



**2010
SECOND QUARTER REPORT**

Interim consolidated financial statements

March 31, 2010

TOURNIGAN ENERGY LTD. (a development stage company)

2010 SECOND QUARTER REPORT

Consolidated Balance Sheets (expressed in Canadian dollars) (unaudited)

	March 31, 2010	September 30, 2009
		(revised note 3)
ASSETS		
Current		
Cash and cash equivalents	\$ 3,364,483	\$ 2,742,445
Accounts receivable	677,115	6,067,767
Marketable securities (note 4)	-	25,550
Prepaid expenses and deposits	131,898	77,239
Current assets held for sale (note 5)	14,497	42,558
	4,187,993	8,955,559
Due from related party (note 5 and 9(b))	741,534	833,005
Property and equipment (note 6)	203,292	267,965
Non-current assets held for sale (note 5)	338,739	338,739
	\$ 5,471,558	\$ 10,395,268
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities	\$ 682,555	\$ 558,427
Current liabilities related to assets held for sale (note 5)	39,202	77,109
	721,757	635,536
Non-current liabilities related to assets held for sale (note 5)	114,804	114,804
Shareholders' Equity		
Share capital (note 8)	108,370,841	108,370,841
Contributed surplus (note 8)	10,405,861	9,594,901
Accumulated other comprehensive income	-	8,828
Deficit	(114,141,705)	(108,329,642)
	4,634,997	9,644,928
	\$ 5,471,558	\$ 10,395,268

Nature of operations and going concern (note 1)

Commitments (note 11)

Subsequent event (note 6)

On behalf of the Board:

/s/ "Michael Hopley"

Michael Hopley, Director

/s/ "Dorian L. Nicol"

Dorian L. Nicol, Director

See accompanying notes to the unaudited interim consolidated financial statements.

TOURNIGAN ENERGY LTD. (a development stage company)

2010 SECOND QUARTER REPORT

Consolidated Statements of Operations (expressed in Canadian dollars)

	Three months ended		Six months ended	
	March 31, 2010 (unaudited)	March 31 2009 (unaudited) (revised note 3)	March 31, 2010 (unaudited)	March 31 2009 (unaudited) (revised note 3)
MINERAL PROPERTY EXPENSE				
Mineral exploration costs (schedule 1)	\$ 1,205,405	\$ 878,156	\$ 3,033,148	\$ 3,356,300
Property investigations	48,758	48,935	48,758	105,551
	1,254,163	927,091	3,081,906	3,461,851
EXPENSES				
Employee salaries and fees to directors and contractors (note 9)	279,221	363,758	648,546	1,128,992
Stock-based compensation (note 8)	670,496	76,616	810,960	145,886
Public, government and investor relations	177,401	146,265	323,399	323,870
Audit, legal and other professional fees	167,589	211,483	255,224	338,382
Administration	112,815	205,063	244,534	388,033
Travel	137,859	156,829	289,704	324,522
Regulatory fees	29,159	32,290	31,757	36,221
	1,574,540	1,192,304	2,604,124	2,685,906
OTHER INCOME (EXPENSE)				
Interest income	1,734	11,238	4,558	57,939
Gain on sale of marketable securities	-	-	1,261	-
Unrealized gain on marketable securities	-	3,821	-	-
(Loss) gain on disposal and write-off of equipment	-	(900)	-	10
Foreign exchange (loss) gain	(78,740)	253,671	(131,852)	449,482
	(77,006)	267,830	(126,033)	507,431
LOSS FROM CONTINUING OPERATIONS	(2,905,709)	(1,851,565)	(5,812,063)	(5,640,326)
Profit from discontinued operations (note 5)	5,707	287,062	-	106,242
NET LOSS	\$ (2,900,002)	\$ (1,564,503)	\$ (5,812,063)	\$ (5,534,084)
Deficit, beginning of period as previously reported	\$ (111,241,703)	\$ (67,108,643)	\$ (86,907,844)	\$ (65,720,521)
Adjustments for change in accounting policy (note 3)	-	(36,938,269)	(21,421,798)	(34,356,810)
Deficit, as restated	(111,241,703)	(104,046,912)	(108,329,642)	(100,077,331)
Loss for the period	(2,900,002)	(1,564,503)	(5,812,063)	(5,534,084)
Deficit, end of period	\$ (114,141,705)	\$ (105,611,415)	\$ (114,141,705)	\$ (105,611,415)
Basic and diluted loss from continuing operations per share	\$ (0.02)	\$ (0.02)	\$ (0.05)	\$ (0.05)
Basic and diluted loss from discontinued operations per share	\$ 0.00	\$ 0.00	\$ -	\$ 0.00
Basic and diluted loss per share	\$ (0.02)	\$ (0.01)	\$ (0.05)	\$ (0.05)
Weighted average number of outstanding shares	122,697,859	122,697,859	122,697,859	122,697,859

