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AUSTRALIAN SECURITIES EXCHANGE ANNOUNCEMENT

10 October 2011

RIO TINTO EXPLORATION PTY LIMITED (RTX) SIGNS CONDITIONAL FARM-IN/JV AGREEMENT WITH TASMAN OVER VULCAN IOCGU* LICENCE (EL4322) ADJOINING THE OLYMPIC DAM MINE IN S.A.

*Iron oxide-copper-gold-uranium

HIGHLIGHTS

The conditional Farm-in/JV Agreement (Agreement) over Tasman's wholly owned Exploration Licence EL4322 immediately north of Olympic Dam in SA that hosts the Vulcan IOCGU prospect, 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.**

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

DETAILS

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) (Tenement) 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.

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:
     - 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;

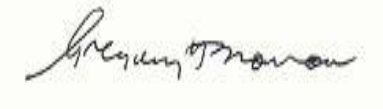
(c) Tasman satisfying RTX that RTX has the sole and exclusive right to explore, mine and develop the tenement;

(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.



Greg Solomon
Executive Chairman

Background

1. Location and Regional Perspective

Tasman Resources Ltd currently holds five granted Exploration Licences and one Exploration Licence Application on the Olympic Province of the Stuart Shelf in South Australia. This Province contains the Olympic Dam, Prominent Hill and Carapateena IOCGU deposits, and is considered highly prospective for further IOCGU discoveries. Three of Tasman's tenements adjoin those containing BHP Billiton's giant Olympic Dam deposit (Figure1). The main tenement, EL 4322, the subject of the Farm-In and Joint Venture agreement with RTX contains two demonstrated IOCGU systems (Vulcan and Titan) as well as other prospects.

