DEEP YELLOW LIMITED

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Joint ASX Release   **07 May 2007**

Execution of the Napperby Option Agreement

Deep Yellow Ltd (ASX code "DYL") and Toro Energy Ltd ("Toro", ASX code "TOE") are pleased to announce they have executed the Napperby Option Agreement. This document provides a binding legal framework for the farm-in and acquisition of the Napperby Uranium Project and its associated tenements EL24246 and EL24606 by Toro. The Napperby Project is located approximately 150km North West of Alice Springs in the Northern Territory and contains a JORC Inferred Mineral Resource of 1.9 million tonnes at 0.036% (360ppm) U_3O_8 for 670 tonnes or 1.5 million pounds of contained U_3O_8. This resource is part of a larger mineralised channel which Toro will continue to delineate in future work.

The commercial terms as outlined in the Joint Release on the 15th February 2007 remain essentially unchanged.

In summary, the proposal provides Toro with a 3 year period to advance the Napperby Project toward resource definition and development, for the consideration of 3,066,667 Toro shares. Toro has the option to acquire 100% of the project at any time during this period. The consideration for the purchase will be based on the in-ground JORC (2004) Resource within the Historic Deposit Area (should the area not be fully converted to JORC standard, 13.2 million pounds will be assumed) and referenced against 8% of the spot uranium price that is capped and collared at A$6/lb and A$4.50/lb respectively. The Historic Deposit Area is based on the mineralised zone as defined by previous explorers and will be the focus of Toro's resource conversion efforts.

The deal allows DYL to proceed with its own excellent portfolio of advanced exploration projects, in particular in Namibia and in the Mt Isa district, while recovering via shares its past exploration expenditure upfront and providing significant upside to shareholders by the acquisition consideration to be paid, potential royalties and a retained Toro shareholding.

Toro will benefit by having access to a JORC inferred resource which can be built upon with further drilling and project definition studies as well as expanding into the Northern Territory, a region where Toro personnel have considerable operating experience and which is an important domicile with respect to mine development viability.

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The information in this announcement that relates to Mineral Resources is based on information compiled by 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. 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 Persons as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Titley 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 that relates to Exploration Results is based on data compiled by Mr Geoffrey Gee a Member of the Australian Institute of Geoscientists. Mr Gee is a full time employee of Deep Yellow Limited. Mr Gee 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'. Mr Gee consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.