



Principal Office
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Level 2, 16 Ord Street
West Perth WA 6005
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22 October 2008

Dear Shareholder

ANNUAL GENERAL MEETING

I am pleased to invite you to attend the Annual General Meeting of Toro Energy Limited to be held in Ballroom 1, at the Sebel Playford Hotel, 120 North Terrace, Adelaide, South Australia on Wednesday 26 November 2008 at 11.00 am.

The Australian Government introduced legislation in 2007 changing the default option for receiving annual reports to be via a Company's web site. As a result, an electronic copy of the 2008 annual report is available to download or view on the Company's website at www.toroenergy.com.au/reports.html. The 2008 annual report has also been sent by post to those shareholders who previously elected to receive a hard copy. In addition, the Company has also enabled online voting, details of which are explained on the Proxy Form.

If you are unable to attend the meeting in person, I encourage you to return the enclosed Proxy Form or alternatively nominate a Proxy online. Please complete the online nomination or forward the manual Proxy Form by post or fax to the Company's Share Registry, Computershare Investor Services, so that it may be received by 11.00 am on Monday 24 November 2008.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Ian Gould", is written over a large, faint circular watermark of the Toro Energy logo.

**IAN GOULD
CHAIRMAN**
Encl.



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NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Shareholders of Toro Energy Limited will be held in Ballroom 1, at the Sebel Playford Hotel, 120 North Terrace, Adelaide, South Australia on Wednesday 26 November 2008 at 11.00 am.

Please note that an online version of the Company's 2008 Annual Report can be downloaded or viewed at www.toroenergy.com.au/reports.html. The 2008 Annual Report has also been sent by post to those shareholders who have previously elected to receive a hard copy. You can also vote online at www.investorvote.com.au by entering your Control Number, SRN/HIN and postcode, which are shown on the first page of the enclosed Proxy Form. Overseas Shareholders are able to select their country of residence rather than entering a postcode.

Ordinary Business

To receive and consider the Financial Statements for the year ended 30 June 2008 and accompanying reports of the Directors and Auditor.

To consider and, if thought fit, pass the following resolutions as ordinary resolutions:-

- 1] **Adoption of the remuneration report**
"That the Company adopt the Remuneration Report for the year ended 30 June 2008 as set out in the Company's 2008 Annual Report."
- 2] **Re-election of Mr Derek Carter as a Director of the Company**
"That Mr Derek Carter having voluntarily retired in accordance with ASX Listing Rule 14.5 and clause 6.1 of the Constitution of the Company, being eligible, and having offered himself for re-election, is re-elected as a Director with effect immediately following the conclusion of the meeting."
- 3] **Re-election of Dr Ian Gould as a Director of the Company**
"That Dr Ian Gould having voluntarily retired in accordance with ASX Listing Rule 14.5 and clause 6.1 of the Constitution of the Company, being eligible, and having offered himself for re-election, is re-elected as a Director with effect immediately following the conclusion of the meeting."

Special Business

To consider and, if thought fit, pass the following resolutions as ordinary resolutions:-

- 4] **Approval of Issue of Options to Directors**
"That, for the purposes of ASX Listing Rule 10.11, the Corporations Act 2001 (Cth) and all other purposes, approval be and is hereby given to the grant, allotment and issue by the Company of 1,000,000 options each (total 3,000,000 Options) to Mr Peter Lester, Mr Jeff Sells and Ms Erica Smyth (or their nominees) on the terms and conditions set out in the Explanatory Notes that accompany the Notice of Meeting."
- 5] **Approval of Employee Share Option Plan**
"That, for the purposes of ASX Listing Rule 7.2, Exception 9 and for all other purposes, the Company approve the issue of securities under the employee incentive option scheme known as "Toro Energy Ltd Employee Share Option Plan", as an exception to Listing Rule 7.1".



