TORO ENERGY LIMITED

ASX Release

3 March 2009

ASX Code: TOE

ACN 117 127 590

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Uranium Resource Doubled for Toro's Napperby Project in NT

New results announced by Toro Energy (ASX: TOE) have more than doubled to over seven million pounds, resource estimates for the Napperby Uranium Project in the Northern Territory.

The Inferred Resource compliant under JORC for Napperby, 175 kilometres northwest of Alice Springs, has been increased to 9.34 million tonnes (Mt) @ 359 parts per million (ppm) (0.036%) U_3O_8 for 3,351 tonnes (7.39 million pounds) of contained uranium oxide using a 200ppm U_3O_8 cut off.

This compares with the previous estimate released in July last year of 4.6Mt @ 305 ppm (0.031%) U_3O_8 for 1,420 tonnes (3.13 million pounds) of contained uranium oxide using a 200ppm U_3O_8 cut off.

The new resource estimate, calculated by SRK Consulting using drilling assay data collected during the period 2006 to 2008, will be incorporated into the Napperby Scoping Study currently being progressed by URS Australia and expected to be completed by the end of this month.

Highlights from the latest resource enhancement include:

- A 136% increase in total contained uranium since July 2008
- Significant (18%) increase in grade
- High confidence in the total Napperby exploration target range.

With approximately half the known mineralised area drilled, the results give further confidence to Toro of the validity of the original historical exploration target range for Napperby, quoted by Uranerz, of between 5,700t and 6,200t of contained uranium.

The Scoping Study is assessing the overall economics of the project, and defining development options will allow planning of future drill programs for the Napperby Project.

Disequilibrium evaluation work between the now substantial chemical assay and gamma log datasets has confirmed a very good correlation factor which will allow infill drilling with gamma logging data to now be used for more detailed future resource calculations, substantially reducing the cost of future resource upgrade work.

Toro holds an option to acquire 100% of the Project from Deep Yellow Limited (ASX: DYL) on certain commercial terms (see ASX Release dated 15/2/07 for details).

Napperby Total Mineral Resource

The resource specialist, SRK Consulting, has completed a revised geostatistical interpretation and estimation of the Napperby resource for the area outlined on Figure 1. The resource was derived from chemical assay data from Deep Yellow drilling in 2006, together with Toro Energy drilling in 2007 and 2008. Toro and Deep Yellow have now drilled approximately half of the mineralised area previously defined by Uranerz.

