



1 September 2009

ASX Code: TOE

ACN 117 127 590

TORO ENERGY LIMITED
3 Boskenna Avenue
Norwood 5067
South Australia

Tel: +61 8 8132 5600
Fax: +61 8 8362 6655

W: www.toroenergy.com.au
E: info@toroenergy.com.au

Toro's WA Wiluna uranium project Optimisation Study delivers better than expected results

HIGHLIGHTS

- A 28% reduction in operating costs to A\$39.7/lb U₃O₈ (US\$29.8/lb) from A\$53.9/lb (US\$40.4/lb) previously;
- A 17% reduction in upfront capital costs down to A\$162 million (US\$121m) from A\$195m (US\$146m) previously
- A 31% improvement in the Resource grade to 548 parts per million (ppm) U₃O₈ from 419ppm U₃O₈ previously (refer Table 1);
- Substantial (38%) increase in average head grade to 653ppm U₃O₈ from 472ppm U₃O₈ previously
- An average annual U₃O₈ production target of 731 tonnes (1.6 million lbs) up from 680 tonnes (1.5 million lbs) previously.

Major gains in resource grade, capital and operating cost reductions and improved production estimates have resulted from Toro Energy Limited's recent Optimisation Study for the Company's Wiluna Uranium Project in Western Australia.

The study has concluded that an alkaline heap leach option with direct precipitation is the preferred project development route going into the Bankable Feasibility Study, subject to a project risk review process and environmental considerations.

The optimisation study took 10 months to complete drawing on a range of in-house Toro expertise and consultants, including GDR Minproc and SRK Consultants. The study considered two main options; Alkaline Heap Leach and Alkaline Agitated Leach. Both options reported significantly improved and positive economics.

Speaking on the results, Toro Managing Director Greg Hall said "we are extremely pleased that the results of the Optimisation Study have significantly enhanced the economics of the Wiluna Uranium Project and provide a solid platform for our Bankable Feasibility Study due to commence in the December quarter 2009."

Toro is confident that these improved economics can deliver sustainable uranium production with sound investment returns from either process at current and forecast long-term uranium prices over a planned 10 year life.

A summary of major economic parameters includes:

	Alkaline Heap Leach	Alkaline Agitated Leach
Throughput	1.6mtpa	1.3mtpa
Head Grade	653ppm U₃O₈	668ppm U ₃ O ₈
Overall recovery	70%	86%
Average Annual Production	731t U₃O₈	746t U ₃ O ₈
Capital Costs	A\$162m (US\$121m)	A\$258m (US\$193m)
Operating Costs	A\$39.7 /lb (US\$29.8 /lb)	A\$45.1 /lb (US\$33.8 /lb)

The Company will now complete a project risk review prior to commencing a Bankable Feasibility Study (BFS). It is envisaged a BFS and formal approvals process will commence in the December quarter 2009.

Centipede and Lake Way are 100% Toro-owned deposits located 12km apart that together make up the Wiluna Uranium Project in Western Australia. The project is located 530km to the north of Kalgoorlie in WA, adjacent to significant existing infrastructure.

Wiluna Resource Study

The Wiluna Uranium Resource, (Centipede and Lake Way deposits) prepared in accordance with the JORC code, now includes the categories of Measured, Indicated and Inferred (ASX release 12 June 2009) as per Table I below:

		Current June-09				Previous May-08			
Prospect	Category	Resource Million Tonnes	Grade U ₃ O ₈ ppm	U ₃ O ₈ Tonnes	U ₃ O ₈ Mlb	Resource Million Tonnes	Grade U ₃ O ₈ ppm	U ₃ O ₈ Tonnes	U ₃ O ₈ Mlb
Centipede	Measured	0.30	588	177	0.39				
Centipede	Indicated	7.68	619	4,754	10.48	9.92	458	4,542	10.01
Centipede	Inferred	1.69	251	424	0.94	1.61	312	502	1.11
Lake Way	Inferred	10.53	543	5,714	12.60	14.30	404	5,791	12.77
Total		20.21	548	11,070	24.40	25.83	419	10,835	23.89