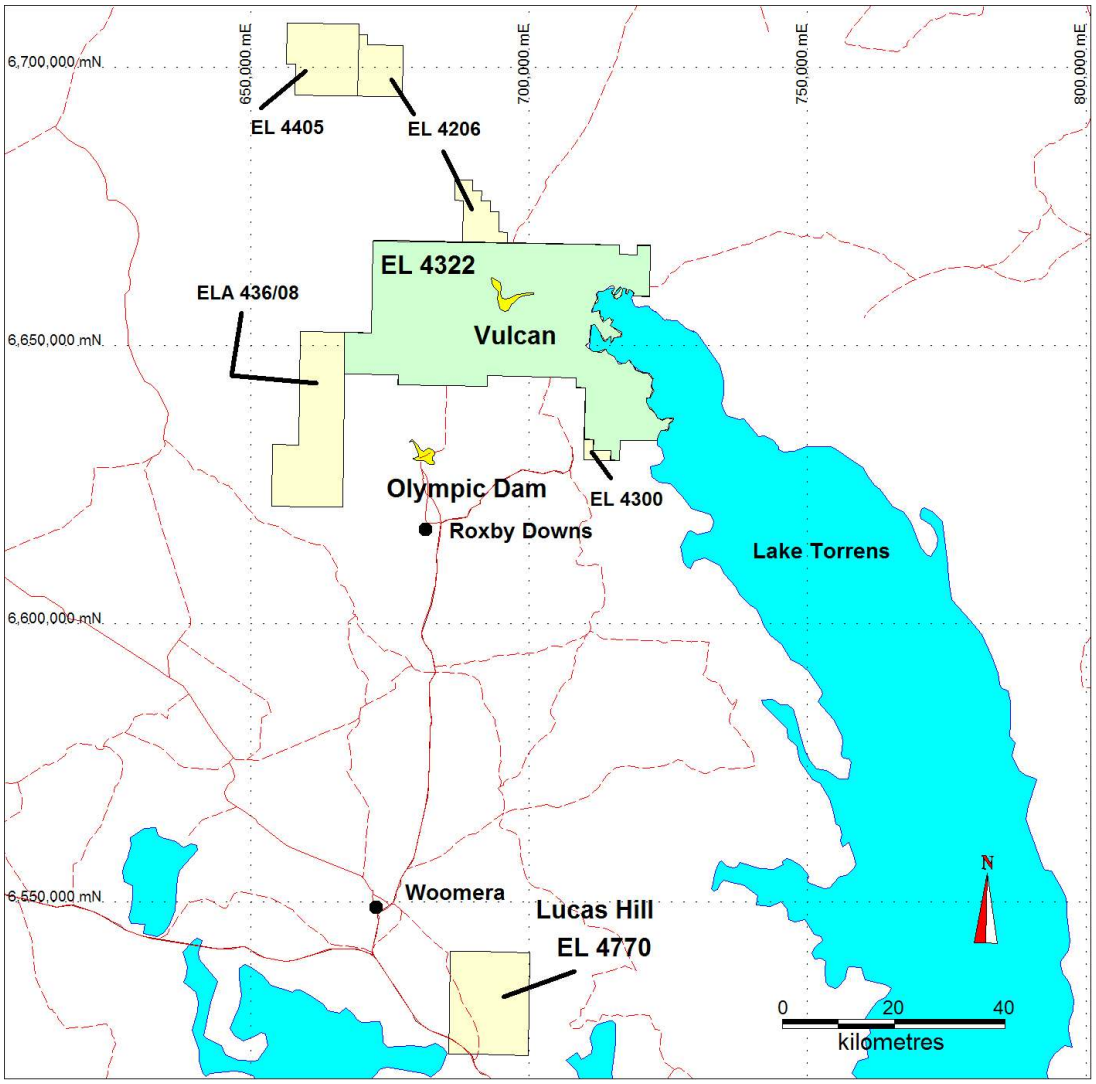


Figure 1. Location plan of Tasman Resources tenements on the Stuart Shelf in South Australia. (EL 4322 is shown green).

Apart from the recently acquired tenement at Lucas Hill (EL 4770), Tasman has been exploring the region for a number of years, and has identified at least six IOCGU targets for investigation. The most encouraging results have been obtained at Vulcan Prospect, where a new, potentially very large IOCGU system has been intersected in all eight holes drilled to date. Vulcan is discussed in detail below.

At Titan Prospect (Figure 2), Tasman has confirmed the presence of a large, but at this stage, low grade IOCGU system in a number of drill holes. At the Marathon South Prospect, Tasman has intersected significant thicknesses of highly altered breccias, and further investigation is planned.

Undrilled, but potential IOCGU targets have also been defined at Zeus, Ferguson Hill and Billy Barnes. The Zeus target (Figure 2) in particular is considered highly prospective, due to its geophysical signature, proximity to the known IOCGU systems at Vulcan and Titan and a favourable tectonic lineament address, being located on a key lineament (named PD 2) linking Vulcan, Titan and Prominent Hill.

