



ACN 009 253 187

ASX QUARTERLY EXPLORATION REPORT

for the Period Ended 31st March 2010

HIGHLIGHTS

SA – VULCAN PROJECT

- **Drilling at Tasman’s promising Vulcan IOCGU Project in South Australia commenced in April**
- **Additional detailed gravity data and geophysical modelling, as well as further geological investigation of drill core from the first hole confirm Vulcan’s quality, size and potential**
- **Geophysical modelling of the gravity and magnetic data has delineated a continuous higher density, potentially hematite rich, drill target over +12km in length and of a similar area (11km²) to the Olympic Dam breccia complex.**

CORPORATE

- **Since the end of the quarter, the Company has raised approximately \$2.1 million by the issuing of approximately 16.3 million fully paid ordinary shares at an issue price of \$0.13 per share to professional and sophisticated investors under the 15% placement rule of the Australian Securities Exchange Listing Rules.**

INVESTMENTS

- **Fission Energy (Tasman: 28.0% shareholding, fully diluted as at 31 March 2010).**
Metallurgical process development study completed with favourable results
Go-ahead given for prefeasibility study, completion by end of 2010
10 large diameter diamond core holes drilled to supply samples for further variability metallurgical testwork
Mt Thirsty project to be showcased at two international conferences
- **Eden Energy (Tasman: 17.7% shareholding, fully diluted as at the 31 March 2010)**
Co-operation agreement reached with GAIL (India) Ltd and Mahanagar Gas Ltd to jointly undertake the first commercial sized Indian Hythane® demonstration project in Mumbai
Non-binding terms sheet signed with Indian Oil Corporation Limited (“IOCL”) through which, the two companies will enter into a farm-in agreement to scale up a new Pyrolysis technology jointly developed by Eden and the University of Queensland, to produce hydrogen and ultra-strong solid carbon fibres and nanotubes from methane gas

DETAILS

IOCGU EXPLORATION: Vulcan Project (100% Tasman)

Background

On 10th November 2009, Tasman announced the discovery of a new Iron – Oxide Copper Gold Uranium (IOCGU) system in the first drill hole VUD 001 at the 11km² Vulcan Project (Figure 1). This hole was drilled on the north-western portion of two previously untested gravity anomalies (Figure 2).

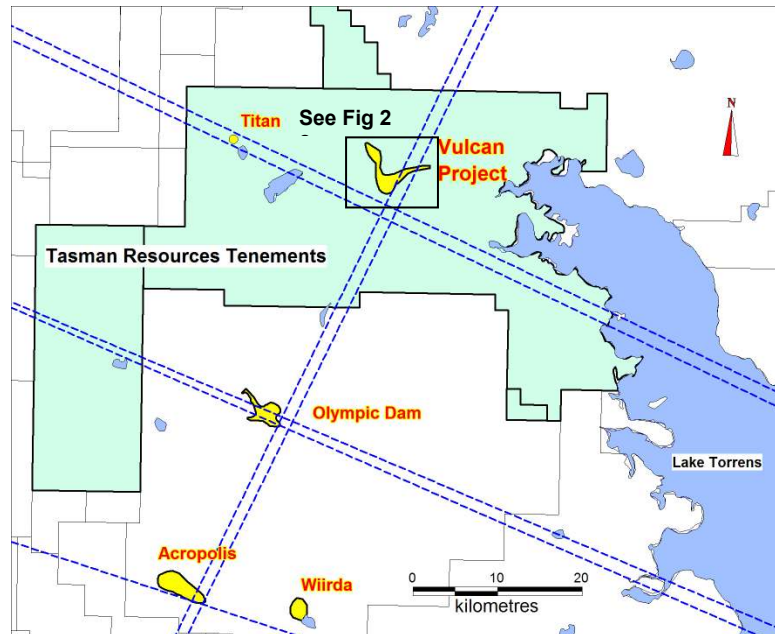


Figure 1: Location Plan showing the Vulcan IOCGU Project, nearby IOCGU deposits/systems and several key (historic) tectonic lineaments (dashed blue lines).

