TORO Energy Limited
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23 August 2007

Company Announcements Office
Australian Stock Exchange Limited
91 King William Street
Adelaide SA 5000

By electronic lodgment

Dear Sir / Madam

TAKEOVER BID BY TORO ENERGY LIMITED FOR NOVA ENERGY LIMITED STATEMENTS ATTRIBUTED TO ARGONAUT

Toro Energy Limited (**Toro**) is aware of an article on page 51 of *The Australian Financial Review* yesterday (22 August) attributing certain statements to Argonaut in relation to Toro's off-market takeover bid for all the fully paid ordinary shares in Nova Energy Limited (**Nova**), announced on 6 August 2007.

Consistent with its announcement to the ASX on 6 August, Toro confirms that on 3 August 2007 it received written communication from Argonaut Capital Limited and Argonaut Investments Pty Limited (together **Argonaut**), which holds approximately 6% of Nova shares. The Argonaut Letter states that, following expiry of the escrow restrictions on Argonaut's shares (which occurs on 23 August 2007) it intends to accept Toro's offer in respect of all of its Nova shares, in the absence of a superior offer and subject to acceptances from Nova shareholders causing Toro's relevant interest in Nova shares to be at least 80% (inclusive of Argonaut).

Argonaut has advised Toro that the Argonaut Letter is a statement of intent to accept the offer subject to the above conditions and is not unconditional "support" for the offer.

Yours faithfully,
Toro Energy Limited

Greg Hall
Managing Director