Explanatory Notes

The Explanatory Notes accompanying this Notice of Annual General Meeting are incorporated in and comprise part of this Notice of Annual General Meeting, and should be read in conjunction with this Notice.

Shareholders are specifically referred to the Glossary in the Explanatory Notes which contains definitions of capitalised terms used both in this Notice of Annual General Meeting and the Explanatory Notes.

Voting Exclusions

Resolution 4

The Company will disregard any votes cast on Resolution 4 by Mr Peter Lester, Mr Jeff Sells and Ms Erica Smyth or any associate of them.

Resolution 5

The Company will disregard any votes cast on Resolution 5 by any director of the Company (except one who is ineligible to participate in any employee incentive scheme in relation to the Company) and any associate of those directors.

However in respect of Resolutions 4 and 5 the Company need not disregard a vote if:-

- (a) it is cast by a person who is appointed in writing as proxy for a person who is entitled to vote in accordance with the directions on the relevant proxy form; and
- (b) it is cast by the person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the relevant proxy form to vote as the proxy decides.

Proxies

Please note that:

- (a) a member of the Company entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a member of the Company; and
- (c) a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

The **enclosed** proxy form provides further details on appointing proxies and lodging proxy forms.

"Snap-shot" Time

The Company may specify a time, not more than 48 hours before the meeting, at which a "snap-shot" of Shareholders will be taken for the purposes of determining Shareholder entitlements to vote at the meeting. The Company's directors have determined that all Shares of the Company that are quoted on ASX as at 7.00pm CST on 24 November 2008 shall, for the purposes of determining voting entitlements at the Annual General Meeting, be taken to be held by the persons registered as holding the Shares at that time.



Corporate Representative

Any corporate Shareholder who has appointed a person to act as its corporate representative at the meeting should provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that company's representative. The authority may be sent to the Company and/or registry in advance of the meeting or handed in at the meeting when registering as a corporate representative.

Dated 22 October 2008

**BY ORDER OF THE BOARD
TORO ENERGY LIMITED**

A handwritten signature in black ink that reads 'Donald Stephens'.

**DONALD STEPHENS
COMPANY SECRETARY**

Voting

A Proxy Form is enclosed with this Notice.



Glossary

“**ASX**” means ASX Limited ACN 008 624 691;

“**ASX Listing Rules**” means the official listing rules of ASX;

“**Board**” means the board of Directors;

“**Company**” means Toro Energy Ltd ACN 117 127 590;

“**Constitution**” means the constitution of the Company;

“**Corporations Act**” means Corporations Act 2001 (Cth);

“**Director**” means a director of the Company;

“**Share**” means a fully paid ordinary share in the capital of the Company;

“**Shareholder**” means a holder of a Share.



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EXPLANATORY NOTES

Introduction

These Explanatory Notes set out information in connection with the business to be considered at the Annual General Meeting of Shareholders of Toro Energy Limited to be held in Ballroom 1, at the Sebel Playford Hotel, 120 North Terrace, Adelaide, South Australia on Wednesday 26 November 2008 at 11.00am.

The following items of ordinary business will be considered at the meeting.

Resolution 1: Adoption of the remuneration report

The Annual Report for the year ended 30 June 2008 contains a Remuneration Report which sets out the remuneration policy for the Company and reports the remuneration arrangements in place for the executive Director, specified Executives and non-executive Directors. The Remuneration Report is set out in the Directors' Report of the Annual Report.

Under the provisions of the Corporations Act, the shareholder vote is advisory only and will not require the Company to alter any arrangements detailed in the Remuneration Report, should the resolution not be passed. However, the Board has determined that it will take the outcome of the vote into consideration when reviewing the remuneration policy.

