ACN 009 253 187

AUSTRALIAN SECURITIES EXCHANGE ANNOUNCEMENT
20th May 2010

VULCAN PROJECT: DRILLING UPDATE

Tasman Resources Ltd (ASX: "TAS") recently completed the first follow-up drill hole at its Vulcan IOCGU prospect, and provides the following update:

Background

Vulcan is a new iron-oxide copper gold uranium (IOCGU or Olympic Dam style) prospect located approximately 30km north of Olympic Dam in South Australia (see Figure 1). The discovery drill hole, VUD 001 intersected Vulcan in late-2009, and further geophysical surveys and modelling, and geological investigations have confirmed the potential significance of the discovery. The geophysical (gravity) anomaly defining the target at Vulcan covers approximately 11km^2.

The current drilling programme is designed to follow up the intersection of the IOCGU-style mineralisation and alteration in VUD 001, initially with up to four diamond drill holes.

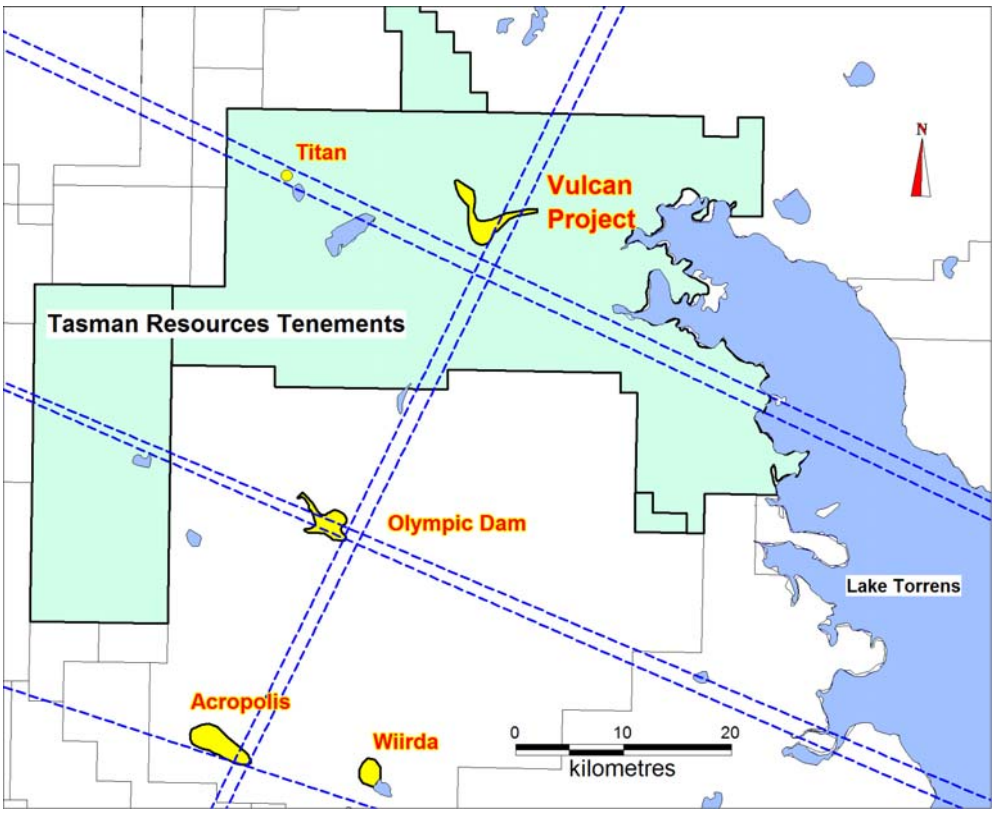


Figure 1: Location Plan showing the Vulcan IOCGU Project, nearby IOCGU deposits/systems and several key (historic) tectonic lineaments (dashed blue lines).

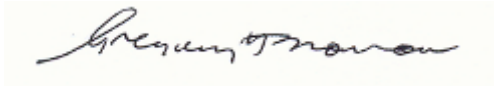
Level 40, Exchange Plaza 2 The Esplanade, Perth, Western Australia 6000
Telephone: (08) 9282 5889 Facsimile: (08) 9282 5866
Email: mailroom@tasmanresources.com.au

Current Drilling

The first follow up drill hole, VUD 002 was drilled at -75 degrees towards the east, and collared at 693,865mE; 6,660,119mN (GDA 94), close to the collar position of VUD 001, and has intersected the target zone a relatively short distance (approximately 190m) from the IOCGU intersection in VUD 001.