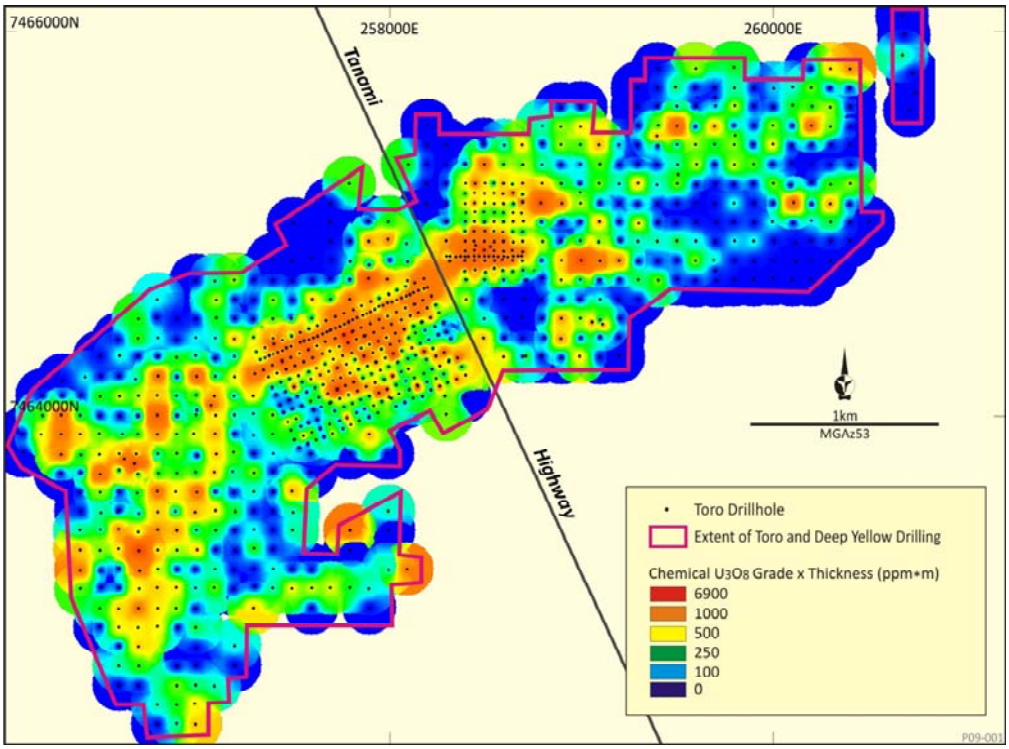

Figure 1: Grade x Thickness plot of Toro Energy drilling at Napperby

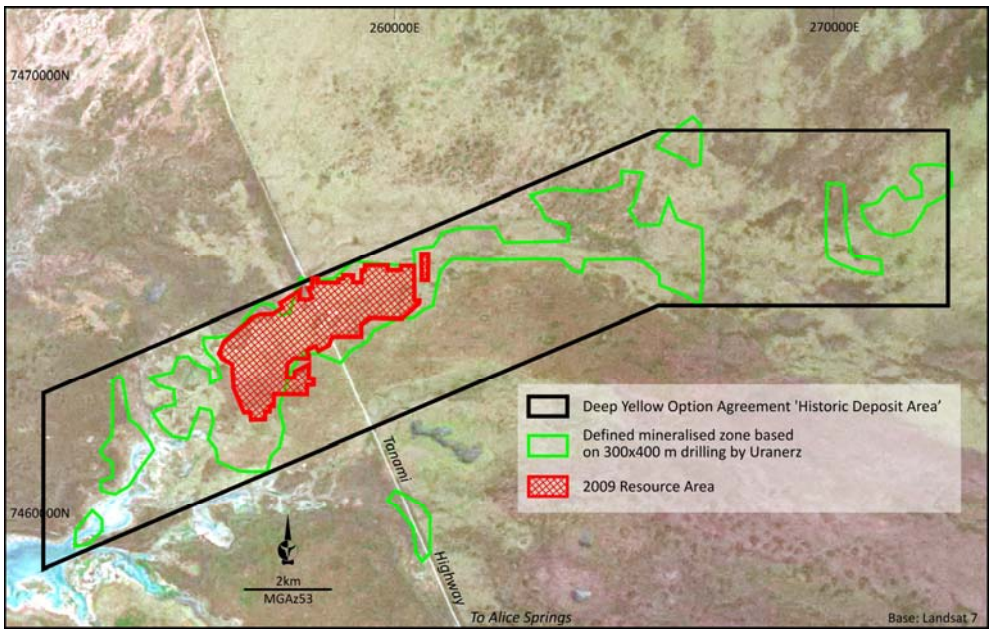

Figure 2: Current resource area (hatched) compared to known mineralised region (green)

In 2008, a total of 1,117 holes were drilled for 13,024 metres, including 3,300 metres (333 holes) of sonic core drilling and 9,724 metres (784 holes) of aircore drilling. Sonic holes produced core which was split and assayed, while all holes were gamma logged. Aircore holes were only gamma logged owing to poor or variable recovery.

Table 1 shows the new Inferred Resource estimate compared with the previously published resource estimate at 200 ppm cut-off. A grade-tonnage plot for the new resource calculations at various cut-offs is presented in Figure 3.

		February 2009				July 2008			
Prospect Area	**Category**	**Resource** Million Tonnes	**Grade** U_3O_8 ppm	**Contained** U_3O_8 Tonnes	**Contained** U_3O_8 Mlb	**Resource** Million Tonnes	**Grade** U_3O_8 ppm	**Contained** U_3O_8 Tonnes	**Contained** U_3O_8 Mlb
200ppm U_3O_8 cut-off						200ppm U_3O_8 cut-off			
Napperby Total	**Inferred**	**9.34**	**359**	**3,351**	**7.39**	**4.65**	**305**	**1,420**	**3.13**

Table 1: Updated Feb 2009 Inferred Resource vs July 2008 Inferred Resource – both compliant with JORC.