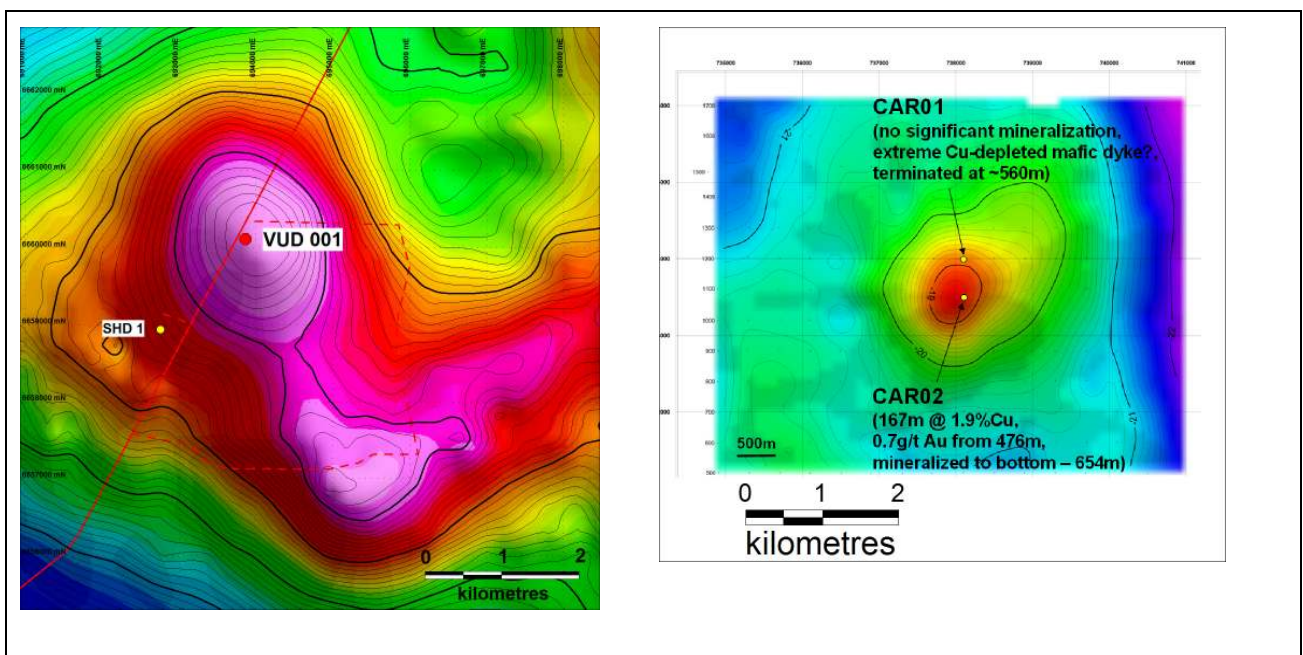


Figure 2: Bouguer gravity plan at Vulcan Project (left) based on newly acquired gravity data, and comparative bouguer gravity image for the Carapateena IOCGU Project. Heavy gravity contour lines are milligals and lighter contour lines 0.1 milligals, on both images. The location of drill hole VUD 001 is shown on the Vulcan plan.

VUD 001 intersected IOCGU (Olympic Dam)-style variably altered and mineralised rocks from 870m to the end of the hole at 1113.1m. The IOCGU-style alteration is characterised by a hematite, carbonate, sericite, chlorite and sulphide (dominantly pyrite, but with minor chalcopyrite) mineral assemblage. Assay results confirmed the IOCGU metal association, with an intersection of 53m down hole from 907m at 0.10% Cu, 0.04g/t Au, 0.021kg/t U_3O_8 and 0.4g/t Ag. This interval included a 10m intersection from 936m at 0.20% Cu, 0.05g/t Au, 0.047kg/t U_3O_8 and 0.5g/t Ag. Anomalous molybdenum and fluorine are also present. A plot showing the distribution and strong correlation of copper, gold and uranium in the hole is shown in Figure 4.

Whilst these assays are not commercial grade, they are extremely encouraging for an initial drill hole into such a large target (approximately 11km²).

Targeting: Interpretation and Geological Model

The sulphide mineralogy, grade and style of the mineralisation intersected in VUD 001 is believed to be more characteristic of the deeper and more lateral portions or zones of an Olympic Dam-type system.

