



ACN 009 253 187

ASX QUARTERLY REPORT

for the Period Ended 30 September 2011

HIGHLIGHTS

SA – VULCAN IOCGU PROJECT

A conditional Farm-in/JV Agreement (Agreement) over Tasman’s wholly owned Exploration Licence EL 4322 immediately north of Olympic Dam in SA that hosts the Vulcan IOCGU prospect has been signed with Rio Tinto Exploration Pty Ltd (RTX). The Agreement has the following key provisions:

- **RTX to pay Tasman an initial A\$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.**

Other Developments:

- **Tasman has entered into a Native Title Mining Agreement with the Kokatha Uwankara Native Title Claim Group, covering most of the Exploration Licence (EL 4322) on which the Vulcan IOCGU project is located.**

An Aboriginal heritage survey covering Vulcan was conducted in October and the results of the survey are awaited.

SA – LUCAS HILL TARGET

- **Geophysical modeling of the Lucas Hill target (which is not included in the recently announced conditional farm in agreement with Rio Tinto Exploration Pty Ltd) has been completed, confirming the prospect as a high priority IOCGU target in a prime location.**
- **Exploration Licence now granted by the SA Government.**
- **Initial drill site identified, access clearance being sought.**
- **An Aboriginal heritage survey was conducted late in October and the results of the survey are awaited.**

INVESTMENTS

Eden Energy Ltd (Tasman: 17.23% fully diluted shareholding - 30th September 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.**
- **Independent experts identify large prospective resources on Eden's UK gas project**

Fission Energy Ltd (Tasman: 19% shareholding as at 30th September 2011)

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

DETAILS

IOCGU EXPLORATION: SOUTH AUSTRALIA

Vulcan Project (100% Tasman)

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 the Olympic Dam copper-gold-uranium mine. The agreement is subject to satisfaction of certain conditions.

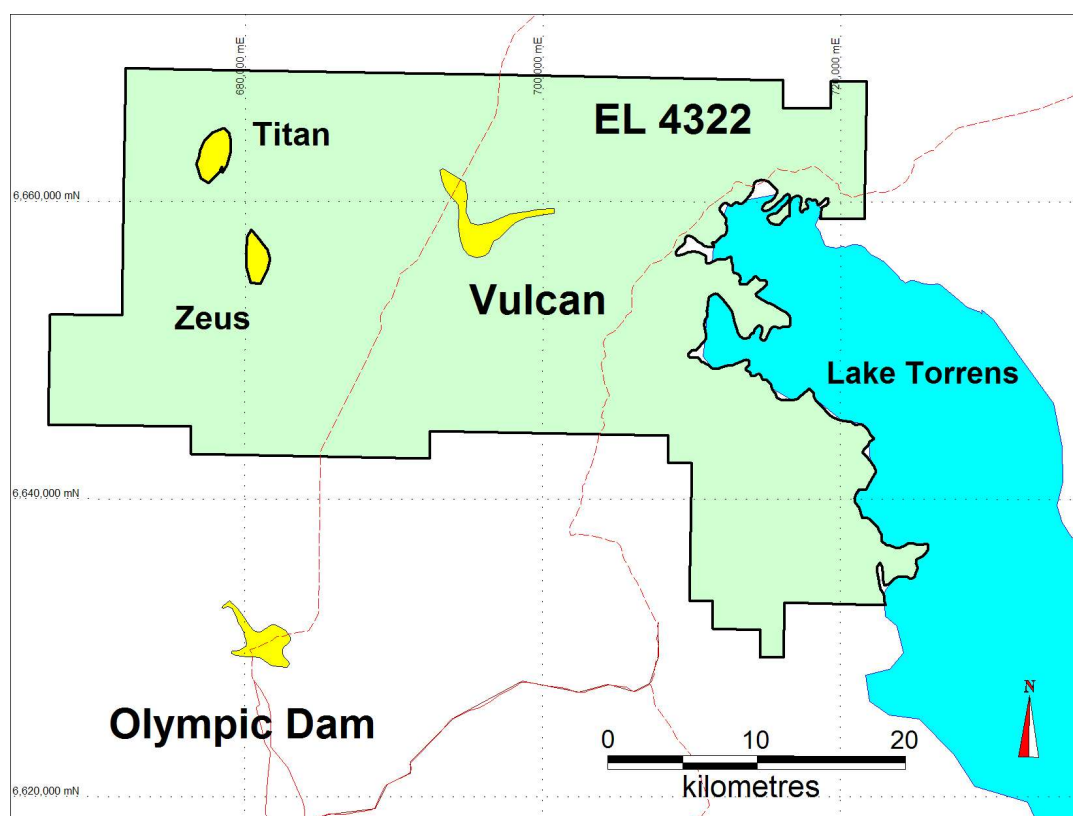


Figure 1: Plan showing Exploration Licence 4322 and the location of the Vulcan and Titan IOCGU systems and the Zeus IOCGU target. Also included is BHP Billiton's Olympic Dam Deposit.

