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15 February 2012

To Toro Shareholders

The Offer

Toro Energy Limited ("Toro") is pleased to provide eligible shareholders the opportunity to invest between \$1,000 and \$15,000 in Toro shares through participation in a Share Purchase Plan ("SPP") at a price of \$0.08 per share.

Why you should consider participating in Toro's SPP:

1. The State and Federal environmental approval process for Toro's Wiluna Uranium Project is more advanced than any other new uranium project in Australia. **An approved project in 2012 would represent the first in Australia since the approval of 4 Mile Uranium Project in July 2009 and the first on a stand-alone project basis since the Honeymoon Uranium Project was approved in 2001.** An approval in 2012 will allow Toro to maintain its strategy of being in production in 2014 in alignment with the shift in uranium market dynamics post the completion of the US-Russia "Megatons for Megawatts" agreement;
2. The demand side of the Uranium and Nuclear Power Market, post Fukushima, has received much attention and despite a slowdown in reactor development demand is still forecast to grow by 2-3% per year. On the supply side there have been several recent announcements on uranium project delays and technical difficulties at a number of producing uranium mines globally. **Toro maintains its optimism for capitalising on a potentially strong 2014 uranium market;**
3. During 2011 Toro announced **economic improvements for the Wiluna Project and the development of a significant exploration target range for the Theseus Project.** These projects will allow Toro to capitalise on the shift in the future uranium market. Funds raised from this SPP Offer will be used to fund drilling and resource development of the Wiluna Project, accelerated drilling and maiden JORC resource estimation for the Theseus Exploration Project and the ongoing working capital requirements of the company.

In Summary

Toro is pleased to offer its shareholders the opportunity to consider an investment in Toro at \$0.08 per share and participate in the development of the first new uranium project in Western Australia, subject to Government approval and the securing of a financing package for construction. Toro is uniquely positioned to take advantage of a production timeline aligned with a potentially strong 2014 market and has further potential upside from the rapidly evolving Theseus exploration project.

Yours faithfully

A handwritten signature in black ink, appearing to read "Greg Hall", is positioned above the printed name.

Greg Hall
Managing Director

TORO ENERGY LIMITED

PROGRESS REVIEW



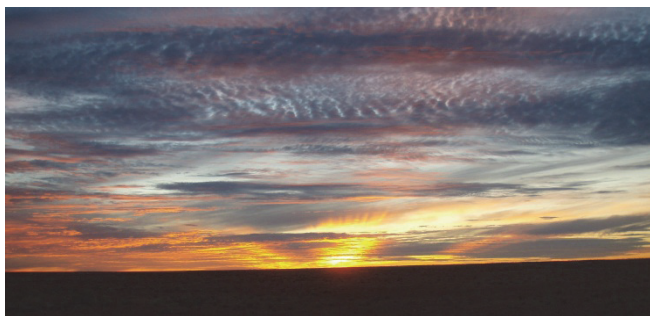
Toro Energy Limited (ASX Code: TOE) is an ASX listed uranium exploration and development company with its flagship Wiluna Uranium Project in WA, a recent significant uranium discovery at Theseus in Western Australia with “blue sky” potential, and extensive exploration interests in WA, NT and Namibia. Toro anticipates decisions by the Western Australian and Federal Governments on the Wiluna Project approval by mid 2012. The Wiluna Project Definitive Feasibility Study is underway, and recently revised project economics on the expanded resource indicate a robust project with production and uranium sales forecast to commence in 2014.

Uranium and Nuclear Power Market

Following the Fukushima accident all the major nuclear power dependent countries, with the exception of Germany, have re-affirmed their commitment to the future of nuclear energy. It is calculated and widely accepted that worldwide nuclear capacity will continue to grow at an annual growth rate of 2 to 3% per annum, with the following forecast milestones:

2010	319.8 GW
2015	351.2 GW
2020	405.2 GW

This growth is largely expected to occur in China, India, Russia and South Korea. However, the growth potential is supported in recent months with decisions by Vietnam, Lithuania, UAE and Turkey to commit to the construction of their first nuclear reactors.



While there has been significant debate about the impact of the Fukushima accident on the future demand for uranium, there has been very little focus on the status of future supply of uranium.

