TORO ENERGY LIMITED

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TORO ENERGY LIMITED
3 Boskenna Avenue
Norwood 5067
South Australia

Tel: +61 8 8362 6677
Fax: +61 8 8362 6655

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

DRILLING CONFIRMS CONTINUITY AND TENOR OF NAPPERBY RESOURCE

- ***Multiple significant grade intersections***
- ***Continuity with existing JORC resource***
- ***Resource expansion underway***

Toro Energy Limited ("Toro", ASX code "TOE") is pleased to report on significant assay results from its recent 2007 drilling program at the Napperby Project, 150kms NW of Alice Springs, NT. Highlights and comments on these initial results include:

- Similar uranium grades and widths to those in the adjacent resource, which was determined by Deep Yellow Ltd (DYL) in accordance with the JORC code, specifically:
  - **consistent mineralised intersections in the range 200 to 700ppm (0.02 to 0.07%) U_3O_8**
  - **assays averaging 559ppm U_3O_8 at 200ppm cut-off**
  - **individual assays ranging up to 2,069 ppm (0.21%) U3O8.**
  - **mineralised width averaging 1.3m, at 3 to 7m depth below surface**
- Mineralisation established in a new area of the historic mineralised zone and is contiguous with existing DYL resource.
- Sonic drilling technique has been used for the first time in this environment and produces continuous undisturbed core that allows a high degree of confidence in determining grade distribution and lithological attributes.
- Extensive Quality Assurance and Quality Control procedures support the validity of the drilling, sampling and assay techniques used.
- Upon receipt of all assay results, a revised resource model incorporating the extension and infill drilling will be developed. This is expected to be completed in April.
- The Northern Territory continues to be a favourable jurisdiction for new uranium development opportunities, with the NT Government supporting the Federal Labor abandonment of the previous "no new mines" policy in 2007.

Napperby Project, NT - Background

The Napperby Project is an historic mineralised zone discovered and explored by CRA Exploration and Uranerz in the late 70's early 80's. The project comprises an extensive, shallow, consistent mineralised zone which is relatively low grade, but is reasonably close to infrastructure. It is situated 150kms NW of Alice Springs, along the sealed section of the Tanami Highway (Figure 1). Toro Energy has an Option Agreement with Deep Yellow Ltd over the Napperby Project which allows 100% purchase of the project at a capped price at any stage over a 3 year period.