The main terms of the agreement are:

1. On satisfaction of the conditions precedent:
 - RTX will pay to Tasman A\$10 million;
 - Tasman to undertake a A\$5 million exploration program that includes at least 12,000 metres of drilling within the first 12 months (Initial Exploration Program).
2. Upon completion of the Initial Exploration Program, RTX has the right (but not the obligation) to elect to earn a 55% interest in the Agreement:
 - paying to Tasman a further payment of \$7 million; and
 - RTX undertaking and operating an exploration program to further explore the Tenement during the following three years to either:
 - o identify and define a JORC compliant Inferred mineral resource and complete a concept study; or

- expend a further \$25 million in exploration costs,
whichever shall be the earlier.

If RTX completes its initial farm-in obligations, it will earn a 55% interest in the Agreement but if it does not complete its initial farm-in obligations, the agreement will be at an end and Tasman will retain 100% of the Tenement.

3. Once RTX has earned it 55% interest, Tasman has the right to either:
 - retain its 45% interest and elect to thereafter contribute to ongoing exploration expenditure at the 45% level; or
 - elect not to contribute to ongoing exploration expenditure at the 45% level, in which case Tasman grants RTX the right (but not the obligation) to elect to proceed to earn a further 25% interest in the Agreement by sole funding and managing further exploration expenditure so as to within the then following five (5) years either:
 - complete a pre-feasibility study; or
 - expend a further \$50 million in exploration costs,
whichever shall be the earlier, and upon completion the interests of the parties will be:
 - Tasman 20%
 - RTX 80%.

If a contributing party at any time does not contribute to its share of expenditure, that party's interest would be diluted.

4. Once RTX has earned it 80% interest, Tasman has the right to either:
 - contribute and maintain at all times ongoing exploration expenditure at the 20% level; or
 - offer to sell its 20% interest in the Tenement to RTX (which RTX must purchase) at a value to be agreed between the Parties, or failing such agreement, at fair market value.

5. The conditions precedent to the agreement that must be satisfied within 6 months are:
 - (a) Tasman securing and entering into, for the benefit of Tasman and RTX, a Native Title Mining Agreement with the Kokatha Unwankara Native Title Claimants for Exploration of the Tenement pursuant to Part 9B of the *Mining Act 1971* (SA) (Exploration Deed) in a form and substance reasonably acceptable to Tasman and RTX;
 - (b) Tasman securing reasonable access for the purposes of conducting the Initial Exploration Program over the portion of the Tenement over which Tasman has previously not secured Aboriginal Heritage access;
 - (c) Tasman satisfying RTX that RTX has the sole and exclusive right to explore, mine and develop the tenement;
 - (d) Tasman obtaining all necessary statutory consents, approvals or authorities and the approval of its shareholders (if required) to this Agreement;
 - (e) The Parties entering into an Exploration Services Agreement by which RTX will engage the services of Tasman on an exclusive basis to conduct the Initial Exploration Program; and
 - (f) The Parties entering into a Formal Agreement to fully record the terms and conditions of the Parties' respective rights and obligations under the Agreement and the Joint Venture (if formed).

It is hoped that all these conditions precedent will be able to be satisfied within 6-8 weeks.

Other Developments

During the Quarter, Tasman Resources Ltd entered into a Native Title Mining Agreement for Exploration in accordance with Part 9B of the South Australian Mining Act, with the Kokatha Uwankara Native Title Claim Group, whose Native Title Claim covers most of the Exploration Licence (EL 4322) on which the Vulcan IOCGU project is located.

An Aboriginal heritage survey for a number of drill sites at the Vulcan Project was conducted in late-October, and the results of the survey are awaited.

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.

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 modeling just completed 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 modeled depth to this body is about 900 to 1000m, and it is undrilled.

Figure 3 shows the residual gravity image from the recent geophysical modeling. The significance of the anomaly when compared to the IOCGU deposit at Carapateena is clear from the comparative image supplied.