Due to recent reactor closures in Germany and temporary closures in Japan, uranium production appears sufficient to meet current demand. However, the dynamics of the uranium market are due to shift significantly in 2013 when the US-Russia “Megatons for Megawatts” deal which converts decommissioned nuclear warheads into power station fuel comes to an end. This will result in the elimination of 24 mlbs U_3O_8 (approx. 15%) of current annual global uranium supply.

In addition, there has been increasing evidence that uranium supply growth will be constrained, eg:

1. The recent announcement by Areva of their suspension of development of three African uranium projects, including the large Trekkopje project in Namibia;
2. The decision by the Kazakhstan Government (the world’s largest producer) to cap production at its current 52 mlbs U_3O_8 per annum to avoid depressing prices and ensure adequate returns;
3. Ongoing production difficulties at some currently producing uranium mines, and considerable delays in studies and approvals at many proposed uranium projects compared with analysts’ forecasts.

As an example of how projects can be delayed, it was originally indicated that work on the Olympic Dam Expansion Project would begin before 2010. However, that project has yet to receive investment approval from the BHP Billiton Board.

The potential for a shortage of uranium has been identified by some of the major participants in the uranium market. This is exhibited by the recent takeover battle between Rio Tinto and Cameco for Hathor Exploration’s Roughrider uranium deposit in the Athabasca Basin, and the current takeover by China Guangdong Nuclear Power Corporation of Kalahari Minerals (significant shareholder of Extract Resources Ltd, owner of the Husab uranium project in Namibia). These takeover offers indicate the major players in the uranium market remain optimistic regarding the future of uranium.

Toro expects this significant level of corporate activity in the uranium business to continue in 2012 as acquisitive groups capitalise on the current weakness in the uranium market. It will also mean potentially less potential producers in the market going forward.

Wiluna Uranium Project

Toro's Wiluna Uranium Project, with a regional resource base of 50mlbs U_3O_8 , is situated 30km south of Wiluna in Western Australia. It is the most advanced of the new generation of uranium mines in Australia with WA and Federal Government assessment well advanced and a decision anticipated by mid 2012. Subject to this we anticipate project development commitment by end 2012, construction through 2013 and first uranium sales in 2014. A Definitive Feasibility Study is currently underway and recently revised project economics on an upgraded resource indicate a robust project under forecast prices.

The advanced approvals process and development stage of the Wiluna Project means that it is one of only a handful of projects worldwide which will be in a position to take advantage of looming uranium shortages and the increase in uranium prices which are anticipated to occur in 2014 and 2015.

Toro is in active discussions with potential joint venture partners and parties interested in future uranium offtake or cornerstone equity investment. These discussions are ongoing and the market will be updated again in due course.

Wiluna Investment Highlights

Substantial resource base

- 52.25 million tonnes at 434 ppm on regional basis (using 200 ppm cut-off) for 50 m lbs U_3O_8 .
- 14 year production life with additional resources in the region to be evaluated

ERMP (EIS) under review

- Public review period closed October 2011
- Final ERMP documentation lodged December 2011
- WA and Federal Government decisions anticipated in mid 2012

Trial mine completed (2010)

- Bulk ore sample obtained
- Selective mining process proven
- Shallow open pit (<10 metre) style

Process Pilot Plant tested (2011)

- Alkaline tank leach with direct precipitation
- Overall recovery 85%
- Process confirmed and de-risked

Commissioning production target 2013

- Commercial sales 2014
- Coincides with expected recovery in uranium prices

Robust economics over first 10 years

- A cash operating cost of US\$33/lb U_3O_8 ;
- Uranium recovery trends to 85% over a ramp-up of two years;
- Average annual production of 1.8 mlbs U_3O_8 equivalent is achieved; from
- An average processing head grade of approximately 720ppm U_3O_8 .
- Capital development cost of \$280 million



Theseus Uranium Project



Early exploration on the Theseus Uranium Project in WA has produced exceptional results, and further work is planned in order to assess Theseus as potentially Toro's second development project.

Theseus was discovered during a grassroots drilling program in 2009 when initial results highlighted the potential for sandstone hosted uranium mineralisation. Drilling in 2011 has confirmed the presence of significant uranium mineralisation which is potentially amenable to "ISR" (in situ recovery) method.