At Olympic Dam, high-grade copper-uranium mineralisation (dominated by a copper sulphide mineralogy relatively rich in bornite or chalcocite) and the highest grade gold zones are spatially located towards the central and upper parts of the deposit. Lower-grade mineralisation at Olympic Dam is characterised by a sulphide mineralogy dominated by pyrite and chalcopyrite (and a lack of the sulphides bornite and chalcocite) and relatively high levels of carbonate minerals such as siderite.

In VUD 001 at Vulcan, the sulphide mineralogy is essentially pyrite with lesser chalcopyrite, and carbonate (mostly siderite). This implies that, by analogy with Olympic Dam, this drill hole is not in the best location and that further drilling at Vulcan should focus on locating portions of the system (in both the northern and southern anomalies) where higher-grade bornite and chalcocite mineralisation may be developed. This will be a priority for forthcoming drilling programs.

Further, in terms of the iron oxide mineralogy it is very significant and encouraging that in VUD 001 at Vulcan, magnetite is entirely absent, but probably present at much greater depths as suggested by the regional aeromagnetic data. Most of the dense material at Vulcan is therefore interpreted to be hematite, which is also the case at Olympic Dam.

*A schematic plan and cross section of the current interpretation of Vulcan based on the new gravity data and geophysical modelling is presented in Figures 5 and 6. **The potentially enormous size of the Vulcan IOCGU system is clearly apparent – the main exploration target anomaly, modelled as relatively dense but non-magnetic rocks stretches over 12 km in length and has an area of approximately 11km².***

Comparison with Olympic Dam

The Vulcan target area is 30km north of Olympic Dam, and has similar dimensions (11km²) to the Olympic Dam breccia complex as demonstrated in Figure 7. This comparison is also supported by the comparative residual gravity response for Olympic Dam and that calculated for Vulcan after adjusting the Vulcan gravity model to the same depth as Olympic Dam (Figure 8).

The Olympic Dam breccia complex, having an area of more than 10km², is one of the largest ore deposits in the world, with a total resource of more than nine billion tonnes containing:

- the world's single largest uranium resource estimated at 2.54 million tonnes U_3O_8 , representing approximately 40% of the world's known uranium,
- the world's fourth largest copper deposit estimated at 79 million tonnes of copper,
- the world's fifth largest gold deposit estimated at 79 million ounces of gold,
- significant amounts of silver, and
- significant amounts of other elements, including more than 2 billion tonnes of iron.

To put the potential significance of Vulcan's first drill hole VUD 001 into context, when Olympic Dam was first discovered, eight of the first nine drill holes drilled were either barren or contained relatively low-grade mineralisation. Although it is a very large deposit, Olympic Dam is made up of a very large number of individual mineralised zones, and it was not until the ninth drill hole that commercial grade mineralisation was discovered as shown in Figure 7.



Figure 3: Upper photo: NQ size diamond drill core from VUD 001, showing hematite, carbonate (sericite, chlorite, sulphide alteration). Lower photo: Close-up of zone of strong hematite breccia development within (red) altered volcanic rocks.