Tasman believes, despite its depth, this target's geophysical characteristics and favored location (as noted above) clearly confirm it as a high priority target for testing as soon as possible.

An Aboriginal heritage clearance survey was conducted in October for the Lucas Hill target, and the results of the survey are awaited. If positive, it is proposed to test the anomaly with at least one diamond drill hole as soon as reasonably practicable.

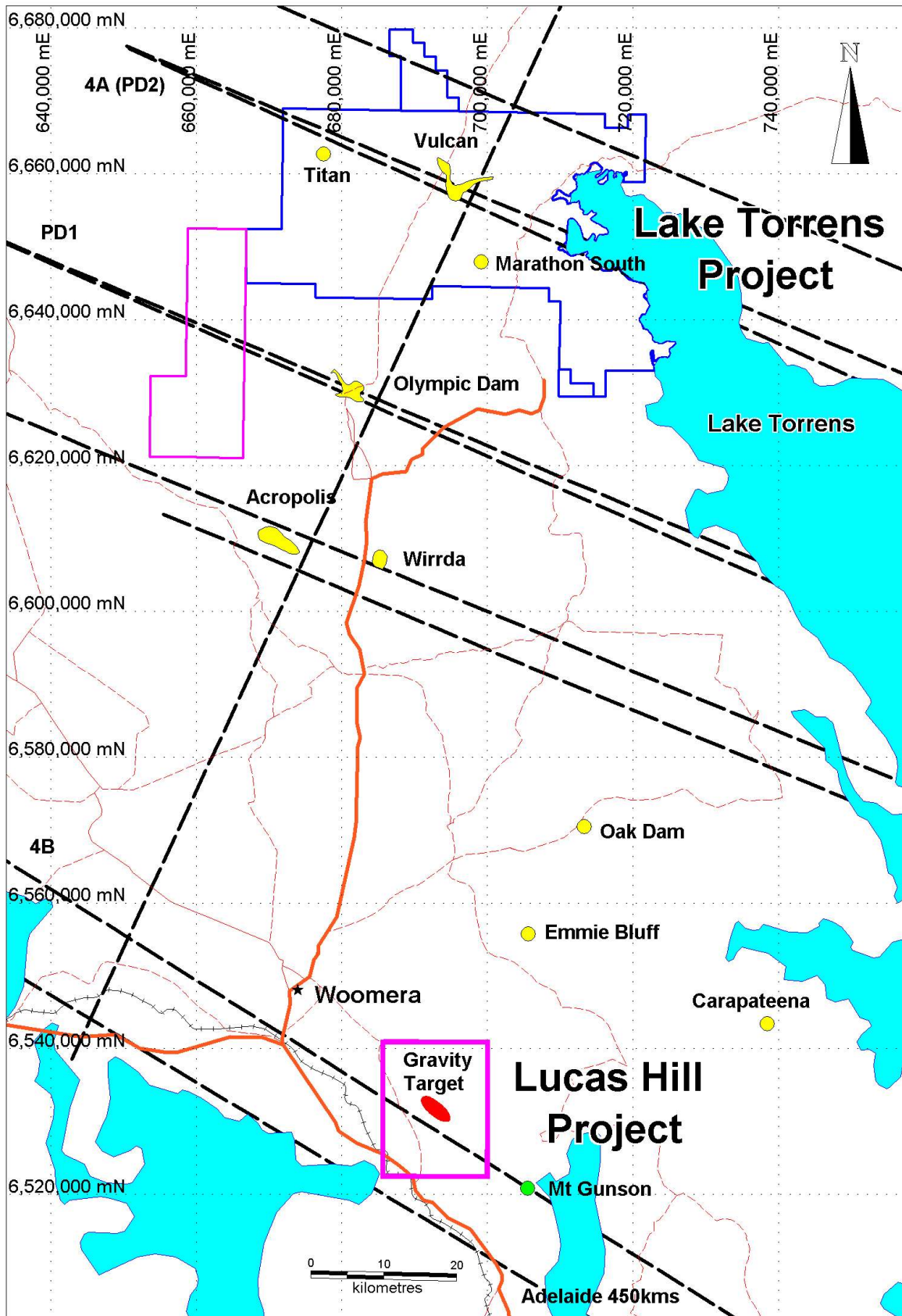


Figure 2: Tasman Lake Torrens and Lucas Hill Project Locations showing selected key historic tectonic lineaments, IOCGU deposits/prospects (yellow) and Lucas Hill gravity target.