Table I: Current Wiluna Uranium Resource compared to previous Resource estimated using a 200ppm U₃O₈ cut-off

Wiluna Mining Study

The Wiluna mining study was completed by SRK Consultant's who constructed pit designs, and calculated mining capital cost estimates and operating cost estimates for both processing options. For the preferred project development of Alkaline heap Leach, a mining total of 62.13Mt using a 250ppm U₃O₈ cut off was estimated. This consists of 49.14Mt of waste. A total of 13Mt tonnes will be mined at a rate of 1.6Mt per year being processed, at an average head grade of 653ppm U₃O₈. A recovery factor of 70% was also applied for the Alkaline Heap Leach process in the Pre-Feasibility and this has been maintained for the optimisation mining study. A recovery factor of 86% was used for the Alkaline Agitated Leach process following metallurgical trials during the optimisation study. The previous recovery used for the Pre-Feasibility study was 81%.

Wiluna Financial Study

The capital savings for the project have been achieved principally through infrastructure and process plant redesign and cost re-estimation. The resulting capital cost estimates and operating cost estimates are shown on Tables 2 and 3 with comparisons to the 2008 Pre-Feasibility Study:

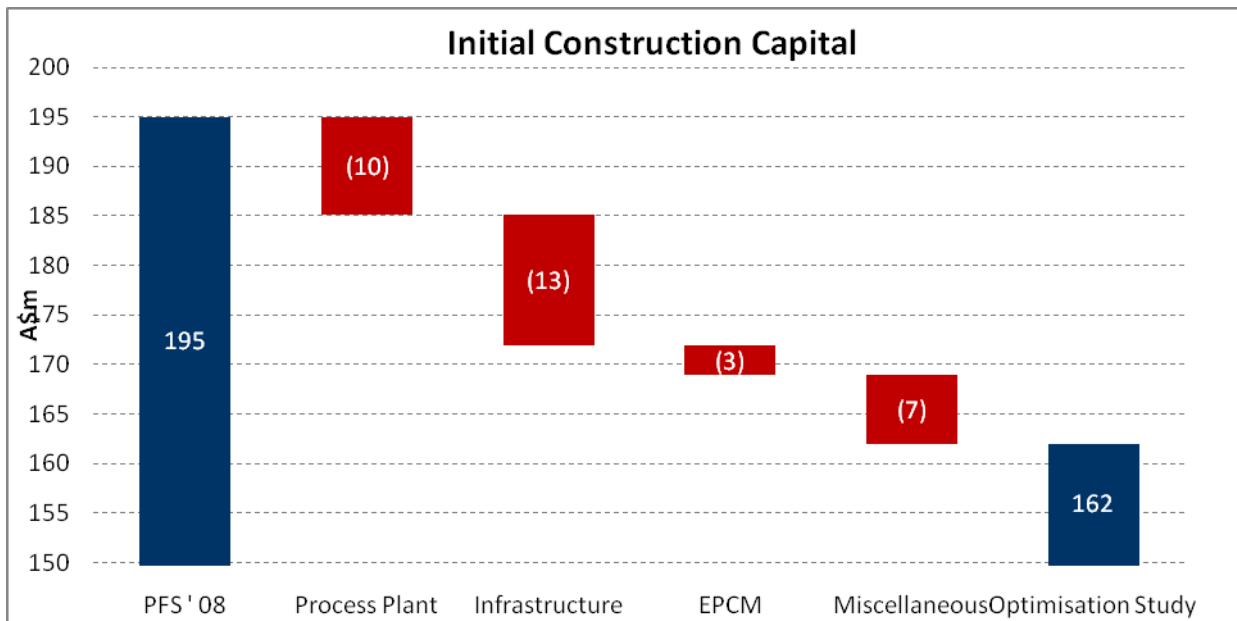


Table 2: Initial construction capital estimates for the Alkaline Heap Leach Process compared to the Pre-Feasibility estimates

Operating costs have largely been improved by the increased grade, processing and cost refinements. There is a small effect due to reduced uranium price assumptions as this impacts the royalty charge.