Resolution 2 : Re-election of Mr Derek Carter as a Director of the Company

In accordance with ASX Listing Rule 14.5 and clause 6.1 of the Constitution at every Annual General Meeting one third of the Directors for the time being (excluding those who retire under clause 9.2 of the Constitution) must retire from office and are eligible for re-election. Accordingly Mr Derek Carter retires as a Director of the Company and, being eligible, offers himself for re-election. The Directors (other than Mr Carter) recommend that shareholders vote in favour of Resolution 2.

Resume of the candidate for election to the office of Director is as follows:-

Mr Derek Carter, MSc, FAusIMM (CP) Non-Executive Director

Derek Carter is a geologist with over 32 years experience in corporate management, exploration and mining. He worked in Australia and overseas for Billiton (Shell Group of Companies) for 16 years. For 5 years he was General Manager-Exploration for Burmine Ltd before establishing Minotaur Gold NL in 1993. He formed Minotaur Resources Ltd in 2000 and Minotaur Exploration Ltd in 2005, and he was Managing Director of both of these companies at their inceptions. He is currently the Managing Director of Minotaur Exploration Ltd. He is a member of the Boards of Mithril Resources Ltd, Petrathern Ltd (Chairman) and the Resources Industry Development Board, and is a member of the South Australian Experts Group (Resources). He is a Councillor of the South Australian Chamber of Mines & Energy. In 2003 he became the Prospector of the Year (jointly awarded) and was awarded a Centenary Medal. In July 2007, he was appointed Chairman of the Minerals Exploration Advisory Group.

Resolution 3 : Re-election of Dr Ian Gould as a Director of the Company

In accordance with ASX Listing Rule 14.5 and clause 6.1 of the Constitution at every Annual General Meeting one third of the Directors for the time being (excluding those who retire under clause 9.2 of the Constitution) must retire from office and are eligible for re-election.

Accordingly Dr Ian Gould retires as a Director of the Company and, being eligible, offers himself for re-election. The Directors (other than Dr Gould) recommend that shareholders vote in favour of Resolution 3.



Resume of the candidate for election to the office of Director is as follows:-

**Dr Ian Gould, BSc (Hons), PhD (Geology), FAusIMM, FTSE
Non-Executive Chairman**

Dr Gould has over 37 years experience in senior executive positions in the minerals industry, including 17 years in the CRA/Rio Tinto Group, where he was Managing Director of Comalco's bauxite and alumina interests and subsequently Group Executive responsible for exploration, before his appointment as the first Managing Director - Australia for Rio Tinto. Dr Gould was subsequently Managing Director of the Normandy Mining Group until 2000, and a nonexecutive director of Western Metals Ltd from 2000. He was also President of the Australasian Institute of Mining and Metallurgy in 2004 and 2005. Dr Gould is currently Chairman of the Australian Institute of Marine Science, St. Andrew's Hospital in Adelaide, the CSIRO's Minerals Sector Advisory Committee, and the South Australian Minerals and Petroleum Experts Group (SAMPEG). He is the Chancellor of the University of South Australia, a member of the Royal Flying Doctor Service (Central Operations) Board, and the South Australian Resources Industry Development Board, Premier's Science and Research Council and Economic Development Board.

Resolution 4: Approval of Issue of Options to Directors

On 21 November 2007, the Board resolved and announced, subject to Shareholder approval, to allot and issue 1,000,000 Options to each of Mr Peter Lester, Mr Jeff Sells and Ms Erica Smyth, who are non-executive directors of the Company.

The Board has reviewed the market standard of remuneration for non-executive directors, and considered it appropriate to issue the proposed number of Options to each of Mr Lester, Mr Sells and Ms Smyth in order to retain their services and provide incentive linked to the performance of the Company.

Shareholder approval is required under ASX Listing Rule 10.11 and section 208 of the Corporations Act because Mr Lester, Mr Sells and Ms Smyth are directors of the Company and, as such, related parties of the Company. If shareholder approval is given under ASX Listing Rule 10.11, shareholder approval is not required under ASX Listing Rule 7.1.

