



ACN 009 253 187

ASX QUARTERLY REPORT

for the Period Ended 31 December 2011

HIGHLIGHTS

SA – VULCAN IOCGU PROJECT

- **Satisfaction of the various conditions precedent to Tasman’s conditional JV agreement with Rio Tinto Exploration Pty Ltd (RTX) announced in October 2011 is progressing, but still awaits resolution of the Aboriginal heritage access issue.**
- **The final report from the Aboriginal heritage survey for 14 drill holes over the whole Vulcan site conducted in October 2011 is still awaited. However, from a preliminary report it appears that whilst eight drill holes were cleared, not all targets have been cleared for drilling. Accordingly, Tasman has commenced negotiations with the native title claimants aimed at trying to facilitate clearance of most of the priority drill sites.**

SA – LUCAS HILL TARGET

- **Aboriginal heritage clearance for the initial drilling program was obtained**
- **Diamond drilling is scheduled to commence in mid-January 2012.**

INVESTMENTS

Eden Energy Ltd (Tasman: 24.7% fully diluted shareholding – 31st December 2011).

- **Eden continues to make encouraging progress with its carbon/hydrogen pyrolysis project.**
- **Eden’s US and Indian subsidiaries make progress in Optiblend Dual Fuel Kit sales.**

Fission Energy Ltd (Tasman: 19% shareholding as at 31st December 2011)

- **Uranium explorer and potential cobalt-nickel producer**

DETAILS

IOCGU EXPLORATION: SOUTH AUSTRALIA

Vulcan Project (100% Tasman)

As mentioned in the previous quarterly report in October 2011, Tasman Resources Ltd (Tasman) has entered into a conditional agreement with Rio Tinto Exploration Pty Limited (RTX) pursuant to which RTX has the right to farm-in to Tasman's wholly-owned Exploration Licence (EL 4322, see Figure 1) which hosts the Vulcan prospect, located about 30km northeast of Olympic Dam. The key details of this agreement are:

- RTX is to pay Tasman, subject to Tasman obtaining Aboriginal heritage clearances over certain parts of the Vulcan project, and satisfying certain other conditions precedent within six months, an initial \$10 million.
- Tasman to undertake an estimated A\$5 million exploration program that includes at least 12,000 metres of drilling within the first 12 months of the Agreement.
- RTX can then elect to earn a 55% interest in the Agreement by:
 - paying to Tasman a further A\$7 million; and
 - within 3 years of electing to farm-in, fund the delineation of a JORC compliant Inferred Mineral Resource and completing a concept study; or
 - expending a further A\$25 million on exploration costs, whichever shall be the earlier.
- Tasman can then either retain a 45% interest and thereafter contribute or, if not, RTX may, at its election, increase its interest to 80% by either:
 - completing a pre-feasibility study within a further 5 years; or
 - expending a further A\$50 million on exploration costs, whichever shall be the earlier.
- If RTX earns an 80% interest, Tasman then has the right to either:
 - maintain a 20% interest, contributing to future funding; or
 - offer to sell its 20% to RTX (which RTX must purchase) for an agreed value or at fair market value.

Progress is being made in relation to satisfying the various conditions precedent, but the Aboriginal heritage condition has not yet been satisfied. An extensive Aboriginal heritage survey was conducted in October 2011 for up to 14 further drill sites over various parts of the Vulcan target.

The final report from this Aboriginal heritage survey is still awaited; however, it appears that whilst eight sites were cleared for drilling, six targets were not cleared. Accordingly, Tasman has commenced negotiations with the native title claimants aimed at trying to facilitate clearance of the other priority drill sites, to enable the conditions precedent to be satisfied.

Background

Tasman identified Vulcan as a prime IOCGU target in 2009, based on the presence of a very large gravity anomaly, supporting magnetic and seismic anomalies and Vulcan's location close to key tectonic (structural) lineaments, which had previously been used in the original targeting of Olympic Dam by WMC in the mid-1970s. Tasman's initial discovery drill hole, VUD 001, intersected the Vulcan IOCGU system late in 2009.