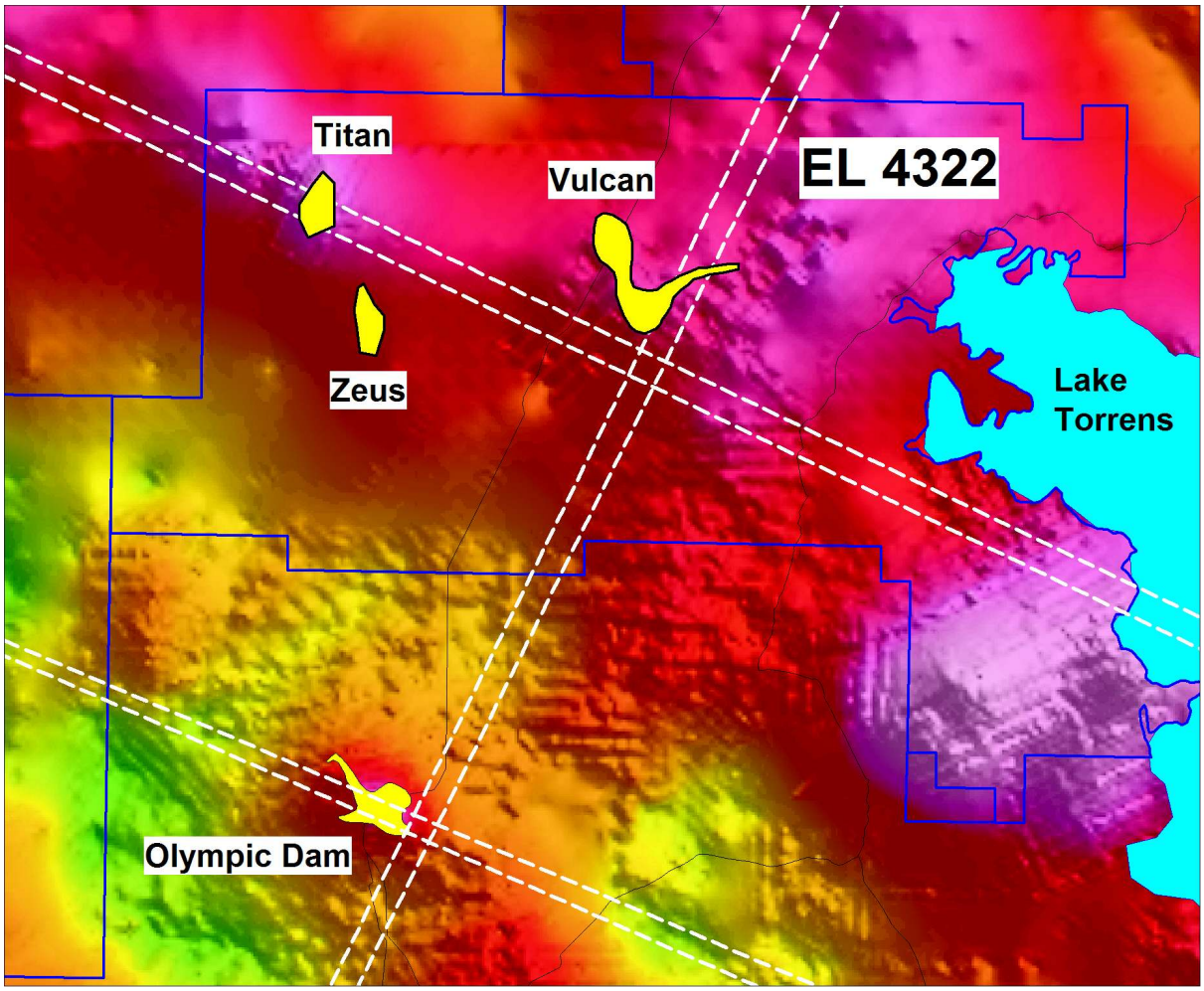


Figure 2. Bouguer Gravity image covering Tasman's Exploration Licence 4322, Tasman's IOCGU prospects (in yellow) and BHP Billiton's Olympic Dam deposit. Note the relationship of the prospects to the regional tectonic lineaments (white, dashed) which were originally used by WMC in the discovery of Olympic Dam in the 1970's.

2. Vulcan Prospect

Discovery

Vulcan prospect, which is located approximately 30km from Olympic Dam was identified as a highly prospective IOCGU target by Tasman in 2009, based on geophysics and tectonics, in particular:

- A large, and moderately strong gravity response,
- Associated, but not precisely coincident magnetic anomalies,
- Anomalous seismic responses recognised in a Government survey and,
- A favourable tectonic address as defined by regional tectonic lineaments.

Tasman completed the first drill hole, **VUD 001,** into the main target in November 2009, intersecting a new mineralised and altered IOCGU system from 870m to 1113.3m where the hole was stopped. The alteration consists of hematite, sericite, chlorite and carbonate, and the sulphide mineralisation consists of disseminated chalcopyrite (copper-iron sulphide), pyrite (iron sulphide), and minor molybdenite (molybdenum sulphide). Assays revealed the presence of the IOCGU-associated elements, gold, silver and rare earths. The best intersection in this discovery hole is 53m, at 0.10% Cu, 0.04g/t Au, 0.4g/t Ag and 0.021kg/t U3O8 from 907m.

