



Chairman's Address 2007 Annual General Meeting

Before I consider the matters before the meeting today, I refer you to the Chairman's Report contained within the Company's 2007 Annual Report, and would like to make further comment.

Toro Energy has almost completed its merger via takeover with Nova Energy, and is now in the compulsory acquisition phase which should be complete in early December. Today it is my pleasure to welcome the new Board members from Nova onto the Toro Board, along with the Nova employees who have joined our Company. Your Managing Director, Mr Greg Hall, will later update you on some of the detail of the expanded Toro Energy's activities.

The uranium market within the global nuclear power industry continues to be very strong in the medium to long term. A continuing need for reliable base-load power, combined with the increasing focus on greenhouse emissions reduction and energy security, has seen a resurgence in the number of countries now considering nuclear power as part of their energy mix. Along with this, nuclear energy expansion programs in existing nuclear power countries are ensuring the demand for uranium supplies continues to grow.

The expansion of the uranium mining industry globally is now underway, albeit at a slower rate than anticipated. Production and start-up issues that can plague any new mining venture are moderating the rate of growth of the industry. Customers are increasingly extending the duration of their long term uranium purchase planning, trying to ensure they lock in supplies for their energy needs into the future. As in other commodities, many customers are becoming increasingly wary of domination by large consolidating suppliers, and hence there is substantial support for new emerging producers into the uranium supply sectors.

In regard to access and development opportunities for uranium, we are also seeing a changing political scene. Where once global policies were formed on the basis of anti-nuclear sentiment, we are seeing a shift globally to an environmental, scientific, commercial and national energy security basis for these policies. The UK Labor Government has recently stated that nuclear power needs to be an ongoing part of its energy mix if it is to have any chance of providing adequate energy for the nation, while reducing its greenhouse emissions. The UK joins a long and expanding list of countries which now embrace this policy, overtly or covertly. Europe overall for example derives about 30% of its electricity from nuclear facilities.

The Australian Federal Labor party this year abolished its "no new uranium mines" policy, recognising our opportunities, and indeed our responsibilities as a supplier to countries like the UK, Europe and others, that depend on reliable access to uranium from well-managed operations to support their energy needs.

South Australia and the Northern Territory have a substantial experience base in the operation, regulation and start-up of uranium mines. Both State Labor Governments in these regions have clearly expressed their willingness to proceed with existing mine expansions and new mines. Indeed, the South Australian Government has led the way on policy change.

It is clear in this changing dynamic that the anti-uranium mining policies of the Western Australian, NSW and Queensland Governments are looking increasingly anomalous, even within their own parties. We believe there will be substantially more serious consideration of these policies, for example leading up to the next state election in Western Australia. Groups such as the Australian Uranium Association, of which Toro is a member, are focusing to ensure correct information flow into these debates, and hopefully the anomalous policy in WA will be normalised.

The expanded Toro Energy now represents a significant set of assets and people, with a geopolitical spread of projects and exploration within Australia and Africa providing shareholders with exposure to excellent opportunities in the uranium business. A key strategy for the company going forward is to continue to explore, evaluate and advance these assets, to extract enhanced value for our shareholders. While further projects and consolidation opportunities will continue to be evaluated where appropriate, it is our strong intention to focus now on the growth potential within our existing resource projects and exploration opportunities.

In short, Toro shareholders can confidently expect a great deal of drilling and project activity in 2008.