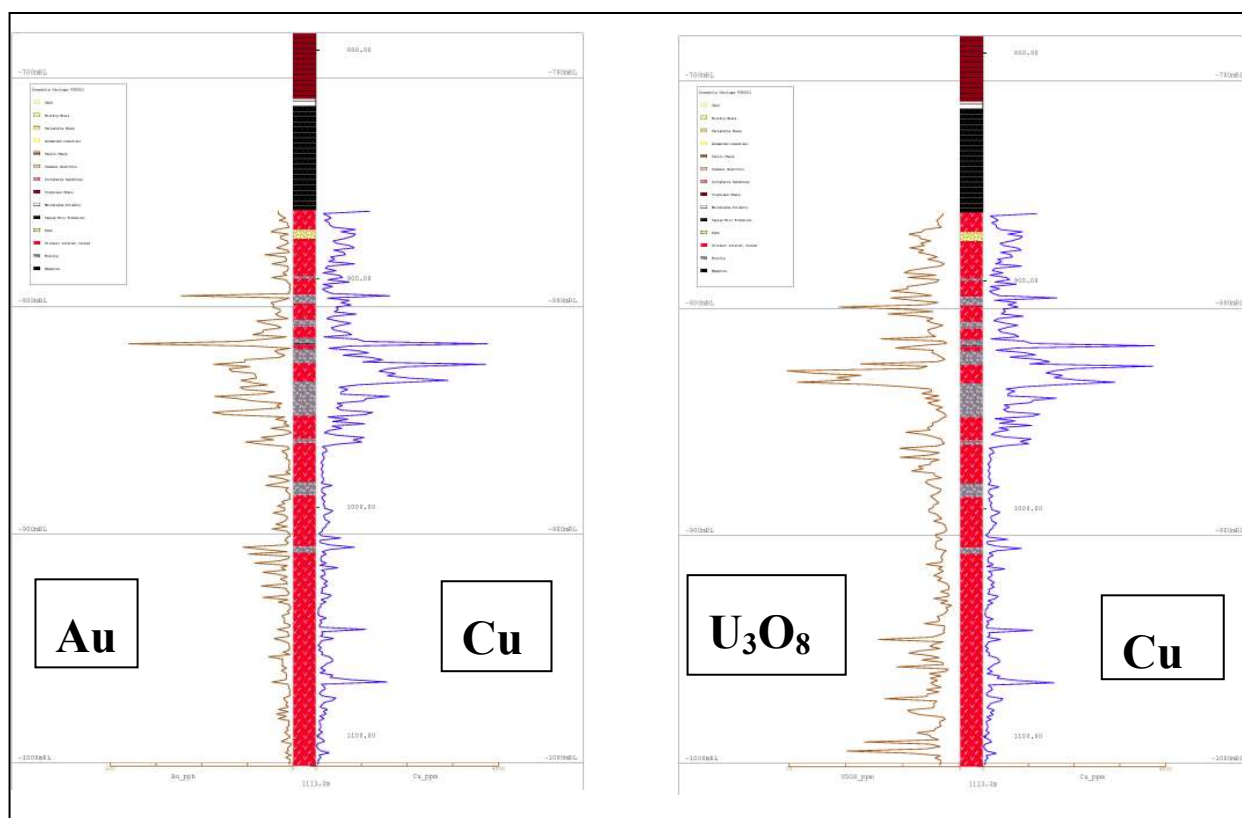


Figure 4: Profiles of down-hole assay results from VUD 001, with gold/copper on the left profile, and uranium/copper on the right. Note the strong positive correlations between these (IOCGU) metals.