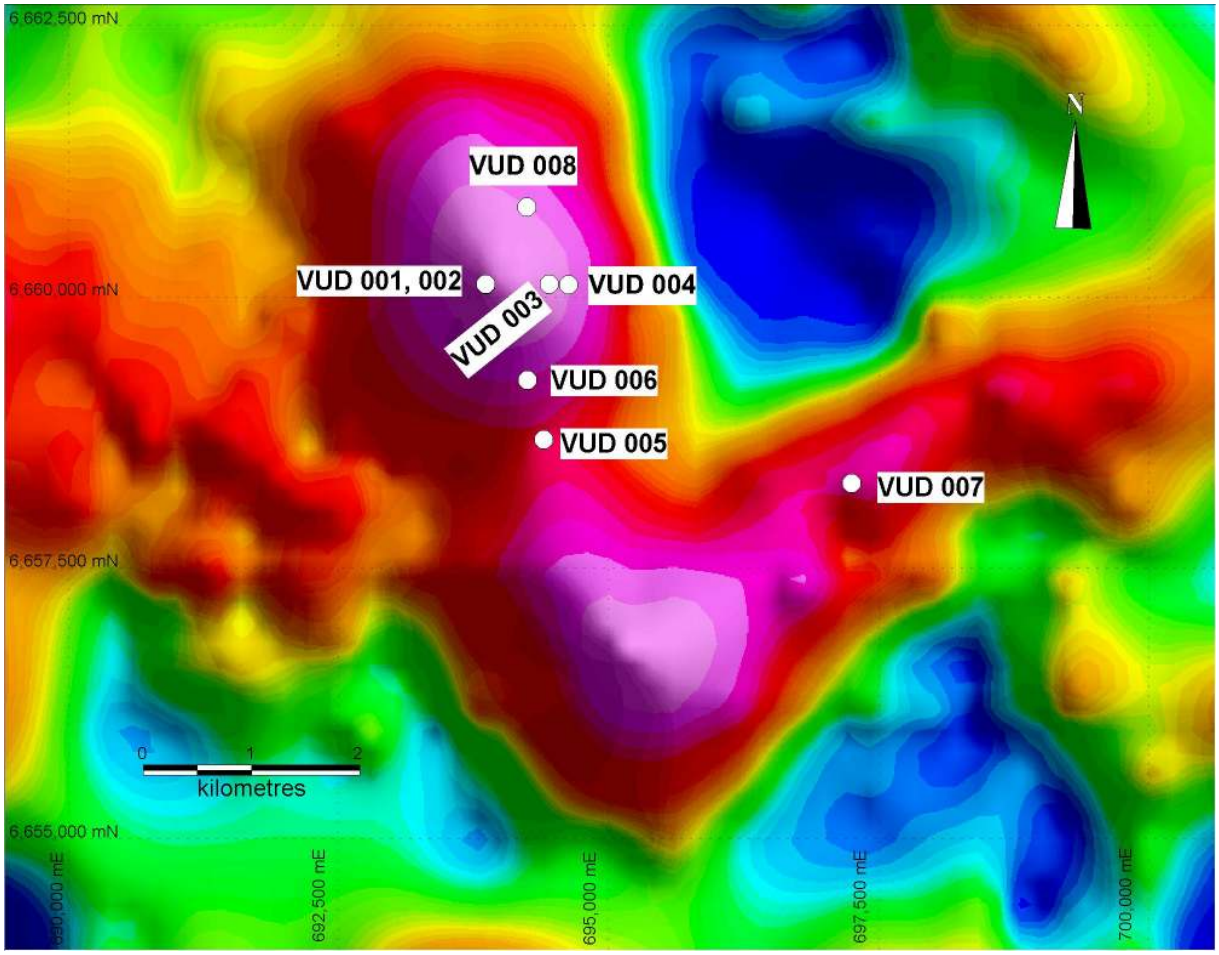


Figure 3. Residual gravity image of the Vulcan system, showing the location of the eight holes drilled to date. The denser and probably more hematite-rich and more prospective parts of the system are shown purple and red, whilst the less dense, surrounding areas are shown as blue and green. Note that the target area covers over 12 square kilometres.