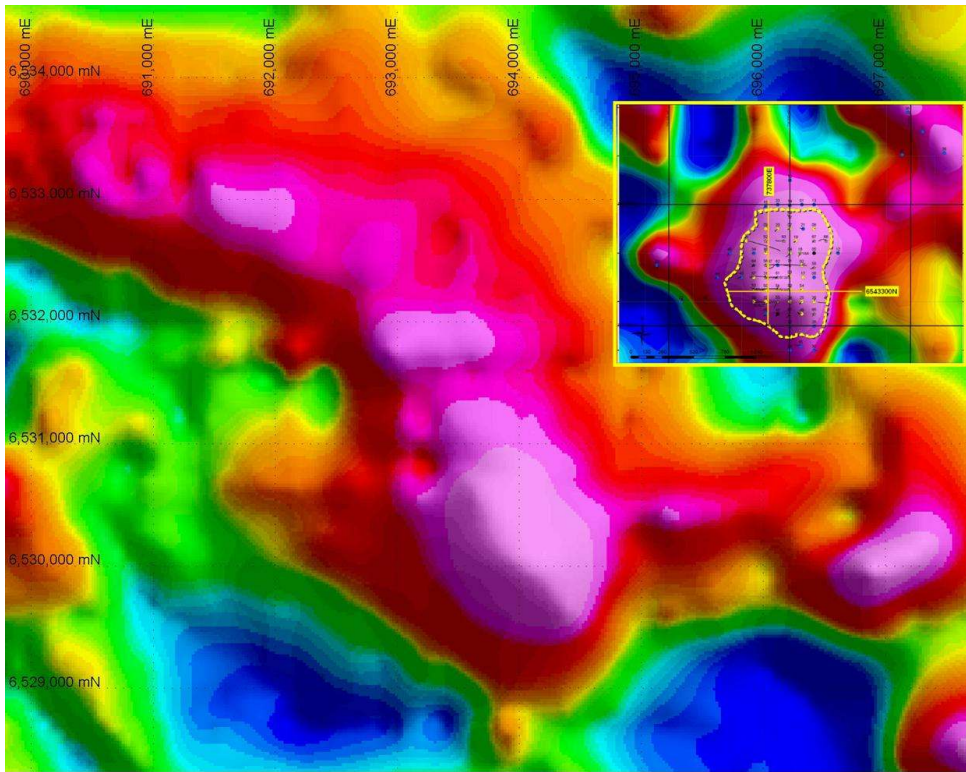


Figure 3: Lucas Hill Project - Residual Gravity Image with inset of Carapateena Residual Gravity Image at same scale.

Tasman believes, despite its depth, this target's geophysical characteristics and favoured location (as noted above) clearly confirm it as a high priority target for testing as soon as possible.

