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Level 2, 35 Ventnor Avenue
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8 October 2010

Dear Shareholder

ANNUAL GENERAL MEETING

I am pleased to invite you to attend the Annual General Meeting of Toro Energy Limited to be held in Ballroom 3, at the Sebel Playford Hotel, 120 North Terrace, Adelaide, South Australia on Wednesday 10 November 2010 at 11.00 am.

An electronic copy of the 2010 annual report is available to download or view on the Company's website at www.toroenergy.com.au/reports.html. The 2010 annual report has also been sent by post to those shareholders who previously elected to receive a hard copy. In addition, the Company has also enabled online voting, details of which are explained on the Proxy Form

If you are unable to attend the meeting in person, I encourage you to return the enclosed Proxy Form or alternatively nominate a Proxy online. Please complete the online nomination or forward the manual Proxy Form by post or fax to the Company's Share Registry, Computershare Investor Services, so that it may be received by 11.00 am on Monday 8 November 2010.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'ESM', is written over a white rectangular background.

ERICA SMYTH
CHAIR
Encl.



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NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Shareholders of Toro Energy Limited will be held in Ballroom 3, at the Sebel Playford Hotel, 120 North Terrace, Adelaide, South Australia on Wednesday 10 November 2010 at 11.00 am.

Please note that an online version of the Company's 2010 Annual Report can be downloaded or viewed at www.toroenergy.com.au/reports.html. The 2010 Annual Report has also been sent by post to those shareholders who have previously elected to receive a hard copy. You can also vote online at www.investorvote.com.au by entering your Control Number, SRN/HIN and postcode, which are shown on the first page of the enclosed Proxy Form. Overseas Shareholders are able to select their country of residence rather than entering a postcode.

Ordinary Business

To receive and consider the Financial Statements for the year ended 30 June 2010 and accompanying reports of the Directors and Auditor.

To consider and, if thought fit, to pass the following resolutions as ordinary resolutions:-

- 1] **Adoption of the remuneration report**
"That the Company adopt the Remuneration Report for the year ended 30 June 2010 as set out in the Company's 2010 Annual Report."
- 2] **Re-election of Derek Carter as a Director of the Company**
"That Mr Derek Carter having voluntarily retired in accordance with ASX Listing Rule 14.5 and clause 6.1 of the Constitution of the Company, being eligible, and having offered himself for re-election, is re-elected as a Director with effect immediately following the conclusion of the meeting."
- 3] **Re-election of Ms Erica Smyth as a Director of the Company**
"That Ms Erica Smyth having voluntarily retired in accordance with ASX Listing Rule 14.4 and clause 6.1 of the Constitution of the Company, being eligible, and having offered herself for re-election, is re-elected as a Director with effect immediately following the conclusion of the meeting."

Explanatory Notes

The Explanatory Notes accompanying this Notice of Annual General Meeting are incorporated in and comprise part of this Notice of Annual General Meeting, and should be read in conjunction with this Notice.

Shareholders are specifically referred to the Glossary in the Explanatory Notes which contains definitions of capitalised terms used both in this Notice of Annual General Meeting and the Explanatory Notes.

Proxies

Please note that:

- (a) a member of the Company entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a member of the Company; and
- (c) a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

The **enclosed** proxy form provides further details on appointing proxies and lodging proxy forms.

“Snap-shot” Time

The Company may specify a time, not more than 48 hours before the meeting, at which a “snap-shot” of Shareholders will be taken for the purposes of determining Shareholder entitlements to vote at the meeting. The Company’s directors have determined that all Shares of the Company that are quoted on ASX as at the close of business 8 November 2010 shall, for the purposes of determining voting entitlements at the Annual General Meeting, be taken to be held by the persons registered as holding the Shares at that time.

Corporate Representative

Any corporate Shareholder who has appointed a person to act as its corporate representative at the meeting should provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that company’s representative. The authority may be sent to the Company and/or registry in advance of the meeting or handed in at the meeting when registering as a corporate representative.

Dated 8 October 2010

**BY ORDER OF THE BOARD
TORO ENERGY LIMITED**

A handwritten signature in black ink, appearing to read "Donald Stephens".

**DONALD STEPHENS
COMPANY SECRETARY**

Voting

A Proxy Form is enclosed with this Notice.

Glossary

“**ASX**” means ASX Limited ACN 008 624 691;

“**Board**” means the board of Directors;

“**Constitution**” means the constitution of the Company;

“**Director**” means a director of the Company;

“**Share**” means a fully paid ordinary share in the capital of the Company;

“**ASX Listing Rules**” means the official listing rules of ASX;

“**Company**” means Toro Energy Ltd ACN 117 127 590;

“**Corporations Act**” means Corporations Act 2001 (Cth);

“**Shareholder**” means a holder of a Share.

