

Joint ASX Release

15 February 2007

Napperby Uranium Project – Northern Territory**Deep Yellow and Toro Energy Acquisition Agreement**

The Boards of Deep Yellow Ltd (ASX code "DYL") and Toro Energy Ltd ("Toro", ASX code "TOE") are pleased to announce they have reached agreement on commercial terms for the farm-in and acquisition of the Napperby Uranium Project and its associated tenements EL24246 and EL24606 by Toro. Essentially, the proposal provides Toro with a 3 year period to advance the Napperby project toward development with the option to acquire 100% of the project by paying DYL for the in-ground resource on terms referred to below. Finalisation of the transaction is subject to due diligence and the negotiation and execution of a binding Sale Agreement.

The disposal of Napperby will allow DYL to proceed with its own newly acquired priority exploration projects while benefiting from Toro's expertise to fully evaluate the Napperby deposit which, if successful, will result in significant returns to DYL shareholders. Toro will benefit from the acquisition of a significant uranium mineralised system containing an Inferred Mineral Resource to JORC standard, with potential for expansion and future development.

The principal commercial terms are as follows: -

1. Toro will make an upfront payment of A\$2.3 million by issuing to DYL by the later of 25 March 2007 or the date of execution of the Sale Agreement, 3,066,667 Toro shares, based upon the 30-day Volume Weighted Average Price ("VWAP") on the 12th February of A\$0.75/ share.
2. Toro agrees to spend a minimum of A\$750,000 per year for a three year period on the historically defined mineralised zone at Napperby to delineate and upgrade resources to JORC (2004) standard.
3. Toro can elect to acquire 100% of the project at any time during the 3 year period by paying DYL an amount based on the agreed JORC resources (or, if acquired prior to full conversion to JORC standard, 13.2 million pounds) and 8% of the spot US\$ uranium price within a band of A\$4.50 and A\$6.00 per pound U₃O₈. At Toro's election the consideration may be any combination of cash and shares.

For example, assuming resources of 13.2 million pounds U₃O₈, Toro will pay DYL between A\$57 and A\$77 million based upon a sliding scale between A\$4.50 per pound of U₃O₈ (if the spot uranium price is A\$56/lb or lower) and A\$6.00 per pound of U₃O₈ (if the spot uranium price is A\$75/lb or greater).

The Agreed Resource will be based on recalculated JORC standard resources covering the Uranerz defined mineralisation (which could be greater or less than 13.2mlb). The parameters of recalculating the resource and the relevant area will be agreed between DYL, Toro and their respective consultants.

4. The acquisition cost will be reduced by the upfront payment (refer point 1 above).
5. On acquisition, Toro will inherit the 2% gross royalty payable to Paladin Resources Limited. In addition, a 3% gross royalty will be payable to DYL on production above the lesser of either 13.2 million pounds U₃O₈ or the agreed JORC resources used to reference the acquisition cost and provided the uranium spot price is 15% greater than the spot uranium reference price at time of acquisition.
6. Toro may withdraw from the Sale Agreement at any time subject to the upfront payment of A\$2.3 million being settled and all agreed expenditure being met on a pro-rata basis.

The Napperby Project is located approximately 150km North West of Alice Springs in the Northern Territory. As reported in DYL's 13 December 2006 ASX release, the project contains an 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 estimated to JORC standard "occurring over 1 kilometre 'strike' of the mineralised channel system." In the same ASX release DYL reported the Inferred Mineral Resource confirmed the historic estimate in the same area of Napperby. The Inferred Mineral Resource is contained within a much more extensive mineralised system in a shallow (<10 m deep) channel over a 14 kilometre 'strike' length of the mineralised palaeochannel system. Definition of additional resources to JORC standard is planned.

The DYL Board's rationale for the sale of the Napperby project to Toro is to allow DYL to focus on its advanced exploration projects in Namibia, the Mt Isa district and recognised regional targets throughout Australia while allowing the Napperby project to be advanced as well as benefiting DYL's shareholders through a retained equity interest in Toro and possible royalties on production.

"Whilst DYL has a team of experienced uranium exploration personnel, the DYL Board recognises that Toro and its major shareholders have appropriate development expertise," Deep Yellow's Executive Chairman, Dr Leon Pretorius said today.

"Given Toro's stated objective of becoming a uranium producer, DYL and its shareholders will benefit from Toro's focused efforts as DYL will become a significant shareholder of Toro."

"Napperby has now been well established as a mineralised system through Deep Yellow's and others exploration work to date," Toro Energy's Managing Director, Mr Greg Hall, said today.

"On our own conceptual economic modelling, Napperby is now at a sufficiently advanced stage where it satisfies Toro's business strategy of acquiring uranium projects which have the potential to be progressed through resource definition and development stages to mine commissioning."

"This project also expands Toro's footprint into the Northern Territory for the first time, a region where Toro personnel have particular operating expertise. Toro will also continue to investigate other opportunities to access known deposits of uranium mineralisation."

DYL and Toro will continue discussions regarding a 50% / 50% exploration JV over specific areas of EL24246 and EL24606 with the potential for other deeper uranium mineralisation.

MEDIA CONTACT:

Deep Yellow

Leon Pretorius 08 9286 6999
Martin Kavanagh 08 9286 6999

Email: admin@deepyellow.com.au

Toro Energy

Greg Hall 08 8362 6677
Kevin Skinner 08 8234 9555/0414 822 631
(Field Public Relations)

Email: info@toroenergy.com.au

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.