

ASX Release



TORO ENERGY LIMITED
ACN 117 127 590

Toro Energy Confirms Moroccan Uranium Potential

Toro Energy Limited ("Toro", ASX code "TOE") signed a Memorandum of Understanding with The National Office of Hydrocarbons and Minerals (ONHYM) of Morocco and subsequently held meetings and conducted a site visit in June.

Although further research and site visits will be necessary prior to entering into Joint Venture discussions, Toro's new field work in recent weeks has confirmed the potential of uranium mineralisation in all three Moroccan areas under consideration.

Haute Moulouya

- Potential for roll-front and palaeochannel uranium deposits exists in sediments overlying uranium bearing granites;
- Uranium concentrations of up to 1200 ppm (0.12%) U_3O_8 reported by previous exploration;
- Lead has been mined in the vicinity, and any Joint Venture over this area will include uranium and lead.

Wafagga

- Reported to contain uranium in numerous palaeochannels;
- Uranium mineralisation has been documented through drilling and exploratory underground workings with the best diamond drill hole reported to contain 1 metre at 1295 ppm (0.13%) U_3O_8 ;
- Uranium mineralisation is reported to occur within lenses measuring from 20-50m x 10m x 1m to 500m x 6m x 6m;
- The tenor of the mineralisation reported in these lenses ranges from 300ppm (0.03%) to 1000ppm (0.1%).

Sirwa

- Contains the historic Zgounder silver mine, which has associated uranium.

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Background

On 26 April 2007 Toro signed a Memorandum of Understanding (“MoU”) with the Moroccan Government for an exclusive prospect evaluation study over regions containing historic uranium mineralisation in Morocco.

Under the terms of the agreement, Morocco’s Office National des Hydrocarbures et des Mines (“ONHYM”) granted Toro exclusive evaluation and review rights for a six month period covering three regional areas of interest, Haute Moulouya-Ment, Wafaga and Sirwa (Figure I).