See accompanying notes to the unaudited interim consolidated financial statements.

TOURNIGAN ENERGY LTD. (a development stage company)

2010 SECOND QUARTER REPORT

Consolidated Statements of Comprehensive Loss (expressed in Canadian dollars)

	Three months ended		Six months ended	
	March 31, 2010 (unaudited)	March 31 2009 (unaudited) (revised note 3)	March 31, 2010 (unaudited)	March 31 2009 (unaudited) (revised note 3)
Net loss	\$ (2,900,002)	\$ (1,564,503)	\$ (5,812,063)	\$ (5,534,084)
Other comprehensive income:				
Reclassification adjustment for realized gains	-	-	8,828	-
Comprehensive loss for the period	\$ (2,900,002)	\$ (1,564,503)	\$ (5,803,235)	\$ (5,534,084)

See accompanying notes to the unaudited interim consolidated financial statements.

TOURNIGAN ENERGY LTD. (a development stage company)

2010 SECOND QUARTER REPORT

Consolidated Statements of Cash Flows (expressed in Canadian dollars) (unaudited)

	Three months ended		Six months ended	
	March 31, 2010	March 31 2009 (revised note 3)	March 31, 2010	March 31 2009 (revised note 3)
CASH PROVIDED FROM (USED FOR):				
OPERATING ACTIVITIES:				
Net loss for the period	\$ (2,900,002)	\$ (1,564,503)	\$ (5,812,063)	\$ (5,534,084)
Less:				
Loss from discontinued operations (note 5)	(5,707)	(287,062)	-	(106,242)
Loss from continuing operations	(2,905,709)	(1,851,565)	(5,812,063)	(5,640,326)
Items not affecting cash:				
Stock-based compensation	670,496	86,178	810,960	183,969
Unrealized foreign exchange (gain) loss	27,385	9,082	42,712	(121,714)
Impairment loss on marketable securities	-	(3,831)	-	(10)
Realized gain on sale of marketable securities	-	-	(1,261)	-
Amortization of property and equipment	26,271	38,627	66,446	97,441
	(2,181,557)	(1,721,509)	(4,893,206)	(5,480,640)
Net changes in operating balances:				
Accounts receivable	(58,701)	(695,845)	5,439,411	(1,127,505)
Prepaid expenses and deposits	(23,962)	30,976	(54,659)	58,541
Accounts payable and accrued liabilities	(2,668)	(1,252,425)	124,128	(933,105)
	(2,266,888)	(3,638,803)	615,674	(7,482,709)
INVESTING ACTIVITIES:				
Purchase of property and equipment	-	(7,185)	(1,773)	(12,921)
Proceeds on sale of marketable securities	-	-	17,983	-
	-	(7,185)	16,210	(12,921)
Cash and cash equivalents from (to) discontinued operations	(23,004)	182,342	(9,846)	(191,875)
Change in cash and cash equivalents for period	(2,289,892)	(3,463,646)	622,038	(7,687,505)
Cash and cash equivalents, beginning of period	5,654,375	8,359,591	2,742,445	12,583,450
Cash and cash equivalents, end of period	\$ 3,364,483	\$ 4,895,945	\$ 3,364,483	\$ 4,895,945
Supplemental cash flow information:				
Cash paid during the period for interest	\$ -	\$ -	\$ -	\$ -
Cash paid during the period for income taxes	-	-	-	-

See accompanying notes to the unaudited interim consolidated financial statements.