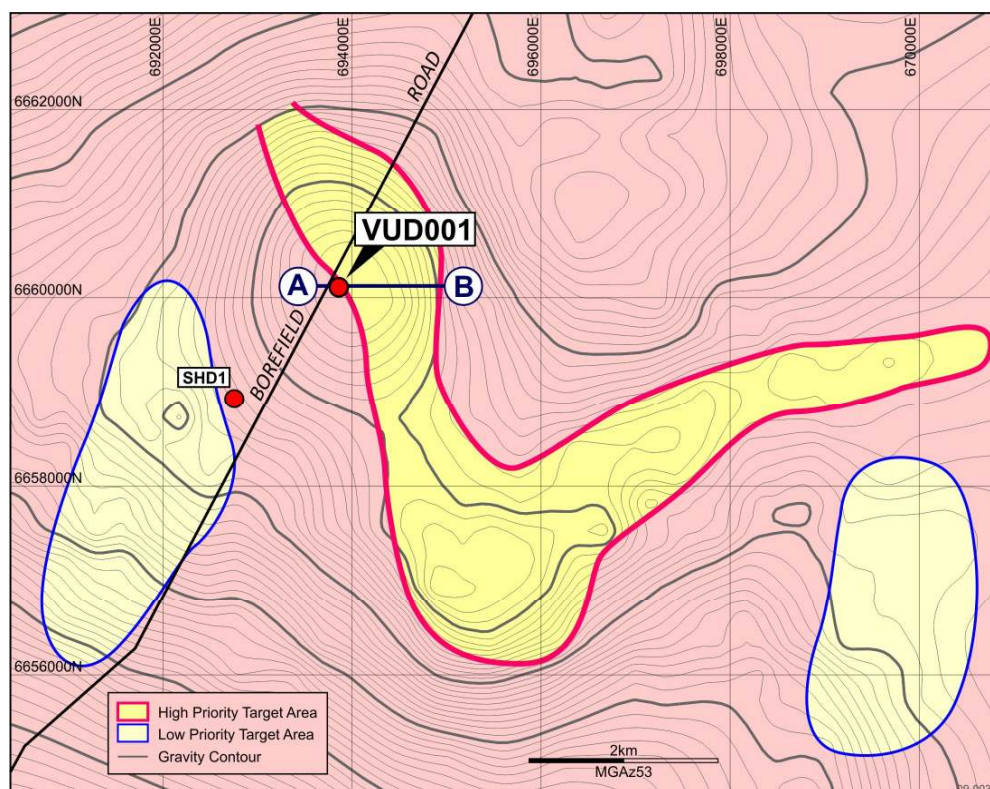


Figure 5: Schematic plan of the current target exploration anomaly, based on the most recent geophysical data and modelling. The high and low priority targets are superimposed on the bouguer gravity contours. The cross section in Figure 6 is shown as line A – B (Datum GDA 94; MGA Zone 53).