OTHER PROJECTS

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

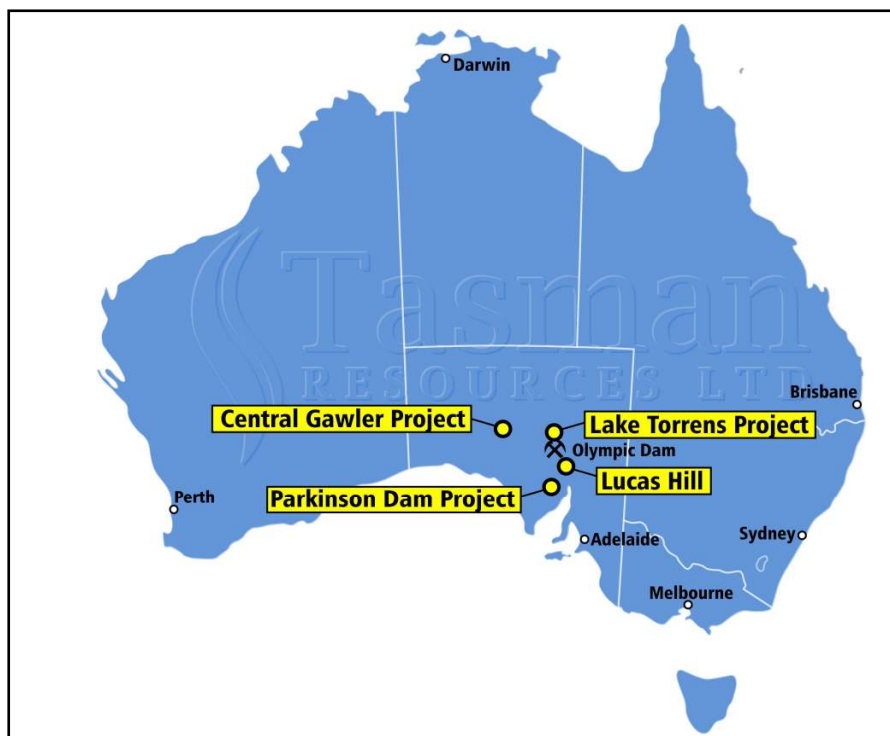


Figure 4: Location of Tasman Project Areas in South Australia

CORPORATE

Investment in Eden Energy Ltd (EDE)

Tasman has a 17.23% interest in alternative energy company Eden Energy Ltd (ASX: EDE), on a fully diluted basis as at 30th September 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.
- Independent experts identify large prospective coal seam methane and shale gas resources on Eden's UK gas project

Investment in Fission Energy Ltd (FIS)

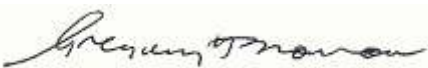
Tasman has a 19% interest in uranium explorer and potential nickel-cobalt producer Fission Energy Ltd (ASX: FIS) as at 30th September 2011. (*refer Fission Energy Ltd Quarterly Report for full details*)

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.

Mt Thirsty – Nickel Sulphide Exploration

In early 2010 the intersection of primary nickel sulphide mineralisation was announced by Fission Energy Limited and 50% joint venture partner Barra Resources Limited. Reverse circulation hole MTRC015 intersected a 6 metre thick zone of massive and stringer nickel sulphides assaying 3.38% nickel at a down hole depth of 201 metres. Follow-up drilling has intersected further nickel sulphides, although a follow up diamond drill hole completed during the quarter failed to intersect additional mineralisation at depth.



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.

Appendix 5B

Mining exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10

Name of entity

TASMAN RESOURCES LTD

ABN

85 009 253 187

Quarter ended ("current quarter")

30 September 2011

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to September (3 months) \$A'000
1.1 Receipts from product sales and related debtors	45	45
1.2 Payments for (a) exploration & evaluation	(36)	(36)
(b) development	-	-
(c) production	-	-
(d) administration	(294)	(294)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	8	8
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
Net Operating Cash Flows	(277)	(277)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects	-	-
(b) equity investments	(54)	(54)
(c) other fixed assets	-	-
1.9 Proceeds from sale of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
Net investing cash flows	(54)	(54)
1.13 Total operating and investing cash flows (carried forward)	(331)	(331)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(331)	(331)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
	Net financing cash flows	-	-
	Net increase (decrease) in cash held	(331)	(331)
1.20	Cash at beginning of quarter/year to date	814	814
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	483	483

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	105
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Management Fees, as per agreement, were paid during the quarter to a company of which Mr GH Solomon and Mr DH Solomon are directors.
Directors Fees paid during the period.
Bona-fide re-imbusement of expenses.
Legal Fees were paid during the quarter to a firm of which Mr GH Solomon and Mr DH Solomon are partners.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

-

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

-

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	400
4.2 Development	-
4.3 Production	-
4.4 Administration	200
Total	600

Note: Tasman completed a capital raising in October raising \$2,155,000 before costs.

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	483	814
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	483	814

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed			
6.2	Interests in mining tenements acquired or increased			

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference securities (description)				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 *Ordinary securities	210,090,674	210,090,674		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	834	834	\$0.10	\$0.10
7.5 *Convertible debt securities (description)				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options (description and conversion factor)	22,371,500 1,574,804 2,000,000 3,000,000 401,606 500,000 500,000	22,371,500 NIL NIL NIL NIL NIL NIL	<i>Exercise price</i> 10 cents 10 cents 16 cents 16.875 cents 15 cents 12 cents 15 cents	<i>Expiry date</i> 30 June 2012 16 April 2012 30 June 2012 20 Nov 2012 8 Feb 2013 26 May 2013 31 May 2013
7.8 Issued during quarter				
7.9 Exercised during quarter	834	834	10 cents	30 June 2012
7.10 Expired during quarter				
7.11 Debentures (totals only)				
7.12 Unsecured notes (totals only)				

+ See chapter 19 for defined terms.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act.
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:



Company secretary

Date: 27 October 2011

Print name: Aaron Gates

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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+ See chapter 19 for defined terms.