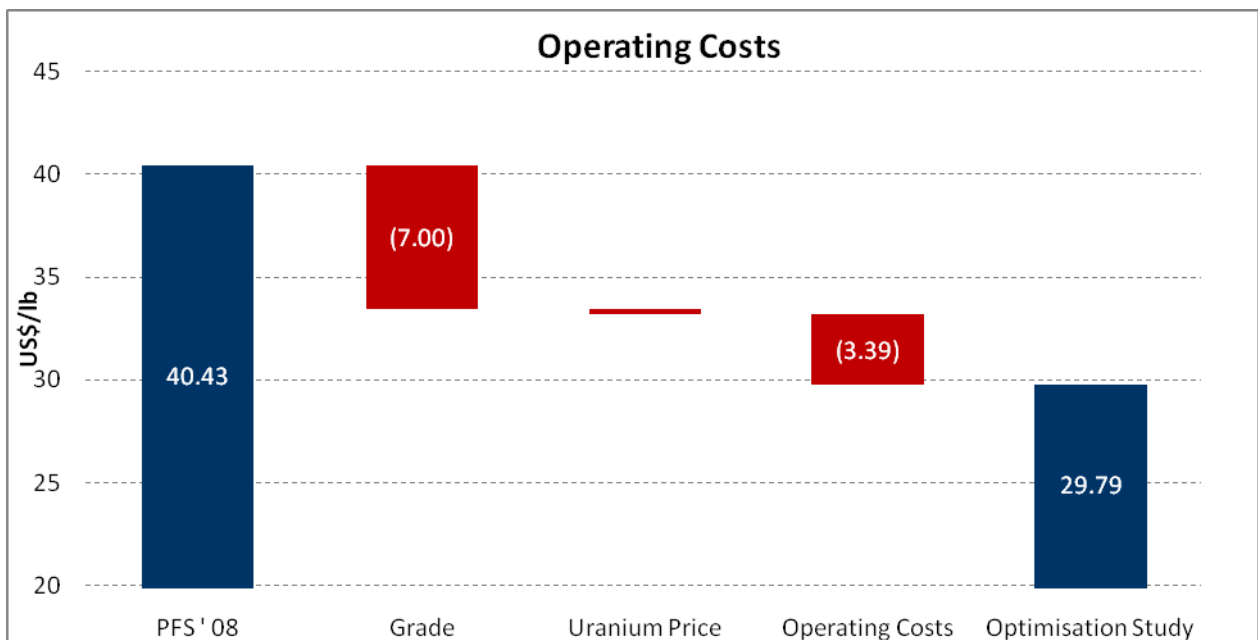


Table 3: Initial operating cost estimates for the Alkaline Heap Leach Process compared to the Pre-Feasibility estimates

Greg Hall
Managing Director

The information in this report that relates to the Optimisation Study is based on information compiled Mr Dayle Kenny who is a Member of the Australasian Institute of Mining and Metallurgy (AusIMM). Mr Kenny is a fulltime employee of Toro Energy, and has sufficient experience which is relevant to an optimisation study and the style of mineralisation under consideration and to the activity he is undertaking to qualify 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 Dayle Kenny consents to the inclusion in this release of the matters based on his information in the form and context in which it appears.

The information in this report relating to mineral resources is based on information compiled by Mr Daniel Guibal MinEng, MSc, FAusIMM(CP), MMICA, MGAA, who has more than five years experience in estimation of mineral resources and ore reserves. Mr Guibal is a full-time employee of SRK Consulting, and has sufficient experience relevant to assessment of this style of mineralization to qualify as a Competent Person as defined in the "Australian Code for Reporting of Mineral Resources and Ore Reserves". Mr Guibal consents to the inclusion of the information in the report in the form and context in which it appears.

MEDIA CONTACT:

Greg Hall	Toro Energy	08 8132 5600
Kevin Skinner	Field Public Relations	08 8234 9555 /
		0414 822 631