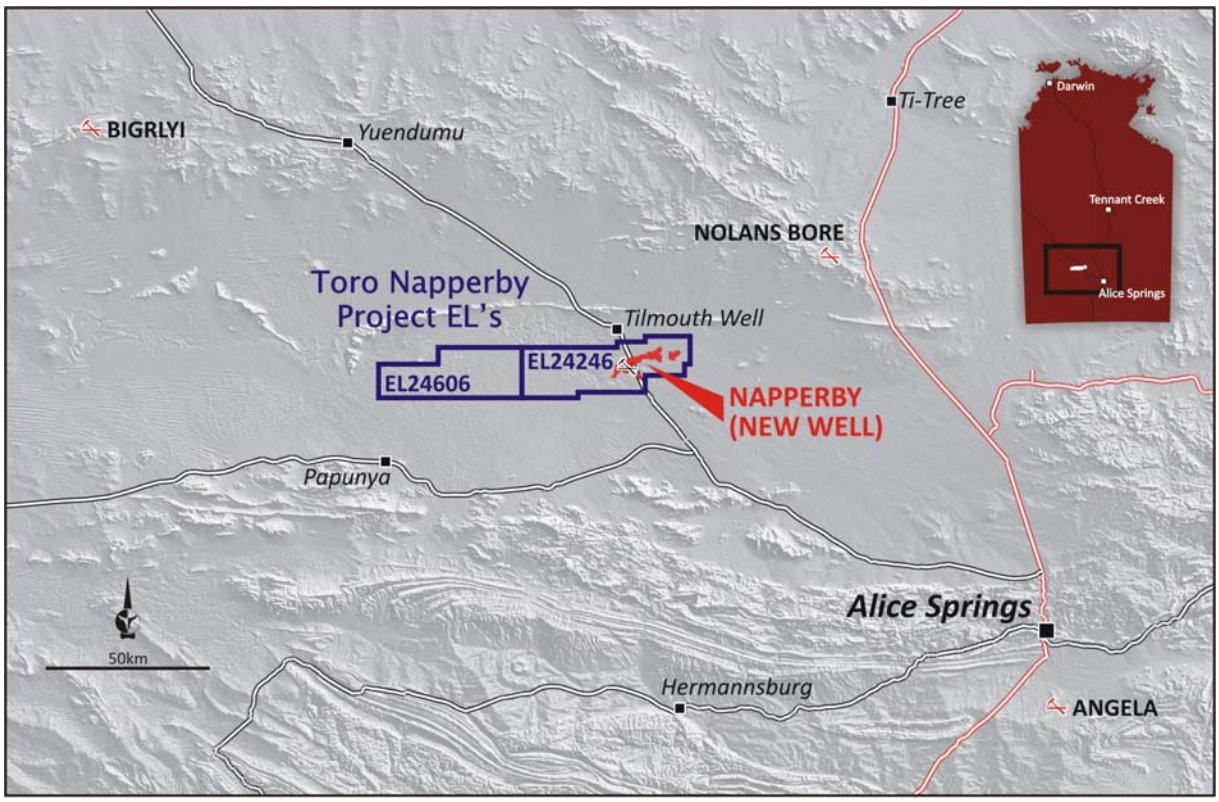

Figure 1 – Napperby Project tenements location map

Napperby's current Inferred Resource prepared in accordance with the JORC code by Deep Yellow and announced to the ASX on 13 December 2006, is 1.9 million tonnes at 0.036% U_3O_8 for 670 contained tonnes of U_3O_8. This resource estimate was based upon an auger drilling campaign in 2006 over an area of 0.6km^2 within the much larger mineralised system defined by Uranerz during the 70's and early 80's. For the purposes of the DYL Option Agreement, this larger mineralised system is constrained within a polygon referred to as the 'Historic Deposit Area' (Figure 2). Within this deposit area, Toro has defined a 'mineralised zone' based on interpolation of anomalous drillholes in the Uranerz grid. This zone is the focus of resource definition drilling by Toro.