Follow Up Drilling

Since the first hole **VUD 001**, Tasman has drilled seven follow-up holes (Figure 3).

VUD 002 and 004 intersected thick zones of similar alteration and low grade mineralisation. VUD 002 also intersected further anomalous rare earths - with one five metre zone (from 947m to 952m down hole) averaging 0.29% Ce and 0.18% La, comparable to levels seen in mineralised hematite-rich breccias at Olympic Dam. VUD 004 also hit a 1.37m thick zone averaging 0.91kg/t U_3O_8, indicating a potential new target of interest. Holes VUD 005 and 006 intersected thick alteration zones, but relatively weak mineralisation.

However, major breakthroughs were achieved with holes VUD 003, VUD 007 and VUD 008.
VUD 003 intersected a very thick zone (over 245m thick) of IOCGU mineralisation and alteration, much stronger than the discovery hole VUD 001.
An intersection of 56.65m at 0.59% Cu was obtained, and included 7.8m down hole from 912m at 1.21% Cu, (and 0.35g/t Au) and 0.65m from 930.2m at 7.82% Cu, 2.41g/t Au and 0.03kg/t U_3O_8 (Figure 4).

Figure 4. Cut drill core samples showing some of the higher grade chalcopyrite-pyrite mineralisation in VUD 003. Chalcopyrite is distinct yellow, and pyrite is white. Upper sample from 0.34m interval at 5.9% Cu, 2.23g/t Au; lower sample 0.75m at 4.4% Cu, 1.34g/t Au, 0.6kg/t U_3O_8.

VUD 007 was drilled on the eastern "limb" of the Vulcan prospect and intersected a very thick zone (+150m) of "classic" mineralised, IOCGU-style hematite-rich breccias between 1065m and the bottom of the hole at 1,227.8m.
The mineralogy, textures and thickness are very similar to the rocks which occupy a large portion of the Olympic Dam deposit 30km away.
Assays returned 163m from 1,065m at 0.23% Cu, 0.07g/t Au, 2.4g/t Ag, 0.04kg/t U_3O_8 and 0.01% Mo. Included within this interval is a 90m zone from 1,118m at 0.25% Cu, 0.09g/t Au, 3.0g/t Ag, 0.05kg/t U_3O_8 and 0.02% Mo.

Figure 5. Photo of typical hematite matrix-rich mineralised core from VUD 007. Hematite is grey, sulphides (pyrite and chalcopyrite) are white/pale yellow. Width of photo about 15cm.

VUD 008 was drilled on the northern part of the Vulcan system (Figure 3) and intersected 180m of IOCGU-style alteration and some mineralisation.

The complete basement intersection (179.75m down hole) from 899.75m averages 0.19% Cu, 0.10g/t Au (applying a 0.5 g/t cut), 0.02kg/t U_3O_8 and 68g/t Mo. Within this interval is a higher-grade zone from 910m (21m down hole) of 0.63% Cu, 0.28g/t Au, 0.02kg/t U_3O_8 and 107g/t Mo.

Particularly encouraging is the intersection of the copper-iron sulphide bornite (Figure 6) in VUD 8, and much higher Cu/S ratios than recorded in all previous Vulcan drill holes. (This ratio measures the proportion of copper compared with the amount of total sulphur).

This confirms that significant sulphide zoning is present and this will play an important role in vectoring further exploration towards higher grade and commercially much more attractive mineralisation.

Figure 6. Close up photo of core from VUD 008, showing extreme silica (quartz) alteration (white-cream), hematite (steely grey) and disseminated bornite (purple, near centre of photo). Width of photo is about 15cm.