Theseus Investment Highlights

Significant Exploration Target

- A range of 20 to 40 million tonnes @ approximately 400 to 500 ppm for 22 m lbs to 44 m lbs U_3O_8

CAUTIONARY STATEMENT

The Exploration Target Range (ETR) is conceptual in nature and there has been insufficient exploration completed to define this material as a Mineral Resource. There is no certainty that the further work referred to herein will result in the determination of a Mineral Resource.

Potentially amenable to in situ leach recovery

- Sandstone hosted uranium mineralisation at 100 to 120m depth
- Similarities with Beverley and 4 Mile deposits (potential ISR) evident

Massive area, significant blue sky

- A total of 130 vertical mud rotary and air core holes have drilled and down hole gamma logged at the project
- Over 60% of the holes report a gamma, assay or PFN result greater than 0.5m @ 100ppm U_3O_8 .
- Deposit is open to the South, East and West
- Other positive regional drill results are yet to be followed up.

Exploration Potential (Western Australia, Northern Territory and Namibia)

Toro has extensive exploration interests in WA, NT and Namibia totalling over 12,000 square kilometres with another 5,000 square kilometres of licence expected to be granted in the next six months. These interests are prospective not only for Uranium but Rare Earths ("REEs"), Gold, Iron Ore, Potash and Base Metals.

Recently, Toro established a joint venture focusing on REEs with Northern Minerals over exploration licences held in the Browns Range area in the NT.

Toro is in discussions with a number of parties regarding the establishment of joint venture interests over its extensive exploration interests.



The information in this report that relates to Mineral Resources is based on information compiled by Dr Katrin Karner and Mr Craig Gwatkin of Toro Energy Limited, Mr Robin Simpson and Mr Daniel Guibal of SRK Consulting (Australasia) Pty Ltd. Daniel Guibal takes overall responsibility for the Resource Estimate, and Dr Karner takes responsibility for the integrity of the drilling results. Dr Karner, Mr Gwatkin, Mr Simpson and Mr Guibal are Members of the Australasian Institute of Mining and Metallurgy (AusIMM), and have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity they are undertaking to qualify as Competent Persons as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (JORC Code 2004). The Competent Persons consent to the inclusion in this release of the matters based on the information in the form and context in which it appears.

Information in this report is based on information compiled by Mr Mark McGeough, who is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr McGeough 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'. Mr McGeough consents to the inclusion in this release of the matters based on his information in the form and context in which it appears.

Toro Energy Limited

ABN 48117127590

Share Purchase Plan

15 February 2012

THIS IS AN IMPORTANT DOCUMENT and requires your immediate attention.

You should read this document in its entirety before deciding whether to take up Toro Energy Limited shares under the Share Purchase Plan. The Share Purchase Plan does not take into account your individual investment objectives, financial situation or particular needs. If you do not understand any part of this document, or are in doubt as to how to deal with it, you should consult your stockbroker, solicitor, accountant, and/or other professional financial adviser immediately.

Chairman's Letter

15 February 2012

Dear Shareholder,

On behalf of the Board of Directors of Toro Energy Ltd (**Toro**), I am pleased to invite you to participate in a share purchase plan (**SPP**) which provides shareholders with an opportunity to subscribe for up to \$15,000 worth of ordinary shares in Toro (**New Shares**) at a price of \$0.08 per New Share without incurring brokerage or other transaction costs.

Participation in the SPP is optional and is open to shareholders who were on the register at 7.00pm (Adelaide time) on 3 February 2012, and whose relevant address on the share register is in Australia or New Zealand.

The SPP is not underwritten.

The net proceeds from the SPP will be used for drilling and project advancement in relation to the Theseus Project, brown fields drilling and resource development at the Wiluna Project and the ongoing working capital requirements of the Company.

The SPP offer period opens on Wednesday 15 February 2012 and closes at 5:00pm (Adelaide time) on Tuesday 6 March 2012.

To apply for New Shares under the SPP, you can either:

- complete the enclosed Application Form and return it together with your cheque, bank draft or money order drawn on an Australian bank in Australian dollars as shown on the Application Form; or
- make a BPAY® payment as shown on the Application Form; if you make a BPAY® payment you do not need to return the Application Form.