TOURNIGAN ENERGY LTD. (a development stage company)

2010 SECOND QUARTER REPORT

SCHEDULE 1

MINERAL PROPERTY EXPLORATION COSTS (expressed in Canadian dollars) (unaudited)

	Six months ended March 31, 2010			Six months ended March 31, 2009 (revised note 3)		
	Slovakia Kuriskova	Slovakia Other	Slovakia Total	Slovakia Kuriskova	Slovakia Other	Slovakia Total
Licenses and permits	\$ 14	\$ 5,447	\$ 5,461	\$ 2,475	\$ 8,396	\$ 10,871
Mapping and surveying	-	-	-	425	1,507	1,932
Drilling and assays	2,563,959	15,901	2,579,860	2,140,927	530,389	2,671,316
Personnel, administration and travel	243,794	25,621	269,415	329,762	172,122	501,884
Stock-based compensation	-	-	-	38,083	-	38,083
Socio-environmental studies	16,417	-	16,417	54,501	53	54,554
Studies and evaluations	161,995	-	161,995	77,659	1	77,660
	\$ 2,986,179	\$ 46,969	\$ 3,033,148	\$ 2,643,832	\$ 712,468	\$ 3,356,300

See accompanying notes to the unaudited interim consolidated financial statements.

TOURNIGAN ENERGY LTD. (a development stage company) **2010 SECOND QUARTER REPORT**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Six months ended March 31, 2010 and 2009
(expressed in Canadian dollars) (unaudited)

1. NATURE OF OPERATIONS AND GOING CONCERN

Tournigan Energy Ltd. (the "Company") is a public company listed on the TSX Venture Exchange in Canada and the Frankfurt Stock Exchange in Germany. The Company's principal business activity is the sourcing, exploration and development of mineral properties.

The Company has not generated revenues from operations. These consolidated financial statements are prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business in the foreseeable future. The Company's cash on hand at March 31, 2010 provides the Company with sufficient financial resources to carry out its exploration and operations through the next twelve months, however, the Company expects to raise additional equity capital in 2010. The Company's ability to continue on a going concern basis depends on its ability to successfully raise additional financing for the substantial capital expenditures required to achieve planned principal operations. The Company plans to seek additional financing in 2010, and while the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms acceptable to the Company.

The carrying values of mineral properties represent costs incurred to date, net of recoveries, abandonments and write-downs, and do not necessarily reflect present or future values. The recoverability of these amounts is dependent upon the existence of economically recoverable mineral reserves; the acquisition and maintenance of appropriate permits, licenses and rights; the ability of the Company to obtain necessary financing to complete the development of properties where necessary, and upon future profitable operations; or alternatively, upon the Company's ability to recover its costs through a disposition of its interests.

These financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PRESENTATION

The accompanying unaudited interim consolidated financial statements of the Company have been prepared in accordance with Canadian generally accepted accounting principles for interim financial statements and accordingly do not include all disclosures required for annual financial statements.

These unaudited interim consolidated financial statements follow the same significant accounting policies and methods of application as the Company's consolidated financial statements for the year ended September 30, 2009 except as discussed in this note and note 3, and should be read in conjunction with the September 30, 2009 financial statements.

In the opinion of management, all adjustments (including normal recurring accruals) considered necessary for fair presentation have been included. Operating results for these interim periods are not necessarily indicative of the results that may be expected for the full fiscal year ending September 30, 2010. The majority of exploration costs are incurred in the months of April to October due to seasonal weather conditions in the Northern Hemisphere.