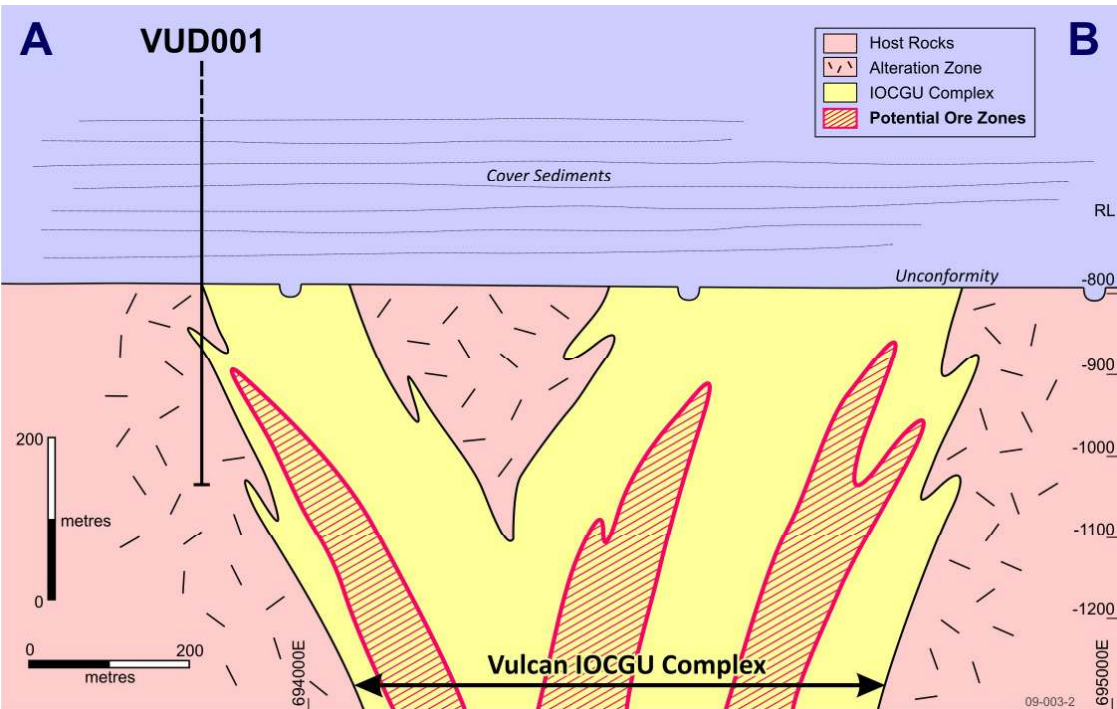


Figure 6: Schematic cross section along the line A – B in Figure 5

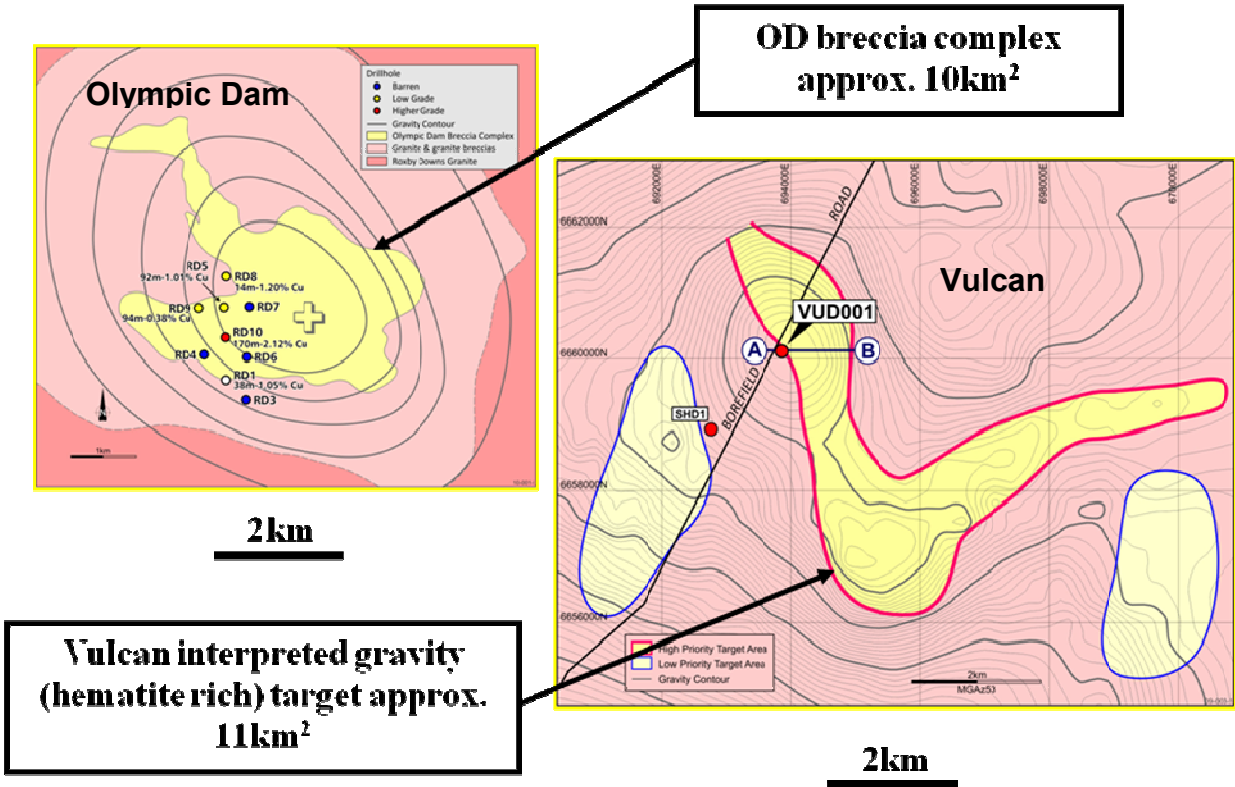


Figure 7: Olympic Dam Breccia Complex – Vulcan Target Area Comparison

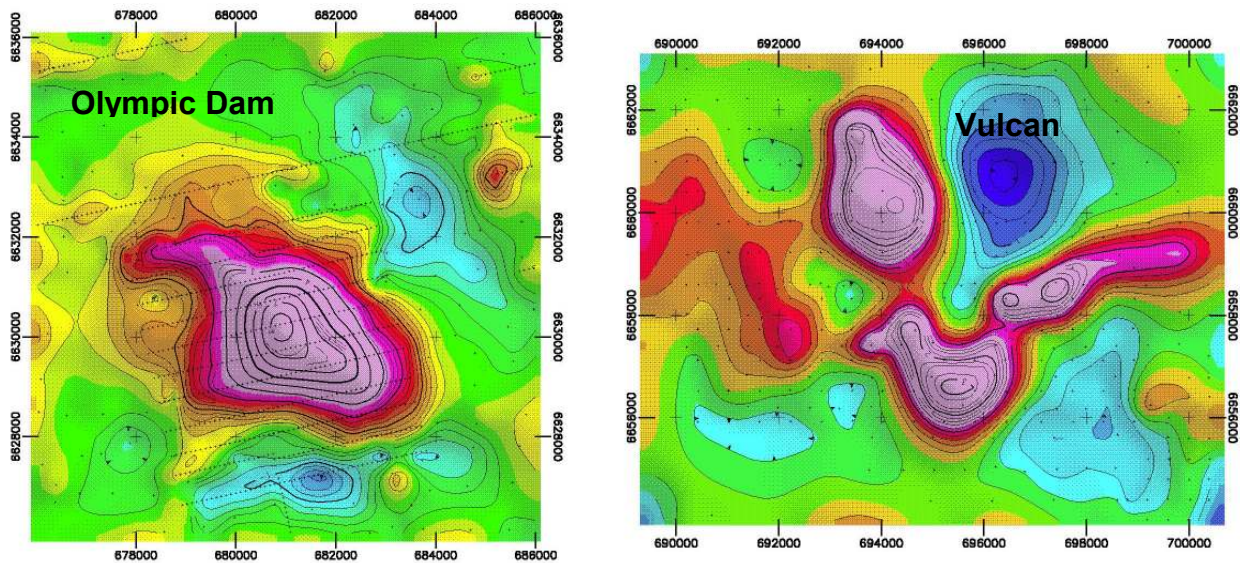


Figure 8: Olympic Dam - Vulcan Residual Gravity Comparison (calculated residual gravity response if Vulcan at same depth as Olympic Dam)

Resumption of Drilling

Drilling resumed at Vulcan in mid-April, and is currently in progress. It will initially focus on further evaluation of the north-western anomaly (Figures 2 & 5) in reasonably close proximity to the first drill hole. Between two and four drill holes are initially planned, depending upon results. Testing of the apparently more complex, probably shallower and possibly more interesting southern anomaly still requires resolution of an Aboriginal heritage issue.

Drilling of the initial holes is expected to take up to about eight weeks to complete, although significant results will be released as they are received. Sampling and core assaying is expected to take an additional two to four weeks after the completion of each drill hole.

Tasman is pleased that further progress is now being made on this exciting and possibly very rewarding project, which has the scope and very real potential to offer major benefits to all its stakeholders.

GOLD EXPLORATION: SOUTH AUSTRALIA

Parkinson Dam Epithermal Gold-Silver (Lead-Zinc) Project (Tasman 100%)

Tasman discovered new, outcropping epithermal-style gold and silver mineralisation in 2005, and later hit very encouraging, high grade gold and silver mineralisation in vertical hole **PD 63 (21m at 21g/t Au and 83g/t Ag, including 9m down hole at 31g/t Au and 152g/t Ag)**. Follow up drilling close to PD 63 (within about 40m) confirmed the continuity and orientation of the main high grade structure targeted, but the intersections obtained were narrower and lower grade (e.g. 1.7g/t Au and 3.2g/t Ag over 1m down hole in PD 71).

