



# ASX Release

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## A\$40 million share placement to fully fund Wiluna Uranium Project bankable feasibility and approvals

### Highlights

- Placement of 83.4 million ordinary Toro shares issued at 15 cents each to domestic and international institutions and professional investors to raise A\$12.5 million (“Tranche 1 Placement”); an additional 49.9 million ordinary Toro shares will be issued to the same investors on a pro-rata basis subject to shareholder approval and satisfactory completion of the Tranche 3 Placement to raise a further A\$7.5 million (“Tranche 2 Placement”).
- Additional placement of 132.9 million ordinary shares to be issued at 15 cents each to Toro’s largest shareholder, OZ Minerals, to raise a further A\$19.9 million subject to shareholder approval and satisfactory completion of the Tranche 2 Placement, maintaining its 49.9% shareholding in Toro (“Tranche 3 Placement”).
- Gross proceeds of A\$40 million will be used primarily to fund approvals and a bankable feasibility study at Toro’s Wiluna Uranium Project in Western Australia through to completion in 2011, along with other project and consolidation opportunities.
- A General Meeting of Toro shareholders will be held in late October 2009 to vote on the Tranche 2 Placement and the Tranche 3 Placement.
- Proposed Share Purchase Plan to provide eligible qualifying Toro shareholders with the opportunity to each subscribe for up to A\$5,000 worth of new Toro ordinary shares at the same price as the placements.

### Share Placement

Toro Energy Ltd (“Toro” or “the Company”) is pleased to announce it is undertaking share placements to raise approximately A\$40 million.

A placement to institutional and professional investors totalling 133.3 million ordinary shares at 15 cents each will raise gross proceeds of approximately A\$20 million. The issue price represents a 22% discount to the 30-day VWAP of Toro shares prior to the trading halt on the ASX on 10 September, 2009.

This placement was well over-subscribed and made to a group of Australian and international institutions, and professional investors. The Lead Manager of the placement was Helmsec Global Capital Limited.

The placement will be completed in two tranches and is being undertaken pursuant to the “excluded offer” provisions (Section 708) of the *Corporations Act 2001* (Cth). The Tranche 1 Placement will be the issue and allotment of 83.4 million ordinary shares by 22 September 2009 pursuant to ASX Listing Rule 7.1.

The Tranche 2 Placement will involve the issue of 49.9 million ordinary shares subject to shareholder approval at a General Meeting of the Company scheduled to be held late in October 2009.

An additional placement of 132.9 million ordinary shares (or such lesser amount as may be necessary to maintain OZ Minerals' shareholding in Toro at 49.9%) will be issued to OZ Minerals, also at 15 cents each, to raise up to a further A\$19.9 million (the Tranche 3 Placement). The Tranche 3 Placement, which will be completed concurrently with the Tranche 2 Placement, is also subject to shareholder approval at the aforementioned General Meeting.

The Tranche 2 Placement and the Tranche 3 Placement are mutually interdependent in regard to shareholder approval with both placements requiring approval for each of them to proceed.

A Notice of Meeting and explanatory notes relating to the placements are expected to be dispatched to shareholders in approximately two weeks.

Toro's Managing Director, Mr Greg Hall, said "We are very pleased with the strong support for the Company from leading domestic and international institutions, and Australian professional investors. We are also very appreciative of the continued support from our major shareholder, OZ Minerals. Together, the gross proceeds of A\$40 million will enable Toro to commit to and fully fund a bankable feasibility study and the approvals process for the Wiluna Uranium Project to commence in October 2009, with an anticipated development decision in 2011 and first production in 2012. It also provides the Company with the opportunity to advance its other project and exploration work, along with consolidation opportunities".

### **Share Purchase Plan**

The Board of Toro has also resolved to offer eligible qualifying shareholders the opportunity to each subscribe for up to A\$5,000 worth of new Toro ordinary shares at the same price as the placements. Further details of the Share Purchase Plan will be announced shortly.

In relation to the Share Purchase Plan, Mr Hall said "The Toro Board is very mindful to offer our ongoing shareholders the opportunity to subscribe for new shares on the same terms as the placements, having not been able to participate in our rights issue of 2008 following the collapse of capital markets as a result of the global financial crisis".

### **Use of Funds**

Proceeds from the placements and the proposed Share Purchase Plan will be used primarily to advance the Wiluna Uranium Project in Western Australia through to an anticipated development decision in 2011. This work will include completion of a bankable feasibility study, on-site and pilot testing work for further project optimisation, State and Federal Government environmental and other regulatory approvals, and negotiation of indigenous agreements.

The funds will also be used to advance the evaluation of the Napperby Uranium Project northwest of Alice Springs in the Northern Territory, continue to progress high priority uranium exploration and project generation targets in Western Australia, the Northern Territory and South Australia, and evaluate consolidation opportunities in the uranium space. The recently announced Birrindudu project Joint Venture with major uranium producer Cameco is an example of the prospective projects to be pursued.

Toro has been advised in relation to the placements and the Share Purchase Plan by Gryphon Partners (Financial Adviser) and O'Loughlins Lawyers (Legal Adviser).

### **Greg Hall**

Managing Director

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