

Toro Energy Limited

**Address by the Chairman
Dr Ian Gould**

**Annual General Meeting
23 November 2006**

To Shareholders and Guests

Welcome to the first Annual General Meeting of Toro Energy Limited.

It is a great pleasure to be here with you this morning to celebrate the first months of achievement for Toro Energy, and to look forward to an even more exciting future.

The inaugural Chairman's Report for Toro Energy is contained in the Annual Report and remains pertinent at this time, but there are a number of points that I would like to emphasise to you today.

Although we are at an early stage in Toro's proposed long history, I can report to shareholders that the company is progressing purposefully along the path towards our goal of becoming a significant future producer of uranium.

Since the company's float in March, the importance of uranium in the world energy mix has been further emphasised, as has the vulnerability of supply.

Market prices have advanced strongly this year on the recognition that secure energy supplies from reliable sources like Australia are important to nuclear utility customers, and more recently on the back of Cameco's Cigar Lake mine flooding in Canada. This latter event reminds us of the current tight balance between uranium supply and demand, and the continuing requirement for new mine production and the exploration that supports this.

Community and political acceptance of nuclear energy internationally is growing, against a background of escalating carbon emission concerns. More and more countries are now considering nuclear power as a valid and reliable part of their energy mix. In the past three years the list of nuclear power plants under construction or planned has grown from around 50 to over 90.

Perhaps ironically, many of the mechanisms to address greenhouse concerns are themselves energy-intensive. For example, if desalination of sea water becomes the necessity that some are predicting in the light of climate change, we can expect to see even larger demands for nuclear heat, beyond those of electricity generation. Further out there may well be the need for large scale hydrogen generation. The technology to produce on demand, carbonless heat is becoming more secure and less capital intensive, with more efficient and standardised reactor designs, that are even less sensitive to uranium fuel costs.

On Monday last week the Report of the Uranium Industry Framework Steering Group was released. The Report forecasts growth in uranium demand of over 50% through the next five to ten years. It reviewed the Australian uranium industry and identified the key issues that need to be addressed to enable the industry to reach its economic potential on a sustainable basis. The Report also documents the robust policy and safeguards arrangements under which Australian uranium is currently exported.

This week saw the release of the Draft Report of the Prime Minister's Nuclear Review Panel on Uranium Mining, Processing and Nuclear Energy. I was able to attend this report release on Toro Energy's behalf, and can advise that the key messages on uranium mining included:

- Australia has 38% of the world's low cost resources
- Australia has very high standards in uranium mine occupational health and safety, and environmental management, including very good rehabilitation planning
- Provided these strict standards, emphasised by uranium companies and government regulators, were maintained, the Panel saw no reason not to expand uranium mining in Australia.
- Increasing exports of Australian uranium would not increase the risk of proliferation of nuclear weapons

- Uranium production is expected to increase from 12,000t today to 20,000t by 2015
- Issues which may impact this include skill shortages, land access, complex regulation and transport

In April 2007 the Federal Labour Party is planning to debate its existing “no new uranium mines” policy. Toro Energy joins other potential future uranium producers in encouraging a realistic and open minded discussion about uranium mining within Australia, for supply to the growing nuclear power market.

Toro Energy has an unequalled suite of exploration tenements in South Australia and is confident that this environment (containing over a third of known world uranium resources) will yield additional and substantial deposits, beyond those known from historic exploration. Toro Energy has an expanding exploration team, and is now positioned for a systematic and sustained program of exploration, and indeed has already made significant progress on upgrading several prospects. I would also like to mention that the Primary Industries and Resources group here in South Australia provide an invaluable service both technically, professionally and financially to exploration groups such as ours.

Whilst Toro Energy is proudly a uranium exploration company, management are also very actively monitoring and investigating acquisition opportunities for more advanced exploration prospects and resources, as already demonstrated by the rationalisation of the Warrior Project. However, Toro's objective is to become a producer in its own right, and hence will ensure that growth opportunities will actually add value in the form of uranium resources or advanced exploration targets, which can realistically lead to mine development opportunities.

In short, Toro Energy has to date progressed as planned and is now actively moving forward into a very favourable market for its commodity. It is putting a strong management team in place, with current tenement holdings in a geological environment with excellent potential, in a State with overtly supportive bipartisan politics for uranium mining and exploration, and is actively evaluating advanced exploration and resource projects around Australia and overseas.

Toro Energy recognises the significant work and support by Minotaur Exploration Ltd and Oxiana Ltd in undertaking the IPO, the planning and groundwork for initial exploration programs, and ongoing corporate and business advice.

I would like to thank the new staff, contractors and consultants of Toro Energy for the significant contribution they have made to the start up and initial activities of the Company.

The Managing Director of Toro Energy, Mr Greg Hall, will make an update presentation of the Company's activities after the formal part of the meeting.