3. Future Work and Targeting

Vulcan is potentially a very large and mostly untested IOCGU system. The limited drilling completed to date confirms that mineral zoning will now play a key role in focussing further drilling in areas that could offer the greatest potential for higher grades of mineralisation. At Olympic Dam, sulphide zoning in particular provides the key vector to defining the higher grade and more attractive mineralisation (see Figure 7).

Tasman's highest priority target for drilling is the large, southern portion of the gravity anomaly (Figure 3). This target covers about 8 square kilometres, however it has not been drilled yet due to unresolved Aboriginal Heritage clearance issues related to this target area. Tasman has recently announced (9th September 2011) that it has recently entered into a Native Title Mining Agreement for Exploration with the Kokatha Uwankara Native Title Claimants for exploration and has arranged for a clearance survey to be conducted in late October 2011 with a view to hopefully achieving a satisfactory resolution of this issue.

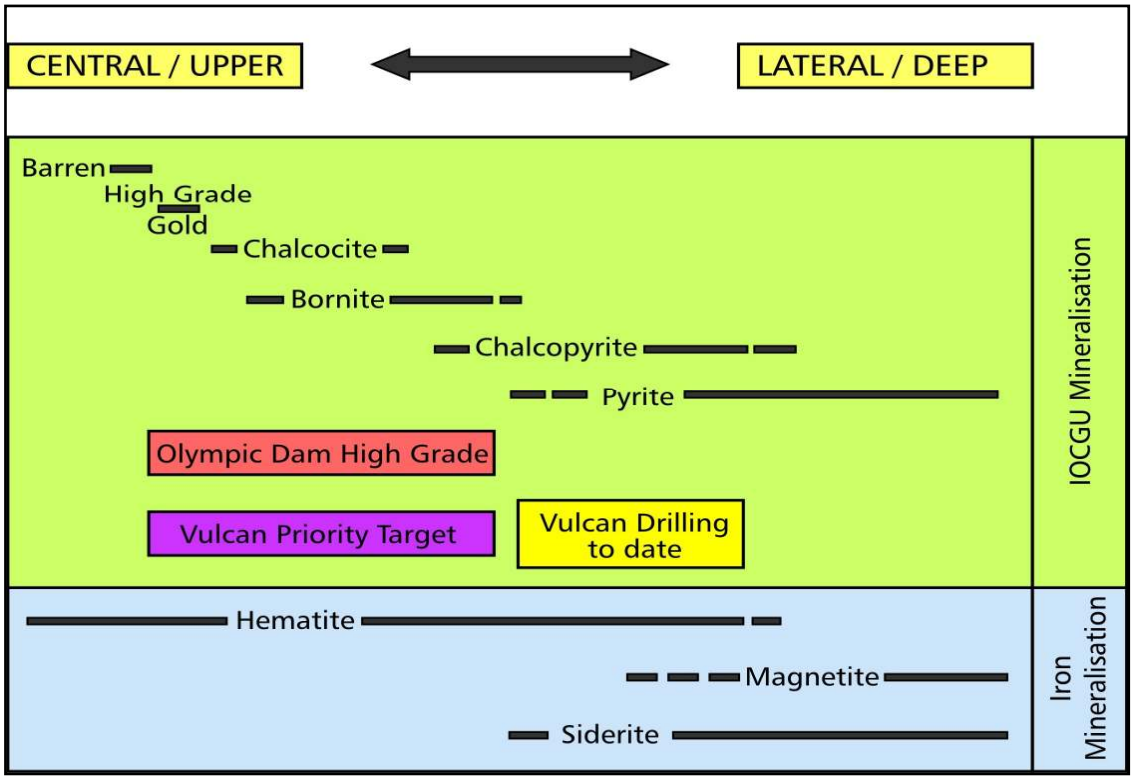


Figure 7. Schematic diagram depicting key elements of mineralogical zoning at the Olympic Dam deposit and its relationship to higher grades (red box). At Vulcan, the limited drilling completed (8 holes) has been confined to low grade pyrite-chalcopyrite zones (yellow box), but future drilling will focus on locating higher grade, bornite, chalcocite (purple box).

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 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.