EXPLANATORY NOTES

Introduction

These Explanatory Notes set out information in connection with the business to be considered at the Annual General Meeting of Shareholders of Toro Energy Limited to be held in Ballroom 3, at the Sebel Playford Hotel, 120 North Terrace, Adelaide, South Australia on Wednesday 10 November 2010 at 11.00 am.

All resolutions are ordinary resolutions. They are separate resolutions and in no way dependent on each other. The following items of ordinary business will be considered at the meeting.

Resolution 1: Adoption of the remuneration report

The Annual Report for the year ended 30 June 2010 contains a Remuneration Report which sets out the remuneration policy for the Company and reports the remuneration arrangements in place for the Managing Director, specified Executives and non-executive Directors. The Remuneration Report is set out in the Directors' Report of the Annual Report.

Under the provisions of the Corporations Act, the shareholder vote is advisory only and will not require the Company to alter any arrangements detailed in the Remuneration Report, should the resolution not be passed. However, the Board has determined that it will take the outcome of the vote into consideration when reviewing the remuneration policy.

Resolution 2: Re-election of Mr Derek Carter as a Director of the Company

In accordance with ASX Listing Rule 14.5 and clause 6.1 of the Constitution at every Annual General Meeting one third of the Directors for the time being (excluding those who retire under clause 9.2 of the Constitution) must retire from office and are eligible for re-election. Accordingly Mr Derek Carter retires as a Director of the Company and, being eligible, offers himself for re-election. The Directors (other than Mr Carter) recommend that shareholders vote in favour of Resolution 2.

Resume of the candidate for re-election to the office of Director is as follows:-

Mr Derek Carter, MSc, FAusIMM (CP) Non-Executive Director

Mr Derek Carter has over 40 years experience in exploration and mine geology, including 17 years in management of ASX-listed exploration companies. He held senior positions in the Shell Group of Companies and Burmine Ltd before founding Minotaur Gold NL in 1993. He was Managing Director of Minotaur Exploration Ltd from its inception until early 2010 when he became Chairman of that company. He is also Chairman of Petrathem Ltd and is a Director of Mithril Resources Ltd which are both listed on the ASX.

Resolution 3 : Re-election of Ms Erica Smyth as a Director of the Company

In accordance with ASX Listing Rule 14.4 and clause 6.1 of the Constitution at every Annual General Meeting one third of the Directors for the time being (excluding those who retire under clause 9.2 of the Constitution) must retire from office and are eligible for re-election. Accordingly Ms Erica Smyth retires as a Director of the Company and, being eligible, offers herself for re-election. The Directors (other than Ms Smyth) recommend that shareholders vote in favour of Resolution 3.

Resume of the candidate for re-election to the office of Director is as follows:-

Ms Erica Smyth, MSc, FAICD, FAIM

Non-Executive Director

Ms Smyth was appointed to the Board on 30 October 2007, as Chair on 30 April 2009 and has over 35 years experience in the mineral and petroleum industries.

Ms Smyth is also the Chair of Scitech, ScreenWest and the Diabetes Research Foundation of WA. She is a Member of the Board of the Australian Nuclear Science and Technology Organisation (ANSTO), the Royal Flying Doctor Service (Western Operations) and the Cooperative Research Centre for Sustainable Resource Processing. Ms Smyth is a Fellow of the Australian Institute of Company Directors and the Australian Institute of Management.

Interpretation

Terms defined in the Notice of Meeting have the same meaning in the Explanatory Notes.

Lodge your vote:



Online:
www.investorvote.com.au



By Mail:
Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only
(custodians) www.intermediaryonline.com

For all enquiries call:

(within Australia) 1300 556 161
(outside Australia) +61 3 9415 4000

Proxy Form



Vote online or view the annual report, 24 hours a day, 7 days a week:

www.investorvote.com.au



Cast your proxy vote



Access the annual report



Review and update your securityholding

Your secure access information is:



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.



For your vote to be effective it must be received by 11:00am (Adelaide time) Monday 8 November 2010

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote as they choose. If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions for Postal Forms

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

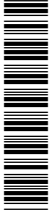
Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the information tab, "Downloadable Forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**GO ONLINE TO VOTE,
or turn over to complete the form →**



☐

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.

Proxy Form

Please mark ☒ to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

I/We being a member/s of Toro Energy Limited hereby appoint

☐

the Chair
of the Meeting **OR**



PLEASE NOTE: Leave this box blank if you have selected the Chair of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chair of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the Annual General Meeting of Toro Energy Limited to be held in Ballroom 3, at the Sebel Playford Hotel, 120 North Terrace, Adelaide, South Australia on Wednesday 10 November 2010 at 11:00 am and at any adjournment of that meeting.

STEP 2 Items of Business



PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

Ordinary Business

	For	Against	Abstain
1 Adoption of the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-election of Derek Carter as a Director of the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Re-election of Ms Erica Smyth as a Director of the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chair of the Meeting intends to vote undirected proxies in favour of each item of business.

SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact
Name

Contact
Daytime
Telephone

Date ____/____/____