No work was conducted at Parkinson Dam during the quarter, however further drilling, designed to follow up encouraging thick zones of associated lead-zinc mineralisation hit in previous drilling is being considered. At least one deep hole may be drilled down dip of holes PD 70 (50m @0.9% Zn, 0.4% Pb) and PD 71 (55m @0.6% Pb and 0.4% Zn).

GOLD - BASE METAL EXPLORATION: QUEENSLAND

Mirrica Project (Tasman 100%)

The Mirrica project is located on the eastern edge of the Simpson Desert approximately 350 km south-southwest of Mt Isa. Tasman's principal exploration target is Mesoproterozoic gold and/or base metal mineralisation under relatively thin cover rocks of the Eromanga Basin and Simpson Desert sands. Tasman has previously conducted a RAB drilling programme, but no field exploration was conducted during the quarter.

Krucible Metals Ltd. have reported very encouraging results from exploration an adjacent tenement to the north of Tasman's Mirrica tenements. Krucible reported results from its initial drilling programme at Champ Prospect, which included an intersection of 27m at 0.40% Cu from 9m (including 3m at 2.3% Cu from 12m). The mineralisation appears to be related to fault(s), which are interpreted to continue within Tasman's tenements.

Tasman is considering a program of geochemical exploration across the interpreted strike extensions of the structures into Tasman's adjoining tenements.

Queensland Mines and Energy have accepted Tasman's application for an additional EPM in the area.



Figure 9: Location of Tasman Project Areas in South Australia and Queensland

Outside interests in Tasman's 100%-owned mineral tenements:

Fission Energy Ltd has the right to explore for uranium in all Tasman's South Australian tenements except for (a) basement-hosted mineralisation within the Lake Torrens Project and (b) part of the Parkinson Dam Project, where Fission farmed out its uranium exploration rights to Mega Hindmarsh Ltd.

Flinders Mining Ltd has a joint venture agreement with Tasman to explore for diamonds within all Tasman's South Australian granted tenements except for the Parkinson Dam Project.