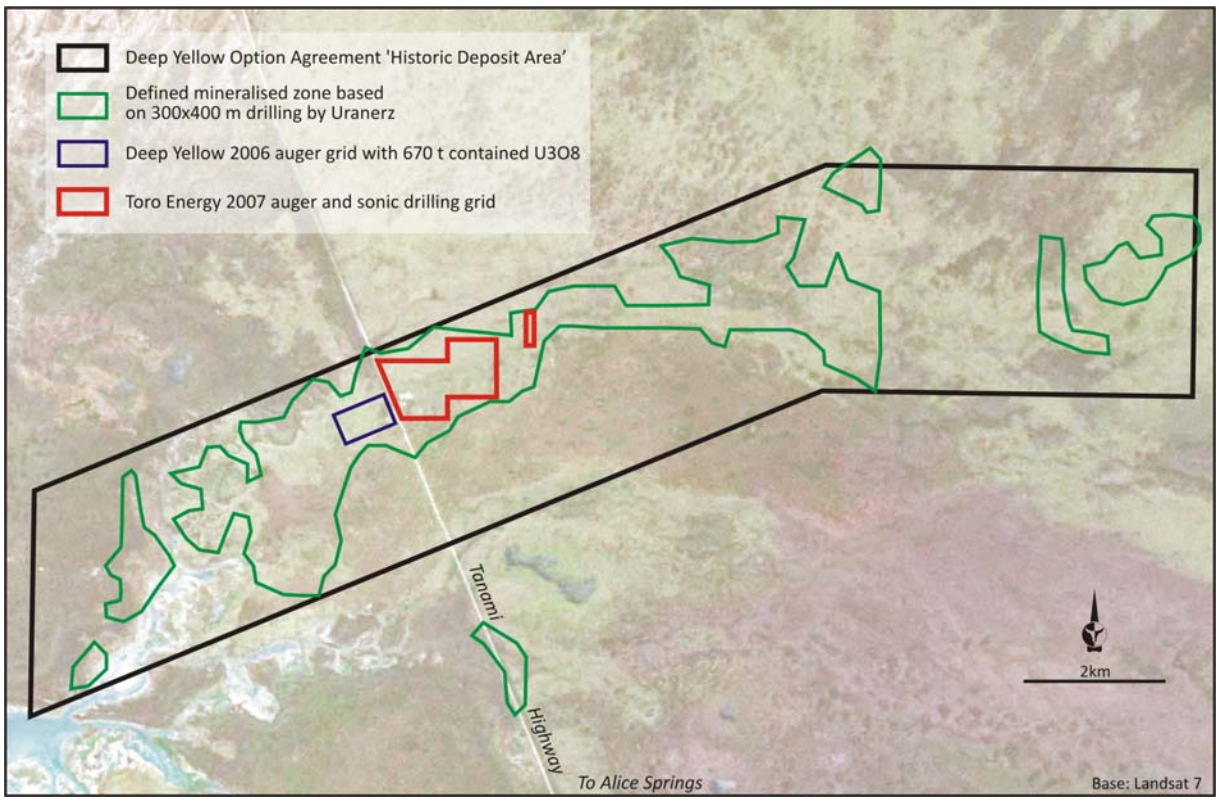

Figure 2 – Napperby mineralised zone, resource and 2007 drilling area

2007 Napperby Drilling Program

The drilling program extended from September to December 2007, and involved 332 holes for approximately 3,200m drilling, adjacent to the existing resource block established by DYL. Both 300mm diameter auger drilling (123 holes) and sonic core drilling (182 holes) were undertaken. An additional 27 experimental aircore holes were also drilled. The total aerial extent of the drilling program is indicated in Figures 2 and 3.

To ensure a representative assay of the 0.5m samples from the auger rig, Toro used a large-volume sampling procedure involving dry-riffle-splitting and subsequent Boyd-crushing and rotary splitting prior to generation of a pulp for analysis.

Sonic core drilling produces continuous 100mm diameter core using a patented resonance method that facilitates maximum core recovery in soft and unconsolidated sediments without the use of additives such as water, mud or air. Core is largely undisturbed and retains ambient pore fluids and therefore represents an excellent medium for accurate and representative sampling and assessing lithological information.

The narrow sampling intervals (nominal 0.5m) and enhanced drilling and sampling procedures have facilitated increased vertical resolution of the orebody. The better understanding of grade distribution will improve the accuracy of scoping studies.

A rigorous Quality Assurance and Quality Control (QAQC) system was implemented in 2007, and included staged duplicate samples, certified standard samples, and a trial and statistical comparison of uranium assay methods (ICP vs XRF). Analytical data reported herein display excellent internal coherence. Regular field duplicates were collected and analysed from drill spoils and core to determine the mineralisation heterogeneity.

Results thus far indicate that the current rigorous drilling and sampling methodologies are appropriate. These samples will also be utilised for upcoming disequilibrium studies. Uranium assays for duplicates introduced at other stages of the sample preparation procedure agree well with the original sample and indicate negligible contamination or analytical error. Toro also undertook concurrent radiometric and caliper probing of the holes to assess the potential extent of disequilibrium and the appropriateness of equivalent grades in resource definition. Assessment of these data is on-going.

Initial Assay Results

Analytical results received to date and reported here represent approximately 10% of holes drilled in the program, with further assay results imminent. Assays from both auger and sonic core drilling samples are included, with Figures 3 and 4 showing location and type of holes.

Table 1 – Significant Assay Results from Batch 1 Napperby

Hole ID		Width (m)	U3O8 ppm	U3O8 %
Sonic holes				
NS00001		**1.4**	**718**	**0.07**
NS00004		**2**	**1059**	**0.11**
NS00005		**2.6**	**716**	**0.07**
	inc	**0.7**	**1205**	**0.12**
NS00009		**2**	**671**	**0.07**
	inc	**0.5**	**1391**	**0.14**
NS00014		**3.2**	**598**	**0.06**
	inc	**0.5**	**1769**	**0.18**
NS00016		**1.7**	**1135**	**0.11**
NS00017		**4.4**	**690**	**0.07**
	inc	**1**	**1881**	**0.19**
Auger holes				
NA00304		**2**	**377**	**0.04**
NA00309		**1.5**	**872**	**0.09**
	inc	**0.5**	**1385**	**0.14**
NA00314		**3.5**	**429**	**0.04**
NA00315		**3**	**731**	**0.07**
	inc	**1**	**1059**	**0.11**
NA00318		**2**	**409**	**0.04**

The above results show the significant uranium tenor being exhibited within the historic mineralised zone. An average grade of 559ppm (0.06%) U_3O_8 has been calculated from the half-metre assays using a 200ppm bottom cut-off. The maximum grade obtained from half-metre assays is 2069ppm (0.21%) U_3O_8. Additional assay results are provided in Appendix 1.

Vanadium vs Uranium ratios indicate the mineralisation to be dominantly carnotite, although petrology work is pending.

