



ASX RELEASE

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Toro Energy Update on Uranium Market and Project Progress

Toro Energy's (ASX: TOE) Managing Director, Mr Greg Hall, is presenting at the Australian Uranium conference today (presentation to be issued separately), and will provide an update on the following key points regarding the Company's projects and the uranium market:

- Achieving WA State and Federal Environmental Approval of the Wiluna Uranium Project is the prime focus of the Company, and is a precursor to the financing of the Project. This remains Toro's number one focus;
- We anticipate WA State and Federal Government decisions on the Project by the fourth quarter of this year;
- While the process engineering phase of the Definitive Feasibility Study (DFS) has been completed, we will delay the engineering design and costing phase of the DFS until after Government decisions on the project;
- Toro has completed the major technical work on the project and its exploration programs, and forecast cash burn rates will now decrease;
- The Theseus Project in WA continues to impress with high grade uranium intersections and the scale of the potential mineralised region. An initial uranium resource will be released during August, adding significantly to the Company's project pipeline;

With trial mining and pilot plant programs completed, Wiluna's technical risks have been significantly reduced. Completion of the State and Federal Government Environmental assessments will mitigate regulatory risk and this remains an important precursor to project financing. Whilst Toro has received strong interest from potential JV partners they await completion of the approvals process before investment commitment can be considered. The duration of the assessment process has impacted the Wiluna Project timeline, and we now anticipate a final investment decision by the Toro Board on the Project during the first half of 2013, and first uranium sales in the 2014/15 fiscal year.

As at 30 June 2012, Toro held \$12.8m in cash.

Global market conditions

Global economic conditions and the Fukushima incident have impacted near term uranium market sentiment, however forecast uranium prices over the medium term continue to be favourable for new production.

Forecast increases in uranium demand are supported by 63 new reactors currently under construction, 18 reactors undergoing power capacity upgrades, the looming HEU agreement cessation and anticipation of further Japanese reactors coming back on line.

On the supply side, new projects must pass technical, regulatory and finance hurdles, often uniquely specific to the uranium sector, before construction and ultimately production can come on line. In this regard Toro believes the market and a number of uranium analysts are being overly optimistic on supply timelines for new uranium projects and that as a result future production is overestimated.

While spot uranium continues to track close to US\$50/lb, Toro Energy notes that long term uranium prices have had their first price increase since Fukushima, currently trading at US\$61.50/lb.

Greg Hall
Managing Director

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Toro Energy is a modern Australian uranium company with progressive project development, acquisition and growth. The company is based in Adelaide, South Australia with a project office in Perth, Western Australia.

Toro's flagship and wholly-owned Wiluna uranium project (includes existing mining lease) is 30 kilometres southeast of Wiluna in Central Western Australia.

Wiluna contains two shallow calcrete deposits, Lake Way and Centipede, with prefeasibility and optimisation studies completed and a definitive feasibility study in progress. Toro has advanced the approvals process with an anticipated decision date of late 2012, construction through 2013 and 2014, and first uranium sales in the 2014/15 fiscal year.

Toro's wholly owned Theseus Project is a recent discovery, indicating a high grade ISR potential mineralised system, with an initial JORC resource being evaluated for release. The Company also owns uranium assets in the Northern Territory and in Namibia, Africa.

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