment of South Australia.

Initial bottle roll * extraction tests on mineralised material from the Theseus Project have been recently completed. These tests exhibited very high extraction rates of 95.5% and 96.4% on two composite samples with 75% of the extraction being completed in the first 12 hours and 95% extraction after 48 hours. Additional bottle roll extraction tests will be finalised in the next few weeks.

The high tenor and speed of the uranium extraction suggest the Theseus mineralisation consists predominantly of uraninite and coffinite and is readily available for leaching. This is a very promising result and is comparable to preliminary recoveries from other Australian in-situ recovery type deposits. Further studies will determine the exact nature of the uranium mineral speciation.

These extraction tests were conducted by ALS Ammtech using either alkaline or acid leach and with or without the addition of oxidants. The results for the thirteen extraction tests are shown on Figure 3. Uranium extraction is rapid, mostly completed in less than four hours with very low acid consumption.

* “Bottle roll” leach results are a preliminary bench scale test under laboratory conditions to test for uranium extraction under controlled conditions. Recoveries do not necessarily reflect final expected metallurgical recoveries.

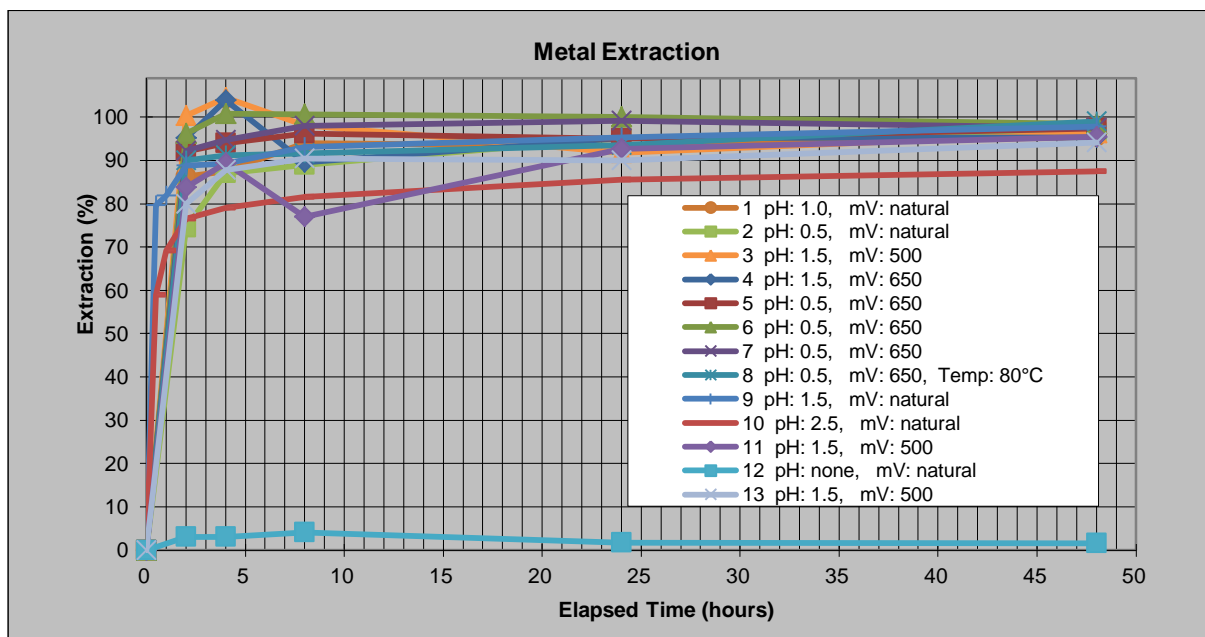


Figure 3: metal extraction results for Theseus samples A.

Toro Managing Director, Mr Greg Hall said: “It is very good news for Toro to be able to start this drilling program early in the season. Toro believes there is an excellent chance to convert the Exploration Target Range estimate to an Inferred Resource over the next few months. We are looking forward to further positive news from Theseus, especially after the highly successful extraction tests improve the probability of an ISR project”.

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 a definitive feasibility study underway. Toro has advanced the approvals process with an anticipated date of mid-2012, construction through 2013 and first uranium sales in 2014.

Toro also has a new uranium project called Theseus in Western Australia, and owns uranium assets in the Northern Territory and in Namibia, Africa.

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 eU308 using calibration factors obtained from measurements made at the calibration pits. The eU308 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 eU308 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 resistivity 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