Application Forms must be received by the Share Registry or a BPAY® payment must be received **no later than 5.00pm (Adelaide time) on Tuesday 6 March 2012**.

You should read this document carefully before deciding whether to apply. If you have any questions in respect of the SPP, please call the Toro shareholder information line on 1300 556 161 (within Australia) or +61 3 9415 4000 (from outside Australia) or consult your stockbroker, solicitor, accountant and/or other professional adviser.

On behalf of the Board of Toro, I invite you to consider this opportunity to increase your investment in Toro.

Yours sincerely,



Erica Smyth
Chairman

Toro Energy Limited

CONTENTS

Chairman's Letter	1
Key Dates	2
Share Purchase Plan Terms and Conditions	3
Corporate Directory	10

Key Dates

Event	Date
Record date for the SPP	Friday, 3 February 2012
Announcement of the SPP	Monday, 6 February 2012
Opening Date for the SPP	Wednesday, 15 February 2012
Closing Date of the SPP	Tuesday, 6 March 2012
Allotment and Issue of New Shares under the SPP	Friday, 16 March 2012
Dispatch of holding statements	Thursday, 22 March 2012
Quotation on ASX of New Shares issued under the SPP	Friday, 23 March 2012

The above timetable is indicative only and subject to change. Toro, subject to the Corporations Act, the ASX Listing Rules and other applicable laws, has the right to vary any of the above dates without notice. In particular, Toro reserves the right to extend the Closing Date of the SPP. The commencement of quotation of New Shares issued under the SPP is subject to confirmation from ASX.

Share Purchase Plan Terms and Conditions

These terms and conditions are the terms and conditions of the Toro Energy Limited Share Purchase Plan and are binding on any shareholder who offers to acquire fully paid ordinary shares in Toro (**New Shares**) under the SPP.

1. Overview of the SPP

Under the SPP, Eligible Shareholders can acquire up to \$15,000 worth of New Shares at the offer price of \$0.08 without paying any brokerage or transaction costs. Eligible Shareholders referred to in clause 4 below may apply for a parcel of New Shares valued at \$1,000, \$2,500, \$5,000, \$7,500, \$10,000 or \$15,000. The number of New Shares allocated to an applicant for New Shares (**Applicant**) will depend on the value of the parcel of New Shares applied for and on the total number of New Shares applied for by Eligible Shareholders.

The offer price of \$0.08 per New Share represents a 20% discount to the average closing price of Toro Shares on the Australian Securities Exchange (**ASX**) over the five days on which Toro Shares traded prior to the day of the announcement of the SPP offer.

The Company reserves the right in its absolute discretion to reject any SPP Application to the extent that it considers the Application (whether alone or in conjunction with other Applications) does not comply with these terms and conditions or for any other reason. If an Application is refused, the application moneys received will be refunded without interest.

In this document, a reference to ASIC Class Order 09/425 means that Class Order as varied by ASIC Class Orders 10/105, 10/789 and 11/162.

2. Scale back

The SPP offer is made in compliance with ASX Listing Rule 7.2 Exception 15 including that the number of New Shares to be issued must not be greater than 30% of the number of shares already on issue. Subject thereto, Toro has not set an upper limit on the amount of capital to be raised under the SPP.

However, Toro reserves absolute discretion to determine the amount raised under the SPP and to scale back applications under the SPP to the extent and in the manner that it sees fit. A scale back is a reduction in the allotment of shares under the SPP (compared to the parcels applied for) that Toro may undertake if it receives applications under the SPP for more shares than it wishes to issue.

In the event of a scale back, excess funds will be returned to Eligible Shareholders. There is no assurance that Eligible Shareholders who apply for New Shares will be allocated all of those New Shares.

3. Participation in the SPP

Participation in the SPP is optional, subject to the eligibility criteria set out below.

The SPP is only open to Eligible Shareholders. An Eligible Shareholder is a person who:

- was registered as the holder of Toro Shares as at 7.00pm (Adelaide time) on the Record Date of 3 February 2012; and
- has a registered address in Australia and New Zealand.

To the extent that you hold Toro Shares on behalf of another person resident outside Australia or New Zealand, it is your responsibility to ensure that any acceptance is in compliance with all applicable securities laws.