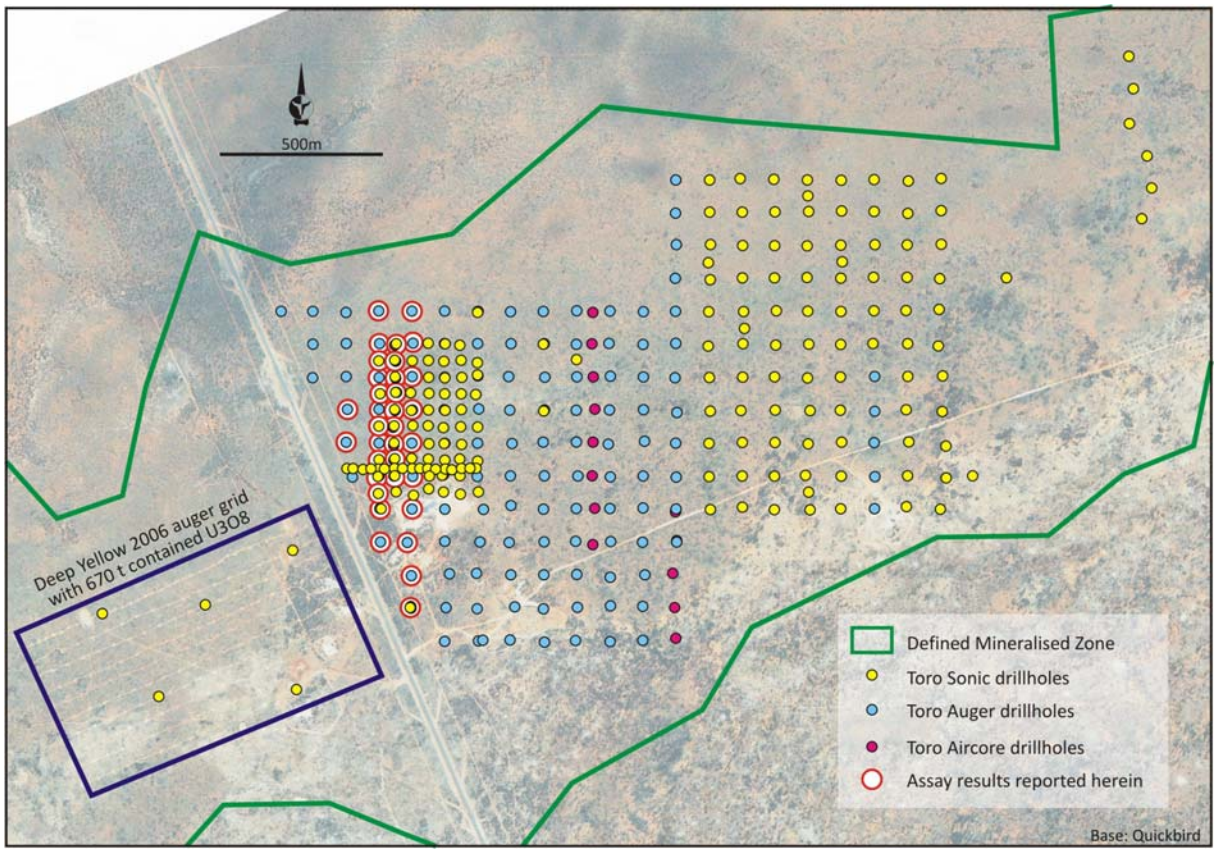

Figure 3 – 2007 Drilling Program extent, and holes for which results received

Figure 4 provides a grade x thickness plot indicating consistent continuity of mineralisation on a 100 x 100 and 50 x 50 m grid.

