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Toro commences first WA resource drilling at Wiluna uranium project

Toro Energy Limited ("TOE") has commenced first resource drilling operations at its 100%-owned Wiluna Uranium Project in Western Australia.

This is the first drilling program at Wiluna since the WA change in uranium policy late last year, and follows Toro's receipt of initial approvals from the WA Department of Mines and Petroleum (DMP) and presentations to the local community.

The Wiluna Uranium Project - comprising the Lake Way and Centipede shallow uranium deposits, located 10 and 20kms south of the township of Wiluna - has a current combined Inferred and Indicated Resource prepared in accordance with the JORC code, as shown in Table I below.

The Centipede Lease is one of only a few currently granted mining leases for uranium over an economic deposit in WA.

The drilling program will comprise a total of 6,500 metres, including 5,000 metres of aircore and 1,500 metres of Sonic core drilling. The purpose and aims of the program include:

- Drilling to gain detailed assay and geological data so as to increase confidence and upgrade the resources;
- Sonic core sampling for definitive metallurgical testing;
- Detailed drilling of a section of the Centipede resource in preparation for bulk sampling of ore; and
- Extensional drilling to add to the known resource.

The drilling and assay results will enable an updated and expanded resource estimation to be calculated for the Wiluna Project as well as enhancing the Optimisation Study currently underway. In particular, the Sonic core sampling and geology detail will provide increased confidence to the resource model.

Drilling work is expected to take 6 to 8 weeks, with bulk sampling and trenching operations to follow, subject to DMP approvals.

JORC Resources	Tonnes (m)	ppm U ₃ O ₈	Contained U ₃ O ₈ (t)	Contained U ₃ O ₈ (mlb)
Lake Way, Inferred	14.3	404	5,791	12.8
Centipede, Indicated	9.92	458	4,542	10.0
Centipede, Inferred	1.61	312	502	1.1
Wiluna Project Total	25.83	419	10,835	23.9

Table I: Wiluna Project JORC Resource

WILUNA PROJECT RESOURCE AND OPTIMISATION STUDY

The prefeasibility study completed in August 2008 identified a number of areas where the Wiluna Uranium Project could be improved. As a result, Toro is undertaking an Optimisation Study to quantify the identified improvements. An outline of the Optimisation Study and support work leading to a Definitive Feasibility Study later this year is shown below:

Project Optimisation – Technical Aspects - November 2008 to July 2009

- Resource expansion and upgrade drilling program
- Metallurgical process optimisation
- Bulk sampling to enable conversion of mineral resource to ore reserve status
- Development of a groundwater management strategy as an outcome of the bulk sampling of the deposit.

Approvals Scope and Guidelines – October 2008 to June 2009

Toro also recognises the importance of the approval process for new projects. To this end an Approvals Scope and Guidelines is being established. Key components are:

- WA and Commonwealth Government updates on status and plans
- WA Scoping document and Commonwealth Government Referral – Scope and Guidelines

Community and Indigenous Engagement - Ongoing

- Update local community on Project status and plans for the future
- Local groups and Central Desert Native Title Services clearances for above work
- Baseline social impact survey commenced
- Indigenous engagement and partnership discussions

Definitive Feasibility Study – Target start date August / September 2009

- Exploratory funding discussions have commenced with uranium familiar corporations interested in Toro or a Joint Venture,
- Decision on a Definitive Feasibility Study in second half of 2009 subject to approvals from the Toro Board, the DMP and indigenous groups.
- Commence formal approvals, including the finalisation of an Indigenous Mining Agreement, once funding secured

Key project parameters that are the subject of focus in the optimisation process and their targeted improvements are outlined in Table 2 below.

	Option B Alkaline dump leach & Ion exchange	Option D SAG mill alkaline leach & direct precip.	Optimisation work	Targeted Improvement By July 2009
Head grade	472ppm	503ppm	Sonic core drilling – trial mining	+ 20%
Capital cost	A\$195m	A\$247m	Met tests, water quality	- 10%
Operating cost	US\$41 /lb	US\$39 /lb	Grade & Recovery	- US\$6/lb
Mine life	10 yrs	12 yrs	Resource increase and consolidation	+ 5 yrs
NPV	A\$74m	A\$78m		A\$165m

Table 2: Optimisation Study project economic improvement targets

CURRENT RESOURCE DRILLING AND SAMPLING PROGRAM

M53/224 (Centipede Lease) is only one of a few granted mining leases for uranium containing an economic resource in WA. Sonic drilling is planned at the Centipede resource on a 200m x 200m spacing to provide detailed assay and geology information. Aircore drilling is planned at both Centipede and Lake Way resources to infill and extend the known resources. All drill holes will be gamma logged, as a known disequilibrium factor exists. The data obtained from this drilling will improve the confidence in the updated resource estimation to be conducted on completion of this drilling program. The sonic core will be used for metallurgical testwork as part of the ongoing Optimisation Study.

DMP approvals have been obtained for the Centipede drilling and are awaited for the Lake Way drilling. Presentations have been made to local indigenous groups regarding both the Centipede and Lake Way drilling, and the proposed bulk sampling work. The proposed drilling (see figures 1 and 2 below) should be completed in 6 to 8 weeks.