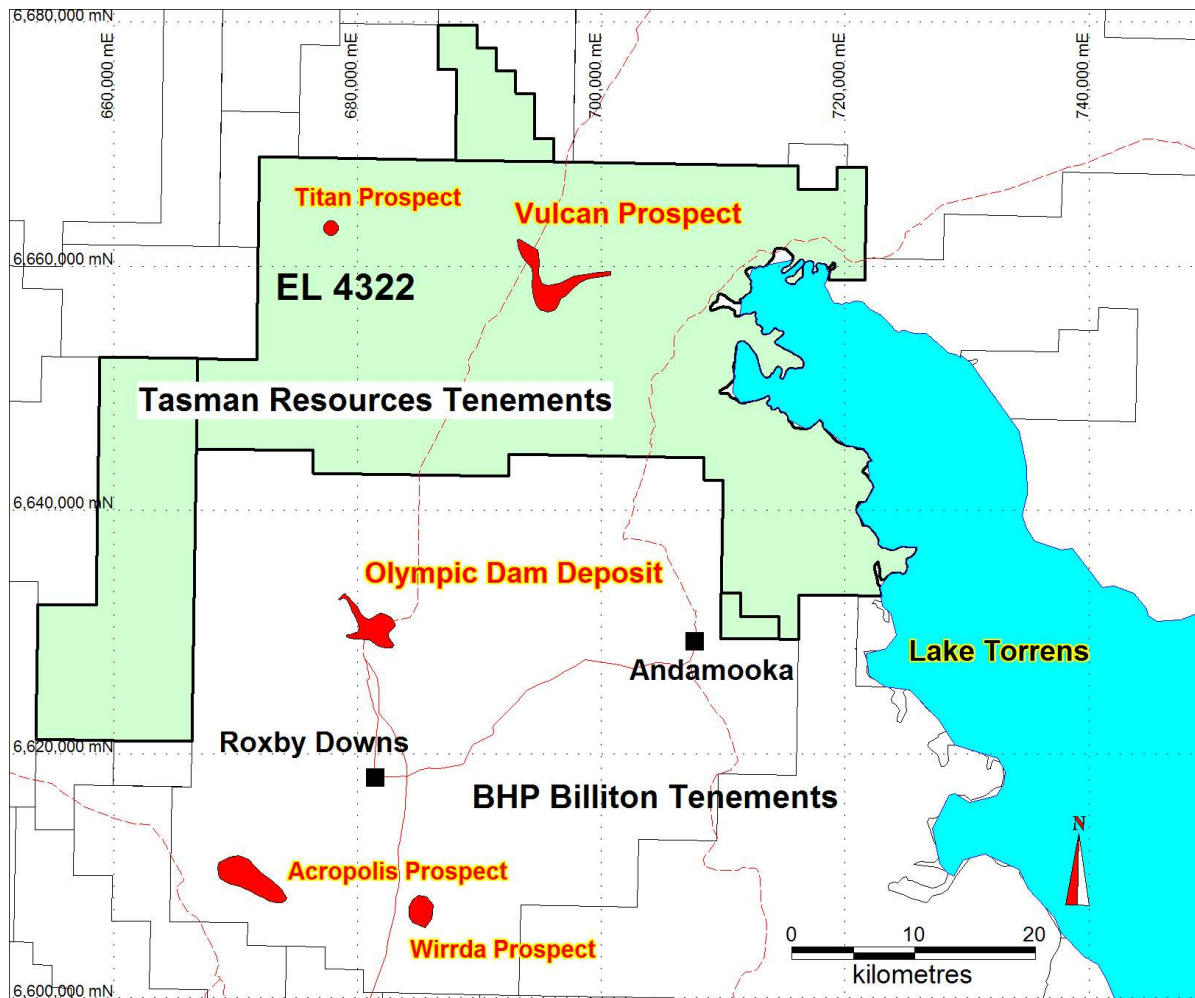


Figure 1: Plan showing Tasman's main exploration tenements in the Lake Torrens Project. Also shown are the Olympic Dam Deposit and other nearby IOCGU prospects, including Tasman's Vulcan prospect.

Lucas Hill (100% Tasman)

On 1st August 2011 Tasman announced the identification of a new IOCGU (or Iron-Oxide Copper Gold Uranium) target at Lucas Hill, approximately 25km south east of Woomera on the Stuart Shelf in South Australia (Figure 2).

The target area was identified on the basis of the following parameters:

- A discrete, probably basement-sourced gravity anomaly (Figure 3), apparently larger in size and of comparable strength to the Carapateena deposit, 48km to the east northeast.
- An associated magnetic anomaly of comparable size.
- A prime regional location – within the highest priority, IOCGU Potential Zone 1 as defined by Geoscience Australia.
- Coincident and aligned along a major west northwest tectonic lineament (Figure 2) as originally defined during WMC's exploration that led to the discovery of Olympic Dam in 1975.