If you are in any doubt about any aspect of the SPP, whether you should participate in the SPP or how such participation will affect you, you should seek independent financial and taxation advice before making a decision as to whether or not to take up any New Shares.

4. Participation by Eligible Shareholders

Individual holders – If you are the only registered holder of a holding of Toro Shares, but you receive more than one offer under the SPP (for example, due to multiple registered holdings), you may only apply for one maximum parcel of New Shares.

Joint holders – If you are recorded with one or more other persons as the joint holder of a holding of Toro Shares, that joint holding is considered to be a single registered holding for the purpose of the SPP, and the joint holders are entitled to participate in the SPP in respect of that single holding only. If the same joint holders receive more than one offer under the SPP due to multiple registered identical holdings, the joint holders may only apply for one maximum parcel of New Shares.

Custodians, trustees and nominees – If you are a custodian, trustee or nominee within the definition of “custodian” in ASIC Class Order CO 09/425 (“Custodian”) and hold Toro Shares on behalf of one or more persons resident in Australia or New Zealand (each a “Participating Beneficiary”), you may apply for up to \$15,000 worth of Toro Shares for each Participating Beneficiary, subject to providing a notice in writing to Toro (the “Custodian Certificate”) certifying:

- (a) either or both of the following:
 - (i) that the Custodian holds Toro Shares on behalf of one or more Participating Beneficiaries that are not custodians;
 - (ii) that another custodian (“Downstream Custodian”) holds beneficial interests in Toro Shares on behalf of one or more other persons (each a “Participating Beneficiary”), and the Custodian holds the Toro Shares to which those beneficial interests relate on behalf of the Downstream Custodian or another Custodian,on the Record Date and that each Participating Beneficiary has subsequently instructed the following persons:
 - (iii) where subparagraph (i) applies – the Custodian; and
 - (iv) where subparagraph (ii) applies – the Downstream Custodian;to apply for New Shares on their behalf under the SPP;
- (b) the number of Participating Beneficiaries;
- (c) the name and address of each Participating Beneficiary;
- (d) in respect of each Participating Beneficiary:
 - (i) where subparagraph (a)(i) applies – the number of Toro Shares that the Custodian holds on their behalf; and
 - (ii) where subparagraph (a)(ii) applies – the number of Toro Shares to which the beneficial interests relate;
- (e) in respect of each Participating Beneficiary:
 - (i) where subparagraph (a)(i) applies – the number or the dollar amount of New Shares or interests they instructed the Custodian to apply for on their behalf; and
 - (ii) where subparagraph (a)(ii) applies – the number or the dollar amount of New Shares or interests they instructed the Downstream Custodian to apply for on their behalf;
- (f) there are no Participating Beneficiaries in respect of which the total of the application price for the following exceeds \$15,000:
 - (i) the New Shares applied for by the Custodian under the Plan in accordance with the instructions referred to in subparagraph (e); and

- (ii) any other shares in the class issued to the Custodian in the 12 months before the application as a result of an instruction given by them to the Custodian or the Downstream Custodian to apply for shares on their behalf under an arrangement similar to the Plan;
- (g) that a copy of the written offer document was given to each Participating Beneficiary; and
- (h) where subparagraph (a)(ii) applies – the name and address of each Custodian who holds beneficial interests in the shares in the class held by the Custodian in relation to each Participating Beneficiary.

In providing a certificate under this clause, the Custodian may rely on information provided to it by the Participating Beneficiary and any Custodian who holds beneficial interests in the shares in the class held by the Custodian.

For the purposes of ASIC Class Order CO 09/425, you are a Custodian if you are a registered holder that:

- holds an Australian financial services licence that:
 - covers the provision of a “custodial or depository service” (as defined in section 766E of the Corporations Act); or
 - includes a condition requiring the holder to comply with ASIC Class Order CO 02/294; or
- is exempt under:
 - paragraph 7.6.01(1)(k) or paragraph 7.6.01(1)(na) of the Corporations Regulations 2001; or
 - ASIC Class Order CO 05/1270 to the extent that it relates to ASIC Class Order CO 03/184; or
 - ASIC Class Orders 03/1099, 03/1100, 03/1101, 03/1102, 04/829 or 04/1313, or an individual instrument of relief granted by ASIC to the person in terms similar to one of those Class Orders; or
 - paragraph 911A(2)(h) of the Corporations Act; or
 from the requirement to hold an Australian financial services licence for the provision of a custodial or depository service; or
- is a trustee of a:
 - self-managed superannuation fund (as defined by ASIC Class Order 10/105); or
 - superannuation master trust (as defined by ASIC Class Order 10/105); or
- is the responsible entity of an IDPS-like scheme (as defined by ASIC Class Order 02/296) or any Class Order that replaces that Class Order; or
- is the registered holder of shares in the class and is noted on the register of members of the Company as holding the shares on account of another person.

If you hold Toro Shares as a trustee or nominee for another person, but are not a Custodian as defined above, you cannot participate for beneficiaries in the manner described above unless Toro otherwise agrees. In this case, the rules for multiple single holdings (above) apply.

Toro reserves the right to reject any Application for New Shares where it believes there has not been compliance with this clause.

To request a Custodian Certificate or if you would like further information on how to apply, you should contact Computershare Investor Services Pty Limited (refer to the Corporate Directory on page 10).

5. SPP Offer Period

The SPP offer opens on the Opening Date of Wednesday 15 February 2012 and closes at 5.00pm (Adelaide time) on the Closing Date of Tuesday 6 March 2012. The Directors reserve the right to change the Closing Date.

Late applications will not be accepted.

6. Offer price and investment size

Under the SPP, Eligible Shareholders have an opportunity to subscribe for up to \$15,000 worth of Toro Shares at the Offer Price of \$0.08 per New Share. You should note that Toro’s Share price may rise or fall between the Opening Date and the date when New Shares are allotted and issued to you under the SPP.

Under the SPP, you may apply for a parcel of New Shares valued at \$1,000, \$2,500, \$5,000, \$7,500, \$10,000 or \$15,000.

In the absence of a scale back, the number of New Shares to be issued to you will be calculated by dividing the value of New Shares that you apply for by the Offer Price. For example, in the absence of a scale back, if you apply for \$5,000 of New Shares, you will be allotted 62,500 New Shares.

Investment amount	Number of New Shares
\$1,000	12,500
\$2,500	31,250
\$5,000	62,500
\$7,500	93,750
\$10,000	125,000
\$15,000	187,500

7. Representations by Applicants

By returning a completed Application Form with payment or making payment by BPAY®, the Applicant (in addition to the other representation and warranties which pursuant to the provisions of this document, are taken to be given by the Applicant) will be taken to represent that:

- they have read and understood this document and the accompanying Application Form and that their acceptance is in accordance with the terms of the Share Purchase Plan set out in this document;
- the law of any other place does not prohibit you from being given this document and the Application Form, nor does it prohibit them from making an application for New Shares;
- they declare that all details and statements in the Application Form are complete and accurate;
- they acknowledge that once the Application Form is returned (or the payment made by BPAY®) it may not be withdrawn;
- they certify that the aggregate of the application price for:
 - the New Shares the subject of their application;
 - any other Toro Shares applied for under the SPP or issued under any similar arrangement operated by Toro in the 12 months prior to the application,
 - any other Toro Shares which the holder has instructed a Custodian to acquire on their behalf under the SPP; and
 - any other Toro Shares issued to a Custodian under an arrangement similar to the SPP in the 12 months prior to the application as a result of an instruction given by the holder to the Custodian or another Custodian and which resulted in the holder holding beneficial interests in the Shares,
 does not exceed \$15,000;
- they agree to being issued with the number of New Shares they subscribe for subject to scale back;
- they agree to be bound by the Company's constitution in respect of New Shares issued under the SPP;
- they authorise the Company and its officers or agents to do anything on their behalf necessary for New Shares to be issued to them, including to act on the instructions received by the Share Registry using the contact details on the Application Form;
- they acknowledge that the Company may at any time determine that their Application Form is valid, in accordance with these terms and conditions, even if the Application Form is incomplete, contains errors or is otherwise defective;
- they accept the risk associated with any refund that may be sent to them by cheque to their address shown on the Company's register of members;
- they acknowledge that they are responsible for any dishonour fees or other costs the Company may incur in presenting a cheque for payment which is dishonoured;
- they are over 18 years of age and have full legal capacity and power to perform all their rights and obligations under the Application Form;
- they acknowledge that the information contained in this document and the Application Form is not investment advice nor a recommendation that New Shares are suitable for them given their investment objectives, financial situation or particular needs, and is not a prospectus or product disclosure statement, does not contain all of the information that they may require in order to assess an investment in the Company and is given in the context of the Company's past and ongoing continuous disclosure announcements to ASX; and
- they certify that their acceptance of an offer under the SPP will not result in any person breaching the 20% limit imposed by section 606 of the Corporations Act.