For the purposes of ASX Listing Rule 10.13 and section 219 of the Corporations Act information regarding the proposed options grant is provided as follows to the extent that such information is not disclosed elsewhere in these Explanatory Notes:

- (i). Subject to shareholder approval, it is proposed that Mr Lester, Mr Sells and Ms Smyth will each be granted 1,000,000 options to subscribe for new ordinary shares in the Company. It is considered appropriate to grant options to Mr Lester, Mr Sells and Ms Smyth as a key component of their remuneration in order to retain their services and to provide incentive linked to the performance of the Company. There are no additional performance criteria on the options given the Board and management team responsible for running the Company. It is considered the performance of Mr Lester, Mr Sells and Ms Smyth and the performance and value of the Company will be closely related. As such, the options to be granted will only be of benefit if Mr Lester, Mr Sells and Ms Smyth perform to the level whereby the value of the Company increases sufficiently to warrant exercising the options. It is considered that any additional performance criteria is not warranted.
- (ii). The breakdown of the options that the Directors (or their nominee) will receive in accordance with Resolution 4 is highlighted in the following table:

Director	No. of Options	Exercise Price	Exercise Period	Value per Option	Total Value
Peter Lester	1,000,000	\$0.73	20 Nov 2008 to 19 Nov 2012	\$0.123	\$123,000
Jeff Sells	1,000,000	\$0.73	20 Nov 2008 to 19 Nov 2012	\$0.123	\$123,000
Erica Smyth	1,000,000	\$0.73	20 Nov 2008 to 19 Nov 2012	\$0.123	\$123,000



No funds will be raised by the grant of the options as they are being granted for no consideration. Each option proposed to be granted entitles the holder to subscribe for one share in the Company at the specified exercise price of \$0.73 per share exercisable during the exercise period specified above. Shares issued on exercise of the options will rank equally in all respects with the existing fully paid ordinary shares in the Company.

(iii). **Summary of the key terms and conditions of the Options**

- Each option is to subscribe for one fully paid ordinary share in the Company and will expire on 19 November 2012. Options will be issued free.
- An option is exercisable at any time during the stipulated exercise period subject to any vesting or escrow conditions applicable. Options not exercised before the expiry of the Exercise Period will lapse.
- Options are exercisable by notice in writing to the Board delivered to the registered office of the Company and payment of the Exercise Price in cleared funds.
- The Company will not apply for official quotation of any options. The Company will make application for official quotation on ASX of new shares allotted on exercise of the Options. Shares issued as a result of the exercise of options will rank equally with the Company's previously issued shares.
- Subject to any restriction agreement, Options are freely transferrable.
- Option holders may only participate in new issues of securities by first exercising their options. If there is a bonus issue to the holders of ordinary shares in the capital of the Company, the number of Ordinary Shares over which the option is exercisable will be increased by the number of ordinary shares which the Option would have received if the Option had been exercised before the record date for the bonus issue. If the Company makes a rights issue (other than a bonus issue), the exercise price of the Options on issue will be reduced according to the following formula:

$$A = \frac{O - E [P - (S+D)]}{N + 1}$$

A = the new exercise price of the Option.

O = the old exercise price of the Option.

E = the number of Shares into which one Option is exercisable.

P = the average closing sale price per Share (weighted by reference to volume) recorded on the stock market of ASX during the 5 trading days immediately preceding the ex rights date or ex entitlements date (excluding special crossings and overnight sales and exchange traded option exercises).

S = the subscription price for a security under the pro rata issue.

D = the dividend due but not yet paid on the existing underlying securities (except those to be issued under the pro rata issue).

N = the number of securities with rights or entitlements that must be held to receive a right to one new security.