VUD 002 was completed at 1119.3m, after intersecting a very thick sequence (approximately 230m down-hole) of IOCGU-style mineralisation and alteration. The mineralisation consists predominantly of disseminated and vein pyrite, chalcopyrite (copper iron sulphide) and some molybdenite (molybdenum sulphide), and the alteration is dominated by hematite, sericite, carbonate and tourmaline. Weak uranium mineralisation is also present. Photos of drill core from VUD 002 are presented below (Figures 2 and 3).

No assays are available at this stage, and are not expected for several weeks, but based on visual observation however are not expected to be high grade. However the thickness of alteration and mineralisation is clearly stronger in VUD 002 than VUD 001, suggesting that stronger mineralisation could occur further east, and the next hole, VUD 003 will test this concept.



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 who is a member of the Australian Institute of Geoscientists, and who has more than five years experience in the field of activity being reported on. Mr Smith is a full-time employee of the company. Mr Smith 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 Competent Persons as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Smith consents to the inclusion in the report of the matters based on his 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.

Level 40, Exchange Plaza 2 The Esplanade, Perth, Western Australia 6000
Telephone: (08) 9282 5889 Facsimile: (08) 9282 5866
Email: mailroom@tasmanresources.com.au

Figure 2: VUD 002: Matrix-rich breccia, containing hematite (blue/black), disseminated and vein pyrite, chalcopyrite, sericite and carbonate (lighter colours).

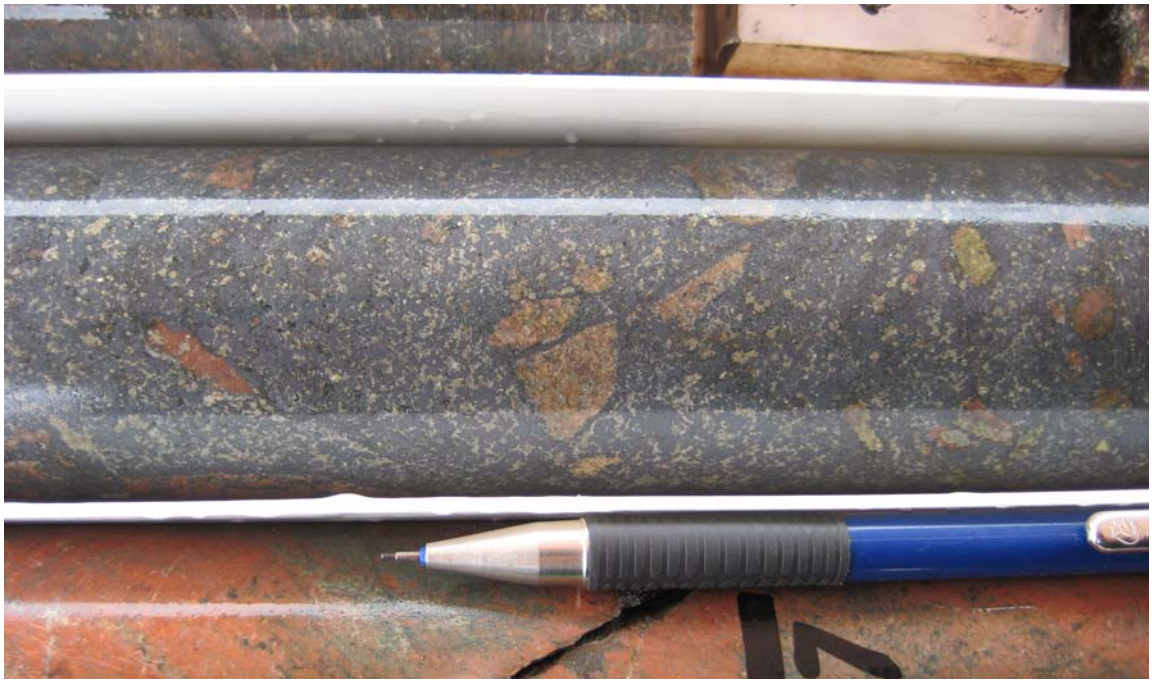


Figure 3: VUD 002: Hematite matrix-rich breccia, dominated by hematite (blue/black), disseminated pyrite, chalcopyrite and carbonate (siderite). The red-orange material is the original, less altered host rock.

Level 40, Exchange Plaza 2 The Esplanade, Perth, Western Australia 6000
Telephone: (08) 9282 5889 Facsimile: (08) 9282 5866
Email: mailroom@tasmanresources.com.au