Certain of the prior period's figures have been reclassified to conform to the current period's presentation.

TOURNIGAN ENERGY LTD. (a development stage company)

2010 SECOND QUARTER REPORT

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Six months ended March 31, 2010 and 2009
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2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PRESENTATION (continued)

New Accounting Standards

- a) **Goodwill and intangible assets** – The Company adopted the new CICA Section 3064, *Goodwill and Intangible Assets*, which has replaced the existing Section 3062, *Goodwill and Other Intangible Assets*, and Section 3450, *Research and Development Costs on October 1, 2009* with no material impact on the Company's financial statements. The section contains standards for the recognition, measurement, presentation, and disclosure of goodwill subsequent to its initial recognition and of intangible assets by profit-oriented enterprises. Standards concerning goodwill are unchanged from the standards included in the previous Section 3062.

Future Canadian accounting standards

- b) **Business combinations, non-controlling interest and consolidated financial statements** - In January 2009, the CICA issued Handbook Sections 1582, *Business Combinations*, 1601, *Consolidated Financial Statements*, and 1602, *Non-controlling Interests*, which replace CICA Handbook Sections 1581, *Business Combinations*, and 1600, *Consolidated Financial Statements*. Section 1582 establishes standards for the accounting for business combinations that is equivalent to the business combination accounting standard under International Financial Reporting Standards ("IFRS"). Section 1582 is applicable for the Company's business combinations with acquisition dates on or after January 1, 2011. Early adoption of this Section is permitted. Section 1601 together with Section 1602 establishes standards for the preparation of consolidated financial statements. Section 1602 provides guidance on accounting for a non-controlling interest in a subsidiary in consolidated financial statements subsequent to a business combination. Section 1601 is applicable for the Company's interim and annual financial statements for its fiscal year beginning October 1, 2011. Early adoption of this Section is permitted and all three Sections must be adopted concurrently. The adoption of this standard is not expected to have a material impact on the Company's financial statements.
- c) **International Financial Reporting Standards ("IFRS")** – The Canadian Accounting Standards Board announced that 2011 is the changeover date for publicly-listed companies to use IFRS, replacing Canada's own GAAP. The date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of October 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company for the year ended September 30, 2011. Under IFRS, there is significantly more disclosure required. Further, while IFRS uses a conceptual framework similar to Canadian GAAP, there are significant differences in accounting policies that must be addressed. The impact of these new standards on the Company's financial statements is currently being evaluated by management.

3. CHANGE IN ACCOUNTING POLICY

On October 1, 2009 the Company changed its accounting policy for mineral property exploration expenditures. In prior years, the Company capitalized the acquisition cost of mineral properties and exploration expenditures directly related to specific mineral properties, net of recoveries received.

Under the new policy, exploration expenditures incurred prior the determination of the feasibility of mining operations, and a decision to proceed with development has been made, are charged to operations as incurred. Development expenditures incurred subsequent to a development decision, and to increase or extend the life of existing production are capitalized and will be amortized on the unit-of-production method based upon estimated proven and probable reserves.

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3. CHANGE IN ACCOUNTING POLICY (continued)

The impact of this change was to decrease mineral properties and increase the deficit by \$34,356,810 at September 30, 2008 and to decrease mineral properties by \$19,469,782 and non-current assets held for sale by \$1,952,016 at September 30, 2009 and to increase the loss from operations by \$4,445,160 and decrease the loss on disposal of discontinued operations by \$17,380,172 for the year ended September 30, 2009.

The impact of this change was to decrease mineral properties and increase the deficit by \$37,598,562 at March 31, 2009. The comparative statements for the three and six months ended March 31, 2009 were restated for both the discontinued operations and the change in accounting policy. The previously reported net loss for the three and six months ended March 31, 2009 was \$904,210 and \$2,292,332 respectively, which has been restated to \$1,851,565 and \$5,640,326 respectively, with gains from discontinued operations of \$287,062 and \$106,242 respectively, for a net loss of \$1,564,503 and \$5,534,084 respectively.