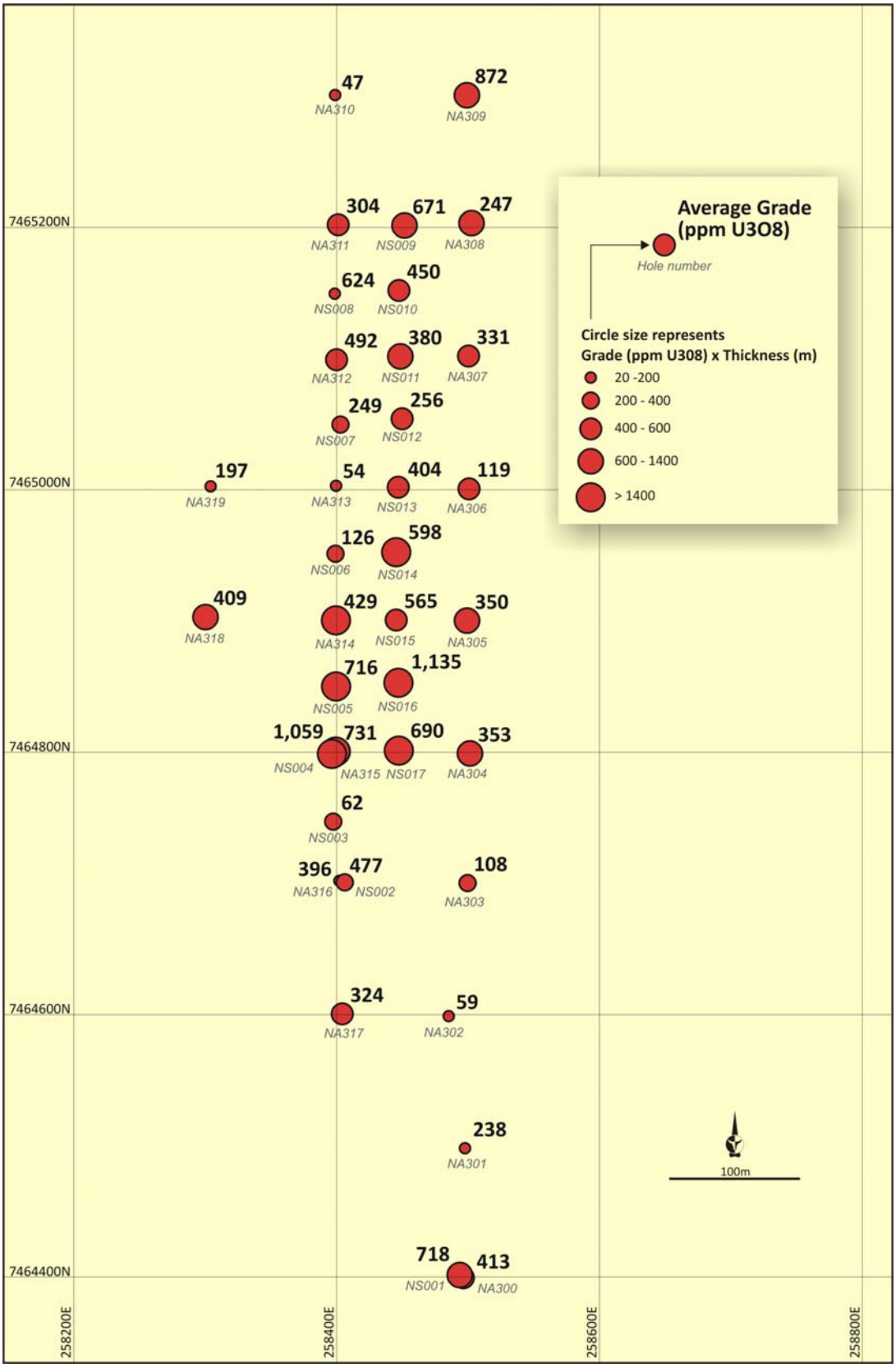

Figure 4 – Grade x Thickness plot for Initial Assay results including average grade label

Carnotite mineralisation on sonic core and Boart Longyear sonic drill rig at Napperby Project

The Toro Energy Project Development team are working with the exploration geologists in the analysis, interpretation and evaluation of these results, and further subsequent results as they are received. The calculation of an extended and upgraded resource will be undertaken with estimated completion in April. The Project team will also be commencing the outline of a planned scoping study for Napperby, including preliminary metallurgical testing, baseline environmental work, and initial groundwater and hydrogeological studies.

Community engagement with local traditional owners through the Central Land Council (CLC) is ongoing, and included a visit to the project area during the drilling program by a group of 35 traditional owners. Toro is also maintaining close communication with stakeholders locally and in Alice Springs.

Yours faithfully

Greg Hall
Managing Director

The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by:

- *Dr David Rawlings who is a Member of the Australian Institute of Mining and Metallurgy and a full time employee of Toro Energy Limited, and has sufficient exploration experience for the various styles of uranium mineralisation under consideration. He qualifies 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. Malcolm Titley who is a Member of the Australasian Institute of Mining and Metallurgy (AusIMM). Mr. Titley is a Director and Principal Consultant of FinOre Mining Consultants, who undertook the resource calculation for Deep Yellow Ltd in 2006. Mr Titley has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which 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'..*

Dr Rawlings and Mr Titley consent to the inclusion of the information in this report in the form and context in which it appears.