8. How to Apply for New Shares under the SPP

If you are an Eligible Shareholder, you may apply for a parcel of New Shares valued at either \$1,000, \$2,500, \$5,000, \$7,500, \$10,000, or \$15,000. If you would like to apply for New Shares under the SPP, you have two payment options.

Option 1: Pay via BPAY®

Make a BPAY® payment by using the personalised reference number shown on your Application Form which is required to identify your holding. If you make your payment using BPAY®, you do not need to return your Application Form. **Your payment must be received by no later than 5.00 pm (Adelaide time) on the Closing Date of Tuesday, 6 March 2012 (subject to variation).** New Zealand holders will not be able to make a payment using BPAY®.

Applicants should be aware that their own financial institution may implement earlier cut-off times with regards to electronic payment, and should therefore take this into consideration when making payment. It is the responsibility of the Applicant to ensure that funds submitted through BPAY® are received by 5.00pm (Adelaide time) on the Closing Date.

Option 2: Pay by cheque, bank draft or money order

Complete the enclosed Application Form and return it in the enclosed reply-paid envelope together with your cheque, bank draft or money order made payable to "Toro Energy Limited Subscription Account" in Australian dollars and drawn on an Australian branch of a financial institution in Australian dollars for the correct amount, and crossed "Not Negotiable". Please note that New Zealand Shareholders will need to affix the appropriate postage stamp.

You need to ensure that your completed personalised Application Form and cheque, bank draft or money order reaches the Share Registry at the following address by no later than 5.00pm (Adelaide time) on the Closing Date of Tuesday, 6 March 2012 (subject to variation):

Toro Energy Ltd
C/- Computershare Investor Services Pty Limited
GPO Box 2987
Adelaide SA 5001
Australia

Application Forms (and payments of application money) will not be accepted if received after the Closing Date or if received at Toro's registered or corporate offices.

Cash payments will not be accepted.

Receipts for payment will not be issued.

If you pay an incorrect amount the Company reserves the right to vary your application, return some or all of your payment, or both, as it deems appropriate in its sole discretion. The Company may round the payment down to the lower appropriate amount and return the unused funds. Any applications for less than \$1,000 will be returned. The Company may otherwise determine that your application is invalid or defective. In any event, the foregoing is subject to the Company's right to scale back in its discretion. No interest will be paid on any refunds made for any reason.

9. What if I do nothing?

If you are an Eligible Shareholder and you do not wish to take up any New Shares under the SPP, you should do nothing.

The final impact of the SPP on a shareholder's percentage holding in Toro is dependent on the total take-up under the SPP. The percentage holdings in Toro of shareholders who did not participate in the SPP will be diluted.

10. No Transfer of Rights

You may not transfer your right to acquire New Shares under the SPP to anyone else.

11. Ranking of New Shares

All New Shares issued under the SPP will rank equally with existing issued fully paid ordinary shares in the capital of Toro from the date of issue, and therefore will carry the same voting rights, dividend rights and other entitlements as existing shares.

12. Quotation and Trading of New Shares

After all New Shares have been allotted, Toro will promptly apply to ASX for admission to official quotation of the New Shares.

Toro disclaims all liability (to the maximum extent permitted by law) to persons who trade New Shares before receiving their holding statements, whether on the basis of confirmation of the allocation provided by Toro or the Share Registry.

13. No Share Certificates

The New Shares will be held in uncertificated form (i.e. no share certificate will be issued) on the CHES sub-register under sponsorship of a sponsoring participant (usually a broker) or on the issuer sponsored sub-register.