4. MARKETABLE SECURITIES

	March 31, 2010 \$	September 30, 2009 \$
Condor Resources PLC ("Condor")	-	16,300
Nanika Resources Inc. ("Nanika")	-	9,250
	-	25,550

During the six months ended March 31, 2010, the Company sold its remaining 1,900,000 common shares of Condor realizing a gain of \$164 on the sale. In the same period the Company sold 50,000 common shares of Nanika realizing a gain of \$1,097 on the sale.

The Company recorded \$8,828 in other comprehensive income as an unrealized gain in the year ended September 30, 2009 consisting of \$3,580 for the 1,900,000 common shares of Condor and \$5,250 for the 50,000 common shares of Nanika owned at September 30, 2009.

5. DISCONTINUED OPERATIONS AND ASSETS HELD FOR SALE

Disposal of Kremnica Gold s.r.o and Kremnica Gold Mining s.r.o. ("Kremnica Shares") –

On January 27, 2010, the Company and Ortac Resources plc ("Ortac") executed a share purchase agreement ("Share Purchase Agreement") which superseded a June 7, 2009 option agreement pursuant to which Ortac had earned 20% of the Kremnica Shares by completion of the first milestone pursuant to the option agreement. Pursuant to the Share Purchase Agreement Ortac will purchase and take possession of 80% of the Kremnica Shares on closing for consideration of US\$2.0 million to be paid in a combination of US\$100,000 cash on the transfer of the shares of the Kremnica Shares to Ortac and delivery of a US\$1,900,000 non-interest bearing promissory note (the "Promissory Note"), secured by all the assets of Ortac, that will be due for settlement upon Ortac completing a public listing ("IPO") during 2010. The Promissory Note will be paid as US\$550,000 in cash and US\$1,350,000 in Ortac shares to the equivalent cash value. The cash component will be paid from IPO proceeds and the shares will be issued at the IPO price. If Ortac cannot pay the Promissory Note in 2010 it will have an extension of time to 2011 providing it pays the Company entirely in cash from no less than 50% of the net proceeds of all equity issues in 2011 until the Promissory Note is paid.

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5. DISCONTINUED OPERATIONS AND ASSETS HELD FOR SALE (continued)

In addition, within 60 days of all required permits having been obtained to permit commercial production at the Kremnica property, Ortac will pay the Company US\$3,750,000 cash or in Ortac shares to the equivalent cash value being \$15.00 per ounce of the first 250,000 ounces of gold equivalent (gold plus silver) resource defined as proven and probable reserve in the bankable feasibility study. Ortac will grant the Company a 2% net smelter return ("NSR") royalty on gold and silver production from the Kremnica property as currently comprised which includes three exploration licenses to a limit of the first 1 million ounces produced after which it will reduce to a 1% NSR royalty on the next million ounces, after which it will extinguish.

Ortac may buy 1% of the 2% NSR royalty granted to the Company at any time by paying the Company US\$1 million cash. Mr. Nicol was not involved in the negotiations with Ortac and as a director of each company, he did not vote on approving the renegotiated terms.

The division between cash and Ortac shares issued to the equivalent cash value is in both cases conditional upon the Company not owning more than 19.9% of the issued and outstanding shares of Ortac after the issuance of the shares to the Company.

Ortac owed the Company \$42,923 at March 31, 2010 (\$62,436 at September 30, 2009) for reimbursement of Kremnica operating expenses which was collected subsequently.

Net assets of discontinued operations for Kremnica are summarized as follows:

	March 31, 2010	September 30, 2009 (revised note 3)
Kremnica		
Current assets	\$ 14,497	\$ 42,558
Non-current assets held for sale	338,739	338,739
Current liabilities	(39,202)	(77,109)
Non-current liabilities	(114,804)	(114,804)
Net assets	\$ 199,230	\$ 189,384

Closing of the Share Purchase Agreement took place on April 7, 2010 and will be reported in the third quarter's results.