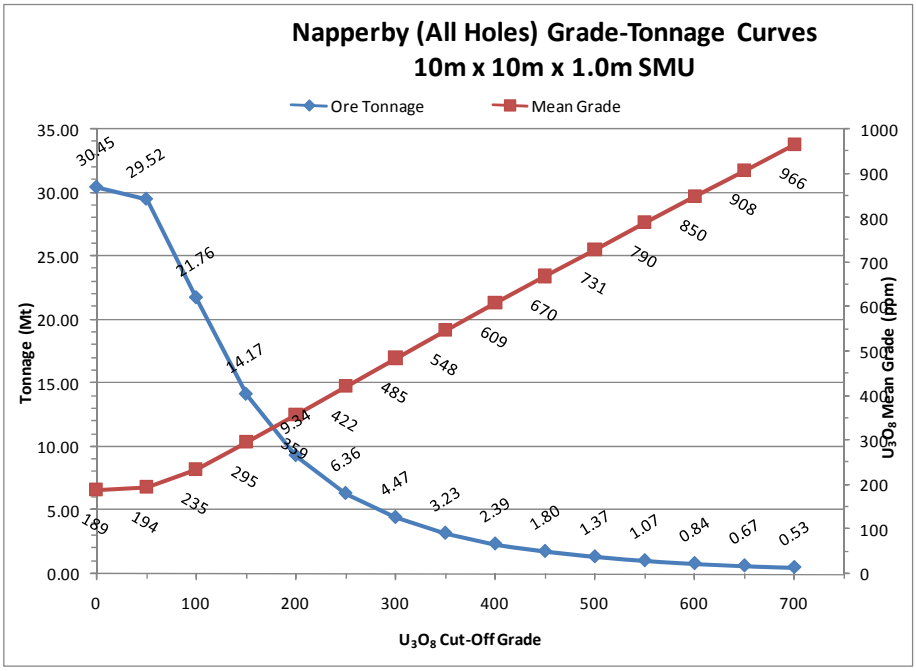

Figure 3: Grade tonnage curve for Napperby Resource Feb 2009

Studies are continuing to improve the confidence in Toro's estimation of the density, grade and continuity of the Napperby mineralisation. To date, the resource estimation has increased the confidence in the historical exploration target of contained uranium, quoted by Uranerz, in the range of 5,700 to 6,200t of U_3O_8.

Disequilibrium evaluation work between the now substantial chemical assay and gamma log datasets has confirmed a very good correlation factor. This will allow gamma logging data from infill aircore holes to be used for resource calculations where sonic drilling has been undertaken on a wider spacing. A great benefit of this is a substantially reduced cost of future resource upgrade work. Sonic drilling will continue to be utilised in a broad pattern for new areas of drilling.

Toro Energy has an option to purchase the Napperby Project from Deep Yellow Limited (ASX: DYL) for a capped price per lb of contained resource (refer ASX release 15/02/2007 for details).

Estimation Methodology

Often at scoping and feasibility study level, the drill spacing is large when compared to proposed future Selective Mining Unit (SMU) size. In this situation, direct estimation (e.g. using Ordinary Kriging) of the SMUs may lead to unacceptable biases and oversmoothing when the variogram has a significant nugget effect and/or short range components. It is therefore preferable to use local recoverable estimation methods. These methods aim at estimating the proportion of ore within larger panels, the size of which is linked to the current data spacing.

Various methods exist for the estimation of local recoverable resources. The two most common are Multiple Indicator Kriging (MIK) and Uniform Conditioning (UC). UC is based on a Gaussian transformation of the data and makes use of a very powerful and tried method to handle the support and information effects, the discrete Gaussian model.

In the case of the Napperby Uranium Project, the panel size is 50m x 50m x 1m and the SMU size is 10m x 10m x 1m, while the drill spacing varies from 25m x 25m to 100m x 100m (most of the deposit). SRK has selected the Uniform Conditioning method as giving a reasonable estimate of the local recoverable resources as an Inferred Resource compliant under the JORC Code. Previous resource estimates were reported used ordinary kriging only.

Napperby Scoping Study

URS Australia is completing a Scoping Study (refer ASX announcement 16/12/2008) over the Napperby Uranium Project. The scoping study is expected to be completed during the March quarter of 2009. Toro will use the outcome of the scoping study to assess the overall economics of the project, allow planning for future drill programs, and assist in defining development options for the Napperby Project.

As part of its study charter, URS is considering:

- Mine development options;
- Preferred processing routes;
- Infrastructure requirements;
- Environmental management; and
- Likely capital and operating costs.

It will draw on new metallurgical test results that are currently being finalised by Amdel, and the above resource estimation prepared by SRK Consulting.

Yours faithfully

Greg Hall
Managing Director

1) The information in this report that relates to Mineral Resources is based on information compiled by SRK Consulting by Mr Daniel Guibal who is a Fellow (CP) of the Australasian Institute of Mining and Metallurgy (AusIMM). Mr Guibal is a fulltime employee of SRK Consulting, and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity 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 Guibal consents to the inclusion in this release of the matters based on his information in the form and context in which it appears.

2) *Information in this report relating to Exploration Results from the Napperby Project is based on information compiled by Dr David Rawlings who is a Member of the Australasian Institute of Mining and Metallurgy. Dr Rawlings is a full-time employee of Toro, and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity 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 consents to the inclusion in this release of the matters based on his information in the form and context in which it appears.*

Notes:

1. SRK Consulting has not validated the data and has acted as the competent person with respect the JORC code on the interpretation and the estimations for the deposits. The responsibility for the QAQC procedures, control and accuracy of drill data pertaining to the Napperby Project was managed by Toro and their consultants, Geos Mining.

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About the Napperby Project

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, consistently mineralised zone within 3 to 7m depth from surface in semi-consolidated and unconsolidated sediments. The Project is close to infrastructure, being only175km NW of Alice via the sealed section of the Tanami Highway, within 20km of the Alice Springs to Darwin gas pipeline and with access to the main N-S railway linking Darwin and Adelaide.