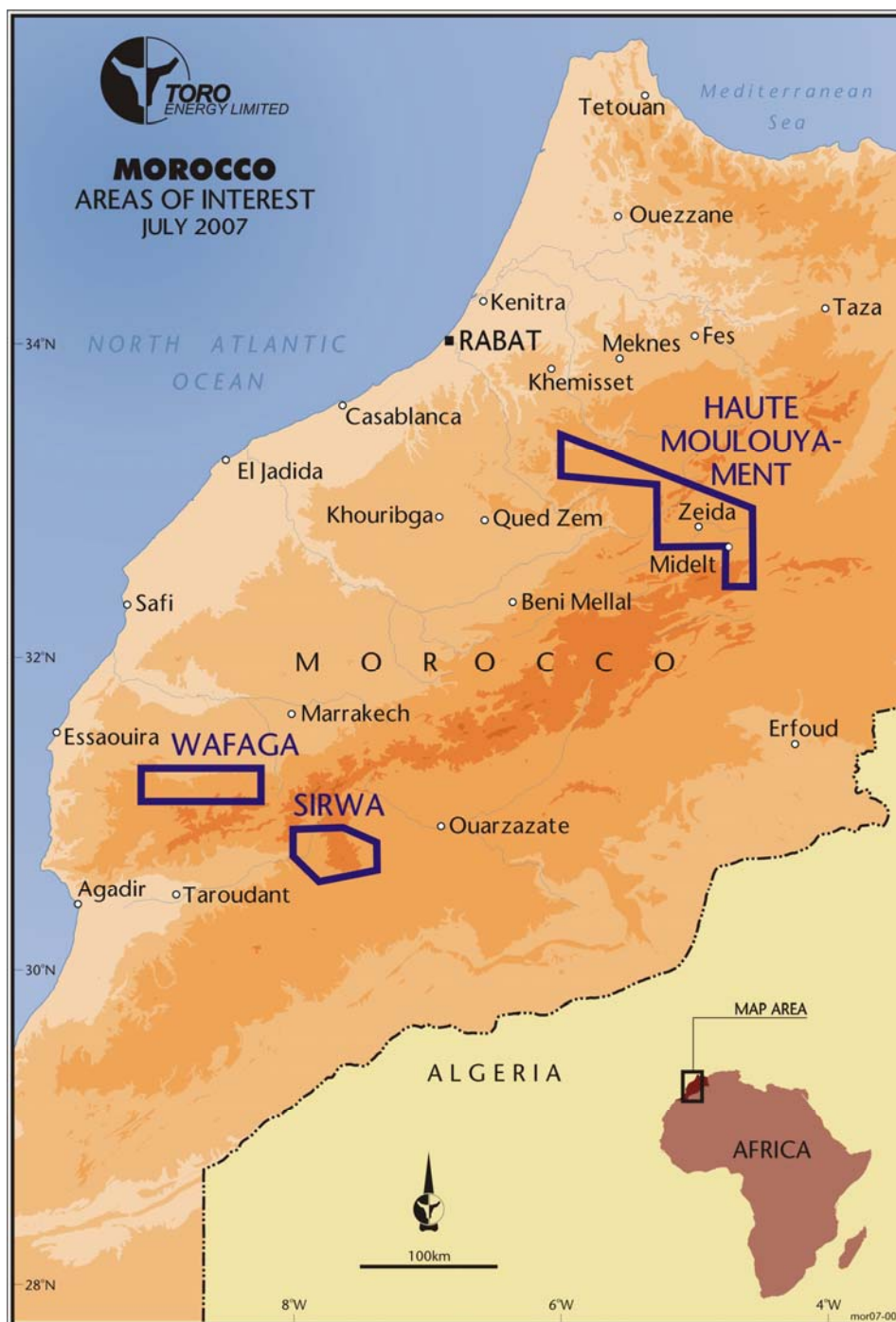


Figure I: Areas of Interest

Morocco is a developing country and the Government is encouraging foreign investment to review its mineral endowment. The Moroccan Government is keen to evaluate and develop potential uranium mineralisation within its boundaries, most of which were identified during exploration by French and Russian geologists prior to 1982.

The agreement allows Toro to review and evaluate these areas up to mid December 2007. Toro has the exclusive right to negotiate and enter into joint venture arrangements with ONHYM for more detailed exploration and development work subsequent to this.

In June 2007, Toro undertook a series of meetings and field visits in Morocco with the objective of gathering information and making a preliminary assessment of the uranium mineralization in the three areas included in the MoU.

An experienced Moroccan geologist has now been employed to continue this work.

Haute Moulouya-Ment Area

This area is located 200 kilometres east of Casablanca.

In the Haute Moulouya area to the east, basement is Hercynian granite and contact metamorphosed Cambro-Ordovician schist, which is overlain unconformably by flat lying Triassic conglomerate, coarse-grained arkose and sandstone followed by siltstones and red marls. Historic lead mining has taken place in the contact metamorphosed schists and in the Triassic arkoses overlying granite.

The granites have high background uranium content (reported to be 12 ppm U_3O_8) and uranium enrichment, reported to be up to 5000ppm (0.5%) U_3O_8 , is associated with near surface iron enriched veins, fracture fillings, surface coatings and breccias, often associated with barite. Where tested by drilling, these higher values commonly decrease with depth. Although the uranium enrichment in the granite is not considered to have any resource potential, it represents an excellent source for mineralization in the overlying arkose.

The immature arkoses overlying the granites have potential for channel and roll front uranium deposits and in drilling by the Bureau de Recherches et de Participations Minières (BRPM) in 1977-78 uranium values of 947 and 1200 ppm (0.09-0.12%) U_3O_8 were reported over 30 and 20 cm respectively. A Japanese study of part of the area in 1978-80 resulted in a Track Etch anomaly that was tested with 31 widely spaced drill holes over 20 square kilometres. Five of the holes had reported U_3O_8 values in the range 130-318 ppm (0.01-0.03%), with the best being 516 ppm (0.05%) over 20 cm.

As the lead deposits in the area occur in the same sedimentary horizon as the target uranium deposits, any Joint Venture would cover both uranium and lead.

The next stage in the evaluation of the Haute Moulouya area will be the gathering of all available data relating to the distribution and lithology of the basal Triassic arkoses and related rocks, to identify the most favourable zones for the occurrence of channel and roll-front uranium deposits. This phase of the program will be completed during the next two months and will be followed by a second field visit in September.

The Ment area to the west covers an Hercynian granite intrusive into Carboniferous strata and has a well developed contact metamorphic aureole. A 7 kilometre quartz vein has an iron enriched zone over 2 kilometres of its length that is described as having high radioactivity and uranium minerals autunite and torbernite have been identified.

The average U_3O_8 content at the surface is reported as 650 ppm (0.07%) but was shown in a 47m deep shaft to diminish with depth. This area was not seen on the recently completed trip, but will be included in the next field trip.

Wafagga

This area is located 90 kilometres south west of Marrakech in a Cretaceous sedimentary basin on the northern flank of the High Atlas mountain range. Mineralization occurs within interstratified sandstone and red argillite about 200 metres thick with a central zone of grey, sandstone lenses containing carbonaceous material and pyrite deposited in palaeochannels (Figure 2).