6. PROPERTY AND EQUIPMENT

	March 31, 2010			September 30, 2009		
	Cost	Accumulated amortization	Net Book Value	Cost	Accumulated amortization	Net Book Value
Computer and electronic equipment	\$ 103,645	\$ 79,229	\$ 24,416	\$ 101,872	\$ 64,448	\$ 37,424
Vehicles	67,218	40,377	26,841	67,218	31,841	35,377
Office and field equipment	276,749	127,769	148,980	276,749	100,477	176,272
Software	139,695	136,640	3,055	139,695	120,803	18,892
	\$ 587,307	\$ 384,015	\$ 203,292	\$ 585,534	\$ 317,569	\$ 267,965

TOURNIGAN ENERGY LTD. (a development stage company) 2010 SECOND QUARTER REPORT

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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7. FINANCIAL INSTRUMENTS

a) Disclosures

The Company's financial instruments consist of cash and cash equivalents, accounts receivable, deposits, due from related party, marketable securities, and accounts payable and accrued liabilities.

The fair values of cash and cash equivalents, accounts receivable, deposits, due from related party and accounts payable and accrued liabilities approximate their carrying values because of the short-term nature of these instruments. Marketable securities are recorded at quoted market prices.

b) Financial Instrument Risk Exposure and Risk Management

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board approves and monitors the risk management processes.

Credit risk – Credit risk is the risk of an unexpected loss of a third party to a financial instrument fails to meet its contractual obligations. The Company is subject to credit risk on the cash balances at the bank, its short-term bank investments and accounts and other receivables. The Company's bank accounts are with high credit quality financial institutions. The Company has no risk exposure to asset backed commercial paper or auction rate securities. The Company's due from related party is unsecured and the Company monitors the collectability of these amounts closely.

Liquidity risk - Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they are due. The Company ensures that there is sufficient capital in order to meet short-term business requirements, after taking into account the Company's holdings of cash. The Company raises capital through equity issues and its ability to do so is dependent on a number of factors including market acceptance, stock price and exploration results. The Company's cash is primarily invested in business bank accounts which are available on demand. The Company's cash on hand at March 31, 2010, provides the Company with sufficient financial resources to carry out its exploration and operations through the 2010 financial year however, the Company expects to raise additional equity capital in 2010.

Interest rate risk - The Company's only significant market risk exposure is interest rate risk. The Company's bank accounts earn interest income at variable rates. The fair value of its cash equivalents is relatively unaffected by changes in short-term interest rates. The Company's future interest income is exposed to short-term rates.

Foreign currency risk - The Company maintains its accounts in Canadian dollars. The Company's expenditures in Slovakia and the USA make it subject to foreign currency fluctuations and such fluctuations may materially affect the Company's financial position and results. The Company's operating results and cash flows are affected to varying degrees by changes in the Canadian Dollar exchange rate vis-à-vis the Euro and the US Dollar. The Company purchases foreign currencies as the need arises in order to fund its exploration and development activities. Corporate expenditures are mainly incurred in Canadian and US dollars. The effect of a one percent change in the foreign exchange rate on the working capital items held in Euro and United States dollars would result in an approximate \$7,155 decrease or increase, respectively, in net income or loss for the six months ended March 31, 2010 and shareholder's equity as at March 31, 2010. The Company has not hedged its exposure to currency fluctuations.

Price risk - The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of uranium, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company. Fluctuations in pricing may be significant.

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8. SHARE CAPITAL

The Company has an unlimited number of common shares without par value authorized for issuance.

	Number of Shares	Value	Contributed Surplus
Issued as at September 30, 2009	122,697,859	\$ 108,370,841	\$ 9,594,901
Stock based compensation	-	-	810,960
Issued as at March 31, 2010	122,697,859	\$ 108,370,841	\$ 10,405,861

Escrow shares - There were 9,375 common shares held in escrow for all periods presented. Subject to receipt of regulatory approval, the Company will request cancellation of the escrow agreement and return the shares to its treasury.