- (iv). A valuation of the options has been conducted and this value included in paragraph (ii). The valuation imputes a total value of the options to be issued to each Director (or nominee) at \$123,000. The value may increase or decrease after the date of the valuation as it will depend upon the future price of shares in the Company. The valuation has applied the Black-Scholes valuation methodology together with the following assumptions:
- (a). a volatility index of 85.23% based on the historic volatility of the Company's shares;
 - (b). The stock price on the issue date has been estimated at \$0.24, being the 30 day VWAP to 9 October 2008, being the day immediately before the date this Notice was lodged at ASIC;
 - (c). for the purposes of the valuation it is assumed that the options will not be exercised any earlier than the expiry date; and
 - (d). a risk free rate of 6.28% has been used.
- (v). The following table demonstrates the dilution of all other shareholdings in the Company upon exercise of the options issued to the Directors under Resolution 4 assuming that shareholders pass the resolution:

Current shares issued	494,670,520
Shares issued assuming all existing options are exercised	505,240,520
Shares issued assuming exercise of all the options referred to in Resolution 4	3,000,000
Total shares	508,240,520
Dilution effect	0.59%

- (vi). The market price of shares in the Company would normally determine whether or not the Directors (or their nominee) will exercise the options. If the options are exercised at a price that is lower than the price at which shares are trading on ASX, there may be a perceived cost to the Company. The highest, lowest and last recorded closing market price of the shares quoted on ASX during the period from 20 November 2007 to 9 October 2008, being the day immediately before the date this Notice was lodged at ASIC were:

Highest	\$0.53 on 20 November 2007
Lowest	\$0.145 on 9 October 2008
Last	\$0.145 on 9 October 2008

(vii). General

- (a). In addition to the options proposed to be granted to Mr Lester, Mr Sells and Ms Smyth (or their nominee), for the financial year ended 30 June 2008, Mr Lester, Mr Sells and Ms Smyth received directors fees (including superannuation) as follows:

Directors	Directors Fees
Peter Lester	\$36,667
Jeff Sells	\$36,667
Erica Smyth	\$43,333

- (b). The Directors are also entitled to reimbursement of all reasonable travelling, accommodation and other expenses that they properly incur in attending meetings of directors or any meetings



of committees of directors, in attending meetings of shareholders or in connection with the business of the Company.

- (c). The current share and option holdings of the Directors and associates are as follows:

Director	Shares		Options	
	Direct	Indirect	Direct	Indirect
Peter Lester	-	-	-	-
Jeff Sells	-	16,000	-	-
Erica Smyth	53,037	-	-	-

- (d). The share and option holdings of the Directors and associates if this resolution is passed will be as follows:

Director	Shares		Options	
	Direct	Indirect	Direct	Indirect
Peter Lester	-	-	1,000,000	-
Jeff Sells	-	16,000	-	1,000,000
Erica Smyth	53,037	-	1,000,000	-

- (e). The Directors (other than Mr Peter Lester, Mr Jeff Sells and Ms Erica Smyth) do not have an interest in the outcome of Resolution 4 and recommend that shareholders vote in favour of Resolution 4.
- (f). If Resolution 4 is passed, the options to be granted to the Directors (or their nominee) will be granted not later than 1 month after the date of the meeting.

Resolution 5: Approval of Employee Share Option Plan

The purpose of the Company's Employee Share Option Plan ("**ESOP**") is to provide employees of the Company with an opportunity to acquire an equity interest in the Company, which will further align their interest with shareholders and provide an incentive to reach long-term goals. The ESOP also assists in attracting and retaining key staff.

Under the ASX Listing Rules, a company is not specifically required to seek shareholder approval for an ESOP. However, ASX Listing Rule 7.1 provides that a company must not issue (or agree to issue) securities in any 12 month period which amount to more than 15% of the company's issued share capital at the commencement of that 12 month period without gaining shareholder approval (unless an exception applies). Pursuant to Exception 9 of Listing Rule 7.2, an issue of securities under an employee incentive scheme is an exception to Listing Rule 7.1 if, within 3 years before the date of issue, shareholders approved the issue of securities under the scheme as an exception to Listing Rule 7.1.