Geophysical modelling indicates that the likely source of the gravity and magnetic anomalies at Lucas Hill is a significant body of moderately to strongly dense material, becoming more magnetic at depth. The modelled depth to this body is about 900 to 1000m, and it is undrilled.

Figure 3 shows the residual gravity image from the recent geophysical modelling. The significance of the anomaly when compared to the IOCGU deposit at Carapateena is clear from the comparative image supplied (Carapateena contains an Inferred Resource of 203 million tonnes at 1.31% Cu, 0.56g/t Au, 270ppm U₃O₈ and 6g/t Ag).

An Aboriginal heritage survey was conducted in October 2011, clearing Tasman's proposed drilling program, and drilling is expected to commence in mid- January 2012. Drilling will consist of an initial two drill holes, and further drilling will depend upon results. It is anticipated that the program will take 5 to 6 weeks with assay results available 4 to 6 weeks after completion.

Should initial exploration prove successful the project would benefit from its excellent infrastructure, being close to a main railway line and highway, a water pipeline and power.

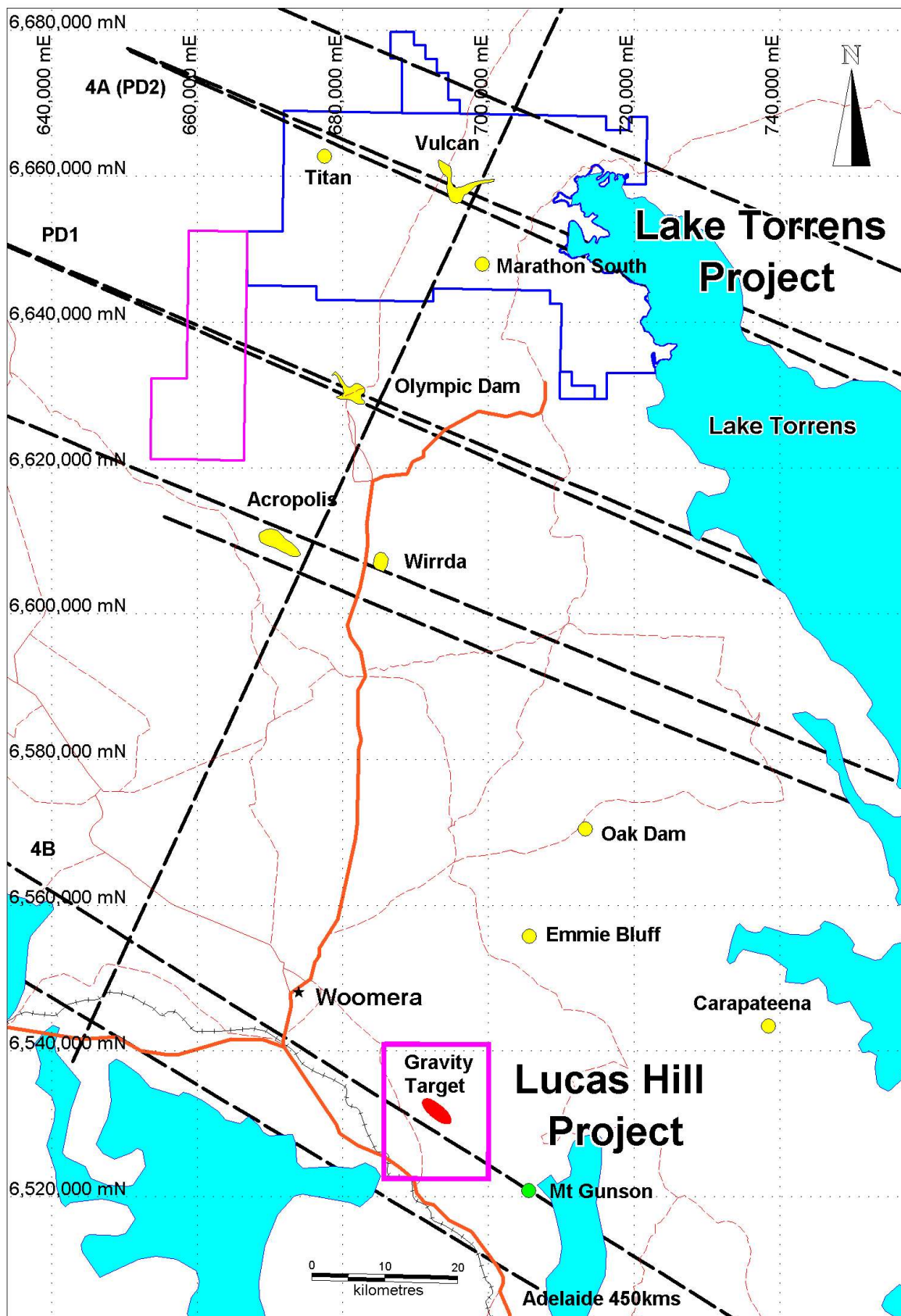


Figure 2: Tasman Lake Torrens and Lucas Hill Project Locations showing selected key historic tectonic lineaments, IOCGU deposits/prospects (yellow) and Lucas Hill gravity target.