Options – On March 30, 2010 the Company's shareholders approved the renewal of an amended rolling stock option plan applicable to directors, employees and consultants, under which the total outstanding stock options are limited to 5% (reduced from 10%) of the outstanding common shares of the Company at any one time. The exercise price of an option shall not be less than the discounted market price at the time of granting as prescribed by the policies of the TSX Venture Exchange. The maximum term of stock options is ten years from the grant date. Vesting terms are at the discretion of the directors.

As at March 31, 2010, the Company has stock options outstanding and exercisable as follows:

Expiry date	Exercise price	Balance, September 30, 2009	Granted	Exercised	Cancelled / Expired	Balance, March 31, 2010
August 31, 2010	\$ 0.40	100,000	-	-	-	100,000
March 31, 2010	\$ 1.45	50,000	-	-	(50,000)	-
February 15, 2011	\$ 1.45	183,333	-	-	(183,333)	-
March 23, 2011	\$ 1.86	1,100,000	-	-	(1,100,000)	-
February 16, 2012	\$ 3.44	50,000	-	-	(50,000)	-
March 29, 2012	\$ 2.97	400,000	-	-	(400,000)	-
July 25, 2012	\$ 3.63	50,000	-	-	(50,000)	-
August 1, 2012	\$ 3.29	75,000	-	-	(75,000)	-
December 10, 2012	\$ 1.35	120,000	-	-	(120,000)	-
February 27, 2013	\$ 1.16	720,000	-	-	(720,000)	-
July 10, 2013	\$ 0.90	1,000,000	-	-	(1,000,000)	-
November 10, 2013	\$ 0.22	250,000	-	-	-	250,000
January 26, 2014	\$ 0.24	300,000	-	-	-	300,000
April 27, 2014	\$ 0.44	2,025,000	-	-	-	2,025,000
March 26, 2015	\$ 0.30	-	3,000,000	-	-	3,000,000
		6,423,333	3,000,000	-	(3,748,333)	5,675,000
Weighted average exercise price	\$	1.11	\$ 0.30	\$ -	\$ (1.62)	\$ 0.35

As at March 31, 2010, with a TSX-V closing price of \$0.245, the intrinsic value of vested and unexercised options was \$5,167. At March 31, 2010, of the total outstanding options, 4,085,418 were vested.

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8. SHARE CAPITAL (continued)

Fair Value of Stock-Based Compensation

The Company uses the Black-Scholes option pricing model to calculate the fair value of stock options granted. The Black-Scholes model was developed for use in estimating the fair value of traded options that have no vesting restrictions. The model requires management to make estimates, which are subjective and may not be representative of actual results. Changes in assumptions can materially affect estimates of fair values.

During the six months ended March 31, 2010, the Company concurrently cancelled 3,698,333 stock options, 666,667 of which had not vested, and granted 3,000,000 stock options. The newly-granted stock options must be accounted for as a modification to the terms of the cancelled options. Accordingly, the incremental value of the newly-granted stock options was calculated using the Black-Scholes option pricing model using the following assumptions:

- a) Directors:
 - i) 2.62 year expected life;
 - ii) 96% annualized volatility;
 - iii) zero expected dividend yield;
 - iv) 1.63% risk free interest rate; and
 - v) The fair value was calculated as \$0.13 per option.

- b) Employees and consultants:
 - i) 1.70 year weighted average expected life;
 - ii) 93% annualized volatility;
 - iii) zero expected dividend yield;
 - iv) 1.63% risk free interest rate; and
 - v) The fair value was calculated as \$0.10 per option.

The unrecognized fair value of the unvested and cancelled stock options (666,667 options with an unrecognized fair value of \$226,462) was also recognized this period along with the continued vesting of the balance of the stock options previously granted.

The total share based compensation recorded this period was \$810,960.

The remaining fair value of the options granted in 2009 and 2010 will be recognized as the options vest through fiscal year 2010.