CORPORATE

Capital Raising

The directors are pleased to advise that since the end of the quarter they have agreed to make placements up to the value of \$2,119,000 by the issuing of up to 16,300,000 fully paid ordinary shares (an increase of 9.18% over the previously issued shares) at an issue price of \$0.13 per share to professional and sophisticated investors in accordance with section 708 of the Corporations Act 2001 (“the Act”) and under the 15% placement rule of the Australian Securities Exchange Listing Rules.

A commission of 5% of the value of the funds raised is payable to financial services licencees in respect of the placement.

The funds raised will be used to fund the Company’s ongoing exploration program including the forthcoming drilling of the Company’s 100% owned Vulcan IOCGU target, 30km north of Olympic Dam and the Company’s ongoing working capital requirements.

Investment in Eden Energy Ltd

Tasman has a 17.7% interest in alternative energy company Eden Energy Ltd (ASX: EDE), on a fully diluted basis as at 31 March 2010.

India

Hythane Demonstration Project

Eden has signed a co-operation agreement with GAIL (India) Ltd and Mahanagar Gas Ltd to jointly undertake the first commercial sized Indian Hythane® demonstration project in Mumbai. The project aims to demonstrate the commercial efficiency of Hythane®, a blend of between 15% - 20% hydrogen with Natural Gas, as a high-efficiency, ultra-low emission premium blend of Natural Gas for a fleet of up to 50-70 buses. Hythane® can increase the efficiency of Natural Gas vehicles by up to 15% and at the same time reduce harmful emissions, particularly of oxides of nitrogen which causes serious health and respiratory problems, by between 30% to 50% compared with Natural Gas, whilst also reducing the total greenhouse gas emissions.

The project, which will take approximately 18 months to complete, will see between 50-70 Hythane® powered buses on the streets of Mumbai, a city of some 16 million people, by the end of this year.

Pyrolysis Technology

Eden Energy executed a non-binding terms sheet with Indian Oil Corporation Limited (“IOCL”) through which, subject to certain conditions being satisfied, the two companies will enter into a farm-in agreement to scale up a new Pyrolysis technology jointly developed by Eden and the University of Queensland, to produce hydrogen and ultra-strong solid carbon fibres and nanotubes from methane gas.

The agreement provides for the piloting of commercial-scale production of carbon nanotubes, which hold significant promise for the emergence of ultra-strong, lightweight construction materials for the 21st century.

Investment in Fission Energy Ltd

Tasman has a 28.0% interest in uranium explorer and potential nickel-cobalt producer Fission Energy Ltd (ASX: FIS), on a fully diluted basis as at 31st March 2010.

Mt Thirsty Nickel-Cobalt Project (refer Fission Energy Ltd Quarterly Report for full details)

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 Oxide Deposit

Mt Thirsty has a current JORC Indicated Resource of 14.8 million tonnes at 0.14% Co, 0.59% Ni and 0.99% Mn and a JORC Inferred Resource of 14.2 million tonnes at 0.11% Co, 0.52% Ni and 0.77% Mn over an apparent strike of 1.3 kilometres and a width of around 800 metres.

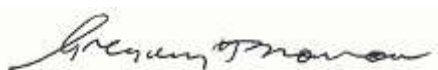
A process development study was completed during the quarter and has demonstrated that there are no significant impediments in the production of a nickel-cobalt mixed sulphide precipitate (MSP) and a separate manganese carbonate product from Mt Thirsty oxide ore using low temperature atmospheric leaching. The go ahead has been given for a prefeasibility study which is scheduled for completion by the end of 2010.

The Mt Thirsty project will be showcased at two international conferences.

Mt Thirsty – Nickel Sulphide Exploration

Exploration for nickel sulphides continued through the quarter. Hole MTDD008 was extended during the quarter to 1,441m from the 1,084m reached in mid 2009. The hole continued through thick cumulate textured ultramafics and was finally abandoned after unexpectedly penetrating 100m of steeply dipping sediments suggesting considerable structural complexity in this area.

Three RC holes (MTRC 009, 010 and 011) all inclined at 60° to the west were drilled to 210, 204 and 252m respectively in the vicinity of the footwall contact to the south of hole MTDD011 (refer Figure 4) to test an interpreted embayment. All three intersected thick magnetic serpentinite altered ultramafics but did not reach the footwall contact.



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.