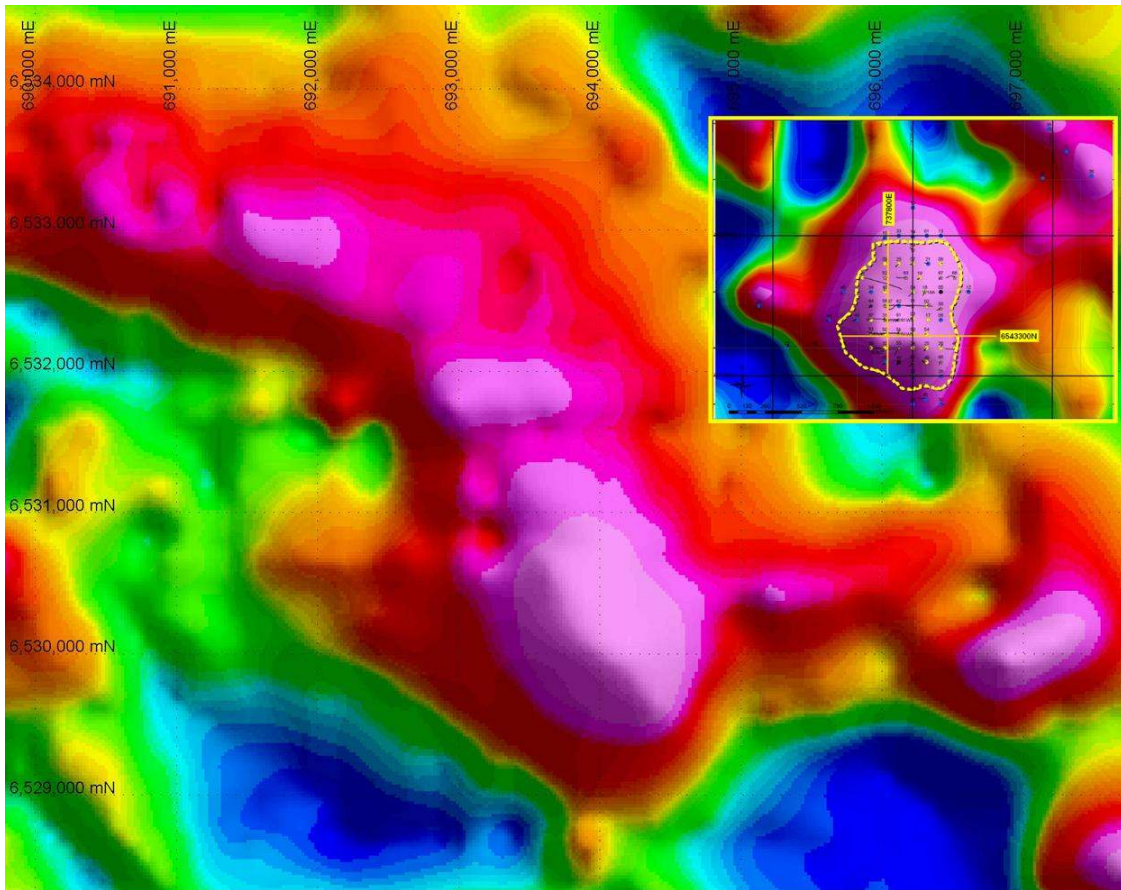


Figure 3: Lucas Hill Project - Residual Gravity Image with inset of Carapateena Residual Gravity Image at same scale.

OTHER PROJECTS

Tasman has gold and base metal projects at Parkinson Dam and the Central Gawler Craton in South Australia (Figure 4).