Shareholders' rights plan

The directors of the Company approved the adoption of a renewal shareholder rights plan, dated March 2, 2009 (the "Rights Plan") which was ratified by the Company's shareholders on April 6, 2009. The Rights Plan is intended to ensure that all shareholders of the Company are treated fairly in any transaction involving a potential change of control of the Company. The rights become exercisable only when a person or party acquires or announces its intention to acquire 20% or more of the outstanding shares of the Company without complying with certain provisions of the Rights Plan. Each right would entitle each holder of common shares (other than the acquiring person or party) to purchase additional common shares of the Company at a 50% discount to the market price at the time. Unless otherwise terminated, the Rights Plan will expire on the date immediately after the Company's annual meeting of shareholders to be held in 2012.

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9. RELATED PARTY TRANSACTIONS AND BALANCES

a) Transactions

	Six months ended March 31, 2010	Six months ended March 31, 2009
Legal fees to a law firm in which a director is a partner	\$ 56,855	\$ 31,227
Consulting fees to companies controlled by officers	51,000	29,750

Consulting fees were based on rates commensurate with the costs of obtaining employee or director services. Legal and geological consulting fees were billed at standard industry rates.

b) Balances

Accounts receivable, due from related parties and accounts payable and accrued liabilities balances include the following related party balances. Due from related parties are unsecured and without interest.

	March 31, 2010	September 30, 2009
Accounts receivable from directors and officers	\$ 40,632	\$ 42,828
Accounts receivable from Ortac (note 5)	42,923	62,436
Accounts receivable from Fischer-Watt	-	214,140
Due from related party from Fischer-Watt	741,534	833,005
	<u>\$ 825,089</u>	<u>\$ 1,152,409</u>
Accounts payable and accrued liabilities - due to related parties	\$ 58,466	\$ 136,577

10. SEGMENTED INFORMATION

Subsequent to the discontinued operations discussed in note 5, the Company now operates only in the uranium mineral exploration sector in Slovakia. The majority of the Company's assets are located in Slovakia.

11. COMMITMENTS

Drilling contract - A subsidiary of the Company has entered into a drilling contract with a Slovakian drilling company whereby the Company has committed to drill 4,190 metres by December 31, 2010 at an estimated equivalent cost of \$230 per metre (EUR 166 per metre). If the Company terminates the contract, a 15% penalty against the remaining commitment would be payable.

Mineral properties - The expenditures necessary to maintain the good standing of the Company's mineral property licences and leases and mineral property agreements are as follows:

- i) **Slovakia - Kuriskova** - On June 7, 2005, the Company acquired a 100% interest in the Kuriskova uranium property located within the Cermel exploration license located in eastern Slovakia. The Cermel exploration license was renewed for 4 years in April 2009, with Company renewal options. Licence fees and minimum work commitments are expected to be approximately \$35,000 (EUR 25,000) for fiscal 2010; and

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11. COMMITMENTS (continued)

ii) **Slovakia - Other** - In June 2005, the Company acquired 100% interests in the Novoveska Huta and the Svabovce and Spissky Stiavnik uranium properties, all located in eastern Slovakia. Past production was recorded on each of these properties. The Novoveska Huta property is included within the Spisska Nova Ves mining and exploration licence. The Svabovce and Spissky Stiavnick uranium properties are included within the Spisska Teplica exploration licence.

Both the Spisska Nova Ves and Spisska Teplica exploration licences were renewed for 4 years in April 2009 and May 2009, with Company renewal options. In August 2006, the Company acquired a 100% interest in the Kluknava licence, also in eastern Slovakia, which expires in August 2010 with Company renewal options. In August 2008, the Company acquired the Chrast nad Hornadom licence which expires in October 2010 with Company renewal options. The Vitaz exploration licence was granted in April 2009 for 4 years with Company renewal options. Aggregate licence fees and minimum work commitments for these other Slovakian uranium properties are expected to be approximately \$165,000 (EUR 120,000) for fiscal 2010.