Arrangements can be made at any subsequent time to convert your holding from the issuer-sponsored sub-register to the CHES sub-register under sponsorship of a sponsoring participant or vice-versa, by contacting your sponsoring participant.

14. Treatment of Foreign Shareholders

Neither this document nor the Application Form constitutes an offer in any jurisdiction in which, or to any persons to whom, it would not be lawful to make such an offer or invitation.

Eligible Shareholders resident outside Australia and New Zealand should consult their professional advisers as to whether, in order to enable them to take up New Shares under the SPP, any governmental or other consents are required, or whether other formalities need to be observed.

Eligible Shareholders holding Toro Shares on behalf of persons who are resident outside Australia and New Zealand are responsible for ensuring that taking up New Shares under the SPP does not breach the laws and regulations in the relevant overseas jurisdiction. The making of an Application (whether by the return of a duly completed Application Form or by the making of a BPAY® payment) will constitute a representation that there has been no breach of such laws or regulations.

15. Application of SPP

Toro may act or omit to act in relation to the SPP (including applying the terms of the SPP) in its absolute discretion. Toro may settle any difficulty or question of fact or interpretation in relation to the SPP in any manner it thinks fit, whether generally or in relation to any participant, application or New Share. Toro's decision will be conclusive and binding on all Eligible Shareholders and other persons to whom the decision relates. Toro reserves the right to waive strict compliance with the terms of the SPP. The Company's rights and powers under this clause 15 may be exercised by the Board of Directors of Toro or any delegate of the Board.

16. Risk

Subscription under the SPP is a speculative investment and the market price of New Shares may change between the date of this SPP offer, the date you apply for New Shares and the date of issue of New Shares to you. Accordingly, the value of New Shares applied for may rise or fall.

This SPP offer document is not a prospectus and does not require the types of disclosures required under the *Corporations Act 2001* (Cth). You must rely on your own knowledge of Toro, previous disclosures made by Toro to ASX and, if necessary, consult your professional advisers when deciding whether or not to accept the offer and participate in the SPP.

17. Privacy

By receiving completed Application Forms, Toro collects personal information about its shareholders. Toro will use this information for the purposes of processing the Application Form and updating the records of Toro. Unless required by the law, Toro will not disclose the personal information of a shareholder to a third party or use the personal information for another purpose without the consent of the shareholder. Except as stated by the law, shareholders are able to access, upon request, their personal information or if you wish to obtain a copy of Toro's privacy policy, please contact us.

18. Governing Law

This offer is governed by the law in force in South Australia. By accepting the offer, you submit to the non-exclusive jurisdiction of the courts of South Australia.

19. Withdrawal of the SPP

Toro reserves the right to withdraw the SPP and this document at any time subject to the Corporations Act, the ASX Listing Rules and other applicable laws. Toro will hold all application monies on trust for Applicants until the New Shares are issued. If the SPP is withdrawn, Toro will refund applicable application monies in accordance with the Corporations Act and without any payment of interest as soon as is practicable. Toro may retain any interest it receives on such application monies.

20. ASIC Class Order 09/425

This offer of New Shares under the SPP is made subject to and in accordance with the requirements of ASIC Class Order 09/425 which grants relief from the requirement to prepare a prospectus for the offer of New Shares under the SPP.

Corporate Directory

Directors

Erica Lee Smyth (Chairman)
Derek Northleigh Carter
Gregory Campbell Hall
Peter Robert Lester
John Nitschke
Andrew Coles

Company Secretaries

Donald Clinton Stephens
Todd Matthew Alder

Registered Office

HLB Mann Judd (SA) Pty Ltd
169 Fullarton Road
Dulwich SA 5065

Business office

3 Boskenna Avenue
Norwood SA 5067
Tel: 08 8132 5600 (within Australia)
: +61 8 8132 5600 (outside Australia)

Auditors

Grant Thornton
Level 1, 67 Greenhill Road
Wayville SA 5034

Share Registry

Computershare Investor Services Pty Limited
GPO Box 2987
Adelaide SA 5001
Tel: 1300 556 161 (within Australia)
: +61 3 9415 4000 (outside Australia)
www.investorcentre.com/contact

Legal Adviser

O'Loughlins Lawyers
Level 2
99 Frome Street
Adelaide SA 5000

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