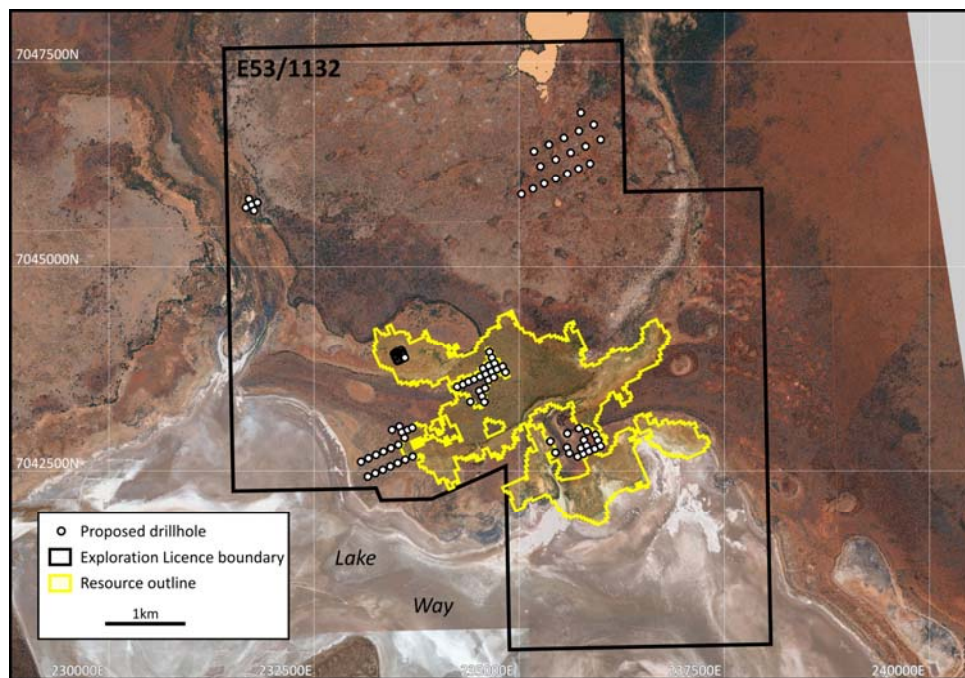


Figure 1: Planned Lake Way resource and extensional drilling

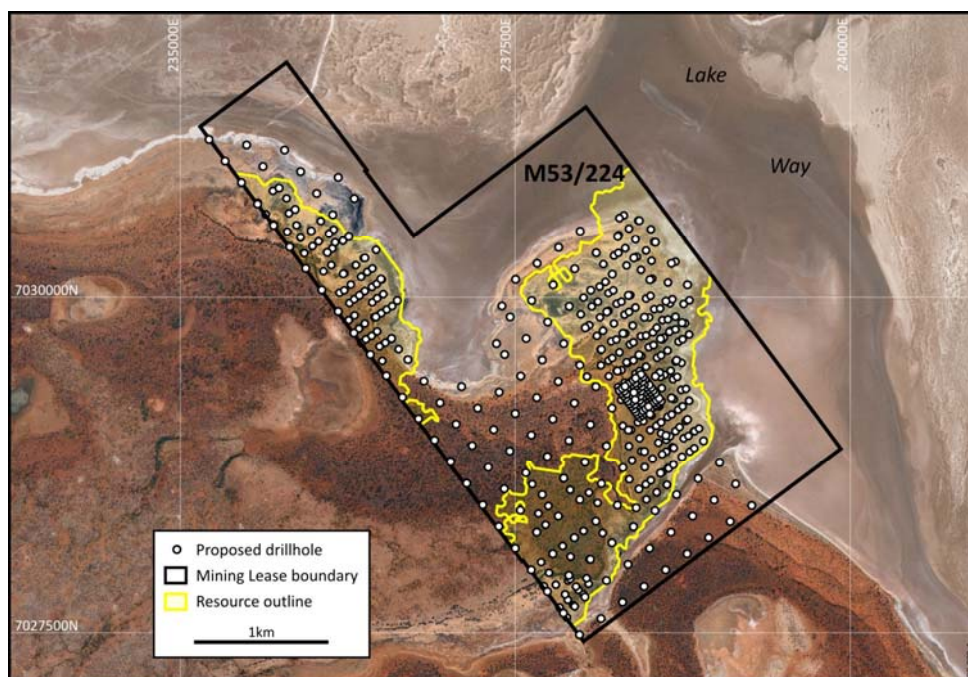


Figure 2: Planned Centipede resource and detailed infill drilling for bulk sampling

About the Wiluna Project

The Wiluna Project is located 10 to 20kms south of the township of Wiluna in Western Australia, along the sealed goldfields highway. It comprises the historical uranium deposits of Lake Way and Centipede, identified during the 1970s. Toro acquired the projects from its merger via takeover of Nova Energy in 2007. In September 2008, Toro announced the results of a Pre-Feasibility Study over Wiluna which identified four possible mining and processing routes, with two of these preferred.

An Optimisation Study was commenced over the Wiluna Project late in 2008 to undertake the following:

- Resource expansion and upgrade drilling program
- Drilling, bulk sampling and additional metallurgical process optimisation
- Ongoing environmental baseline work and groundwater management strategy

This Optimisation Study is due for completion in the third quarter 2009.