MEDIA CONTACT:

Greg Hall	Toro Energy Limited	08 8362 6677
Kevin Skinner	Field Public Relations	08 8234 9555 / 0414 822 6313

Appendix 1 – Best composited assay results from ALL holes in Batch 1 Napperby.

*Samples analysed in Batch 1 comprised 607 individual half metre assays. Of these 607 samples, only the best composite results for each of the 37 holes are included in this table. Individual half-metre assays and the full 50 element analytical suite are not reported here. Uranium is quoted from XRF pressed powder analysis carried out by ALS in Brisbane. Grade*Thickness is calculated by multiplication of grade in ppm by thickness of interval in metres. This figure is the basis of symbol size in Figure 4.*

Hole Number	EastGDA94	NorthGDA94	Depth From	Depth To	Width m	U3O8 Grade ppm	Grade x Thickness (ppm U3O8*m)
NA00300	258496	7464399	6.5	7.5	1	**413**	413
NA00301	258498	7464498	5.5	6	0.5	**238**	119
NA00302	258485	7464599	7.5	8	0.5	**59**	30
NA00303	258500	7464700	6.5	8.5	2	**108**	216
NA00304	258501	7464799	4	6	2	**377**	755
NA00304	258501	7464799	7	7.5	0.5	**257**	129
NA00305	258499	7464900	3.5	5.5	2	**377**	754
NA00305	258499	7464900	7	7.5	0.5	**244**	122
NA00306	258501	7465001	2	5.5	3.5	**119**	417
NA00307	258500	7465102	5.5	7	1.5	**331**	496
NA00308	258503	7465203	0	1	1	**253**	253
NA00308	258503	7465203	1.5	2	0.5	**210**	105
NA00308	258503	7465203	2.5	3	0.5	**209**	104
NA00308	258503	7465203	6.5	7	0.5	**309**	154
NA00309	258499	7465301	2	3.5	1.5	**872**	1308
NA00310	258399	7465301	4	5	1	**47**	47
NA00311	258401	7465202	3	3.5	0.5	**397**	199
NA00311	258401	7465202	5	6	1	**257**	257
NA00312	258400	7465099	6	7	1	**492**	492
NA00313	258400	7465003	5.5	6.5	1	**54**	54
NA00314	258399	7464900	3.5	7	3.5	**429**	1500
NA00315	258399	7464800	3.5	6.5	3	**731**	2192
NA00316	258402	7464702	4.5	5	0.5	**396**	198
NA00317	258404	7464600	4	5	1	**324**	324
NA00317	258404	7464600	7.5	8	0.5	**286**	143
NA00318	258300	7464903	5	7	2	**409**	817
NA00319	258304	7465003	4.5	5	0.5	**197**	99
NS00001	258494	7464401	6	7.4	1.4	**718**	1005
NS00002	258406	7464701	7.4	8.1	0.7	**477**	334
NS00003	258397	7464747	2.5	8.7	6.2	**62**	384
NS00004	258396	7464799	4	6	2	**1059**	2118
NS00005	258400	7464850	3.4	6	2.6	**716**	1861
NS00006	258399	7464951	4.5	7.5	3	**126**	378
NS00007	258403	7465050	3.5	4	0.5	**250**	125
NS00007	258403	7465050	6	6.5	0.5	**248**	124
NS00008	258399	7465150	4	4.3	0.3	**624**	187
NS00009	258452	7465202	2	4	2	**671**	1342
NS00010	258447	7465152	3	4.2	1.2	**450**	540
NS00011	258448	7465102	2.5	3.7	1.2	**392**	470
NS00011	258448	7465102	4.9	5.3	0.4	**316**	126
NS00011	258448	7465102	6.5	7.5	1	**390**	390
NS00012	258450	7465054	1.5	2.3	0.8	**218**	174
NS00012	258450	7465054	4.5	6	1.5	**276**	414
NS00013	258447	7465002	2.5	3	0.5	**558**	279
NS00013	258447	7465002	6	6.5	0.5	**250**	125
NS00014	258445	7464952	4	7.2	3.2	**598**	1913
NS00015	258445	7464901	3.2	4	0.8	**565**	452
NS00016	258447	7464853	3.5	5.2	1.7	**1135**	1929
NS00017	258447	7464801	3.1	7.5	4.4	**690**	3036