Shareholder approval is therefore being sought for the issue of securities under the ESOP for the purposes of Exception 9 of Listing Rule 7.2.

For the purposes of Exception 9 of Listing Rule 7.2, a summary of the key terms and conditions of the ESOP is provided below:

Summary of the key terms and conditions of the Toro Energy ESOP



- All employees (full and part time) will be eligible to participate in the Plan after a qualifying period of 12 months employment by a member of the Group, although the board may waive this requirement.
- Options are granted under the Plan at the discretion of the board and if permitted by the board, may be issued to an employee's nominee.
- Each option is to subscribe for one fully paid ordinary share in the Company and will expire 5 years from its date of issue. An option is exercisable at any time from its date of issue subject to any vesting or escrow conditions applicable. Options will be issued free. The exercise price of options will be determined by the board, subject to a minimum price equal to the market value of the Company's shares at the time the board resolves to offer those options. The total number of shares the subject of options issued under the Plan, when aggregated with issues during the previous 5 years pursuant to the Plan and any other employee share plan, must not exceed 5% of the Company's issued share capital.
- If, prior to the expiry date of options, a person ceases to be an employee of a Group company for any reason other than retirement at age 60 or more (or such earlier age as the board permits), permanent disability, redundancy or death, the options held by that person (or that person's nominee) automatically lapse on the first to occur of a) the expiry of the period of 6 months from the date of such occurrence, and b) the expiry date. If a person dies, the options held by that person will be exercisable by that person's legal personal representative.
- Options cannot be transferred other than to the legal personal representative of a deceased option holder.
- The Company will not apply for official quotation of any options.
- Shares issued as a result of the exercise of options will rank equally with the Company's previously issued shares.
- Option holders may only participate in new issues of securities by first exercising their options.

For the purposes of Exception 9 of Listing Rule 7.2, 2,720,000 options have been issued under the ESOP since the date of the last approval upon listing.


A copy of the plan is available at no cost by request to the Company Secretary. The Directors recommend that Shareholders vote in favour of Resolution 5. The Chairman intends to vote undirected proxies in favour of Resolution 5.


Interpretation

Terms defined in the Notice of Meeting have the same meaning in the Explanatory Notes.

000001 000 TOE
MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Lodge your vote:



 **Online:**
www.investorvote.com.au


 **By Mail:**
Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

For all enquiries call:
(within Australia) 1300 556 161
(outside Australia) +61 3 9415 4000

Proxy Form

 Vote online or view the annual report, 24 hours a day, 7 days a week: www.investorvote.com.au	
<input checked="" type="checkbox"/> Cast your proxy vote <input checked="" type="checkbox"/> Access the annual report <input checked="" type="checkbox"/> Review and update your securityholding	<p>Your secure access information is: Control Number: 999999 SRN/HIN: I9999999999 PIN: 99999</p> <p> PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.</p>

 **For your vote to be effective it must be received by 11.00am (Adelaide time) Monday 24 November 2008**

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote as they choose. If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions for Postal Forms

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.computershare.com.

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**GO ONLINE TO VOTE,
or turn over to complete the form** →

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

Proxy Form

Please mark to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Toro Energy Limited hereby appoint

the Chairman of the meeting OR

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the Annual General Meeting of Toro Energy Limited to be held in Ballroom 1, at the Sebel Playford Hotel, 120 North Terrace, Adelaide, South Australia on Wednesday, 26 November 2008 at 11.00am and at any adjournment of that meeting.

STEP 2 Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

ORDINARY BUSINESS

	For	Against	Abstain
1 Adoption of the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-election of Mr Derek Carter as a Director of the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Re-election of Dr Ian Gould as a Director of the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

SPECIAL BUSINESS

4 Approval of Issue of Options to Directors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Approval of Employee Share Option Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name _____

Contact Daytime Telephone _____

Date ____/____/____