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Australia has potential to be world's largest uranium supplier within a decade - Toro Energy

Australia has the potential to be the world's largest uranium producer within a decade, according to one of the sector's most active project developers.

Addressing the Company's 2010 annual general meeting in Adelaide today, Toro Energy Limited's Managing Director, Mr Greg Hall, said the firming by equities markets in recent days of uranium stocks "came as no surprise to the industry".

"The demand fundamentals on a global scale for uranium matched against the delay in long-term reliable supply, are emerging as undeniable worldwide factors in energy hungry markets struggling to address real community and political expectations to balance the future cost of power with more responsible management of climate change expectations," Mr Hall said.

"This is creating intensifying market dynamics where power utilities – conscious that there are 57 new nuclear fuelled power stations already under construction overseas - are again moving quickly to lock in long-term uranium supply contracts," he said.

"Former eastern bloc countries, which currently account for more than 40% of global primary uranium supply, will not be able to satisfy this demand leap, particularly from Asian-based power utilities.

"As a result and given the long-lead times between discovery and project commissioning, there is a level of reality starting to come back into uranium development, mining and export costs.

"This has contributed to the firming in the price of uranium as a commodity, and in the equity value of those suppliers best positioned to take advantage of this growth window.

"Western Australia and South Australia are best placed to service this opportunity in the near-term with new uranium mines or the expansion of existing operations - and that means Australia could surpass Kazakhstan and Canada as the main supplier, within the next 10 years."

This would also see an increasing quantity of Australia's uranium oxide output go to Asian energy markets.

Mr Hall said that while Australia could have achieved this global leadership position 30 years ago, there was some upside as a result of the time delay.

“It is clear we now have an even safer uranium mining industry and one that is at the leading edge in environmental management, in its own right, but even when measured against its other mineral commodity peers,” Mr Hall said.

“It is an industry which in Australia at least, now has much more community support than it had three decades ago.

“Uranium project developers in Australia, like their counterparts in other commodities, value and demonstrate as part of their business model, a keen and high level of partnership and co-operation with traditional owners and local communities.

“The sector has entered a period of genuine and mutual consultation, education and awareness, and this has diffused the out-moded perceptions and scare tactics of yesteryear that swirled around Australia’s 1970s era uranium industry.”

As a result Mr Hall said, the sector had been able to show its existing operations to be safe and sustainable and in a manner which delivers significant benefits to the communities within which they operate.

He said Toro – which is on track to bring the advanced Wiluna uranium project in Western Australia into commissioning during 2013 – did not take a carte blanche approach to its project development and recognised the need and value of high level community engagement.

“We have an aim to be a contributor to making Australia the world's leading uranium producer, and while we appreciate the support we receive from the community in which we operate in Wiluna, we accept and we think meet, their challenges to us to demonstrate that we can manage the impacts of uranium mining and provide measureable benefits.

“When we have finished our operations, we do not want to leave a community that regrets what we have done. It is this attitude and understanding that makes the Australian uranium industry the safe, sustainable and environmentally responsible industry it is – and it must remain so.”

The Toro executive also called on anti-nuclear and anti-uranium movement non government organisations (NGO) to now accept the responsibility of demonstrating flexibility of approach and accept that the industry has effectively responded to the challenges they have set.

“NGOs have made their own contribution to making Australia’s uranium industry what it is today,” Mr Hall said.

“They have challenged us and I believe we have met those challenges.

“NGO groups in Europe and the United States have shown they have open minds, with many previous nuclear opponents becoming advocates for nuclear power, as it presents an additional alternative to CO2 emission power generation.

“It is time Australian NGOs active in the sector demonstrated a similar approach if they wish to remain relevant and respected.”

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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 underway. Toro has commenced the Approvals process targeting the Company’s first uranium production by late 2012/early 2013.

Toro has three other exploration and development projects in Western Australia, and owns uranium assets in Northern Territory, South Australia and in Namibia, Africa. Toro is well funded with a supportive major shareholder in OZ Minerals.

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