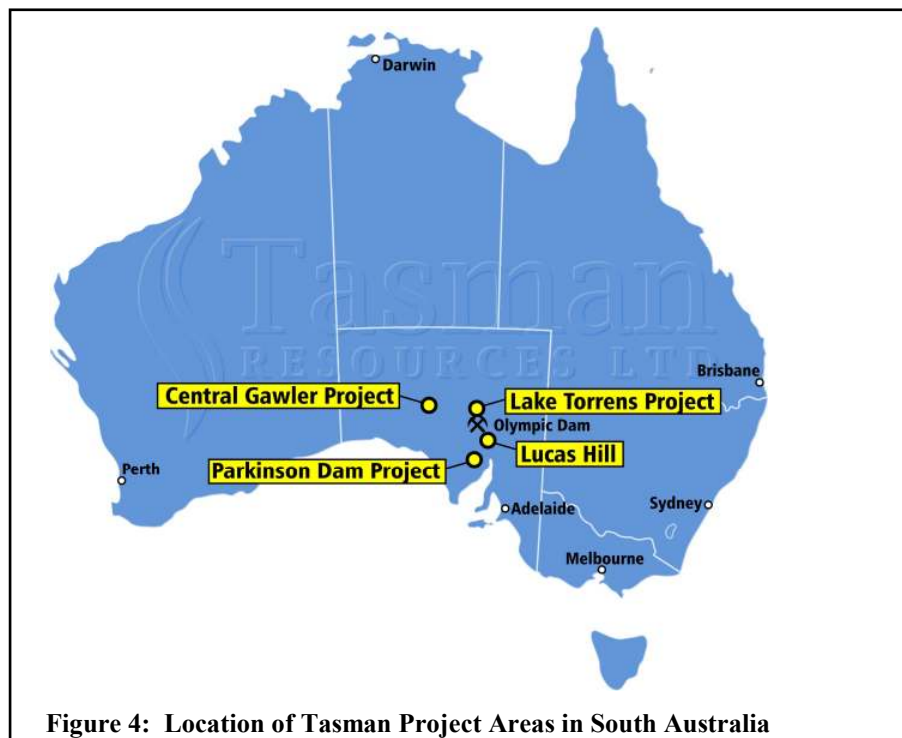


Figure 4: Location of Tasman Project Areas in South Australia

CORPORATE

Investment in Eden Energy Ltd (EDE)

Tasman has a 24.7% interest in alternative energy company Eden Energy Ltd (ASX: EDE), on a fully diluted basis as at 31st December 2011. (*refer Eden Energy Ltd Quarterly Report for full details*)

- Eden continues to make encouraging progress with its carbon/hydrogen pyrolysis project.
- Eden's US and Indian subsidiaries make progress in Optiblend Dual Fuel Kit sales.

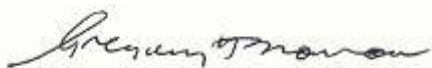
Investment in Fission Energy Ltd (FIS)

Tasman has a 19% interest in uranium explorer and potential nickel-cobalt producer Fission Energy Ltd (ASX: FIS) as at 31st December 2011. (*refer Fission Energy Ltd Quarterly Report for full details*)

Mt Thirsty Nickel-Cobalt Project

Fission Energy owns 50% of the Mt Thirsty Nickel-Cobalt Project in WA, with the other 50% held by Barra Resources Limited (ASX: BAR). Mt Thirsty is located 20 kilometres north-northwest of Norseman, Western Australia. Mt Thirsty has a current JORC compliant Indicated Resource of 16.6 million tonnes at 0.14% Co, 0.60% Ni and 0.98% Mn and a JORC compliant Inferred Resource of 15.3 million tonnes at 0.11% Co, 0.51% Ni and 0.73% Mn over an apparent strike of 1.3 kilometres and a width of around 800 metres.

Recent investigations of processing routes suggest that one option involving relatively low cost recovery of cobalt at the expense of some nickel recovery warrants further consideration.



Greg Solomon
Executive Chairman

The interpretations and conclusions reached in this report are based on current geological theory and the best evidence available to the authors at the time of writing. It is the nature of all scientific conclusions that they are founded on an assessment of probabilities and, however high these probabilities might be, they make no claim for complete certainty. Any economic decisions that might be taken on the basis of interpretations or conclusions contained in this report will therefore carry an element of risk.

The information in this announcement, insofar as it relates to Mineral Exploration activities, is based on information compiled by Robert N. Smith and Michael J. Glasson, who are members of the Australian Institute of Geoscientists, and who have more than five years experience in the field of activity being reported on. Mr Smith and Mr Glasson are full-time employees of the company. Mr Smith and Mr Glasson have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which 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'. Mr Smith and Mr Glasson consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.

It should not be assumed that the reported Exploration Results will result, with further exploration, in the definition of a Mineral Resource.