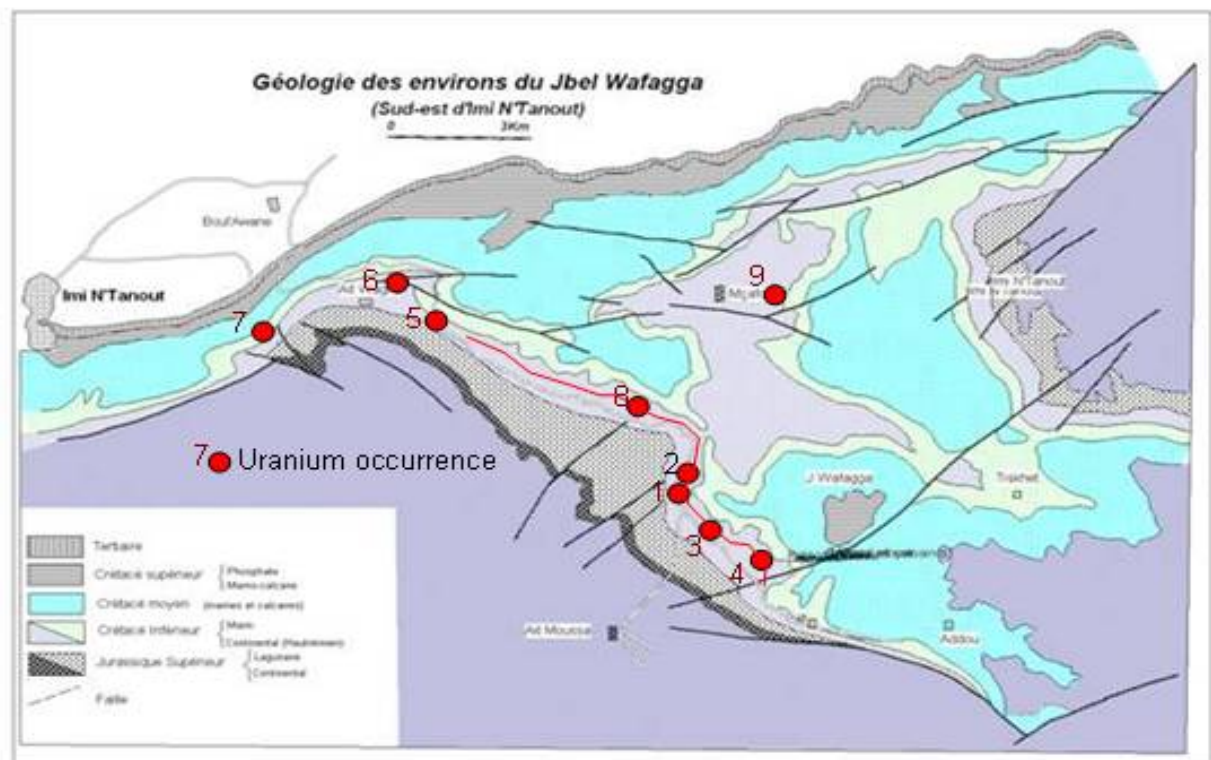


Figure 2: Geology and Uranium Mineralisation, Wafagga Area

The area was actively explored by BRPM between 1977 and 1982 with mapping, radiometric surveys, trenching, drilling and exploratory underground workings being undertaken.

BRPM concluded:

- There are about 50 uraniferous palaeochannels with uranium contents between 10 and 200 ppm U_3O_8 , with the more carbonaceous zones containing up to 1000 ppm U_3O_8 .
- The best results from drilling are 4 metres at 700 ppm U_3O_8 from a percussion hole and 1 metre at 1295 ppm U_3O_8 from a diamond drill hole.
- Based on the drilling and underground workings, two geometric types of mineralized bodies were identified with smaller lenses measuring 20-50m x 10m x 1m, and larger lenses measuring 500m x 6m x 6m. The tenor of the mineralisation reported in these lenses ranges from 300ppm (0.03%) to 1000ppm (0.1%). At the time, no economic reserve was established with the major constraint considered to be the continuity of the mineralization.

This exploration data will be reassessed over the next two months and follow-up programs, where applicable initiated.

Sirwa

This area, located 100 kilometres south south east of Marrakech, contains the Zgounder silver deposit which was mined intermittently from the 13th century, but most recently in the period 1982-90 when 500,000 tonnes of ore at 300 grams/tonne was mined. A significant silver resource has subsequently been identified.

Radioactivity associated with the silver mineralization was first reported in 1970, and systematic sampling from the mine levels was carried out in 1977-78. Although elevated uranium values occur sporadically on most levels sampled, there is a reported coherent uranium-bearing zone 30 centimetres wide and 30 metres long on the 2000 metre level with an average U₃O₈ content of 667 ppm (0.07%) and 5 grams/tonne Ag.

Field examination and scintillometry of the surface outcrop and scree was undertaken, and although background counts were relatively high, no highly anomalous zones were identified. At this stage there is insufficient information to assess the merits of this area and a more detailed assessment of past work will be necessary.

In any Joint Venture that includes the Zgounder Mine, Toro would only have rights to uranium, with the value of the silver resource subject to separate negotiation.

Yours faithfully



Greg Hall
Managing Director

The information in this report that relates to Exploration Results is based on information compiled by Dr Geoff Hudson and Mr Andrew Bowden. Dr Hudson is a Fellow of the Australasian Institute Mining and Metallurgy. Dr Hudson is employed as the Exploration Manager for Toro Energy Limited. Dr Hudson has more than five years relevant experience in the geological settings and style of mineralisation under consideration and consents to inclusion of the information in this report and context in which it appears. He qualifies 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 Bowden is a Fellow of the Geological Society of London, a Chartered Geologist and a Chartered Scientist. Mr Bowden has over 30 years experience in mineral exploration including more than 10 years in uranium exploration in the geological setting and styles of mineralisation under consideration. Mr Bowden consents to inclusion of the information in this report and context in which it appears. He qualifies under ROPO rules to act as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for reporting of Exploration Results, Mineral Resources and Ore Reserves'.

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