

Media Release

Monday October 10, 2011

Rio Tinto Exploration in conditional agreement with Tasman Resources over exploration project near Olympic Dam mine

Rio Tinto Exploration Pty Limited (RTX), a wholly owned subsidiary of Rio Tinto Limited, has signed a conditional agreement (Agreement) with Tasman Resources Limited for the funding of an accelerated exploration program on Tasman's 100% owned Exploration Licence 4322 (Project) which contains the Vulcan prospect, located 30 kilometres from BHP Billiton's giant Olympic Dam copper-gold-uranium mine in South Australia.

The Agreement will see an immediate cash injection of A\$10 million into Perth-based Tasman (ASX: "TAS") for its highly prospective Vulcan iron-oxide copper gold uranium (IOCGU) prospect.

Under the terms of the Agreement, announced today, Tasman will undertake a A\$5 million exploration program across the Project over the first 12 months, with the objective of further proving up the potential of the Vulcan prospect, first identified by Tasman in 2009.

RTX has been granted the right (but not the obligation) by Tasman to earn up to an 80% interest in the Project through a two stage farm-in arrangement. Should RTX elect to undertake both stages of the farm-in (subject to Tasman's right to elect to contribute at the end of each stage) and should both stages of the farm-in reach completion, RTX may, subject to the terms of the Agreement, expend up to A\$75.0m in exploration costs and in addition pay Tasman up to A\$17.0m.

The agreement, which is conditional on a number of conditions that Tasman hopes are able to be satisfied over the next 6-8 weeks, comes just 4 weeks after Tasman entered into a Native Title Mining Agreement for Exploration, with native title claimants, for the area which covers most of EL4322 and on which the Vulcan Project is located.

"Since first identifying the Vulcan prospect, we have maintained an unshakeable belief about the similarity of this prospect's mineral styles relative to Olympic Dam and the potential for it to host a deposit of significant value," Tasman's Executive Chairman, Mr Greg Solomon, said today.

"Tasman, not surprisingly, received overtures about possible joint ventures or sale options over this project," Mr Solomon said.

"We have resisted these until we could secure an agreement which brings to the table a company with the technological expertise and financial capability to inject sufficiently rapid, high level momentum designed to identify Vulcan's potential in a manner rewarding to our shareholders," Mr Solomon said.

"Rio Tinto delivers that partnership certainty."

Terms of the Agreement

Under the terms of the Agreement, RTX will pay Tasman an initial upfront cash payment of A\$10 million after satisfaction of certain conditions including the execution of a formal agreement and obtaining Aboriginal Heritage clearance for exploration over the southern portion of the Vulcan prospect area.

Tasman must undertake a drilling program of not less than 12,000 metres within the first 12 months of the Agreement.

RTX can then elect to earn an initial 55% interest in the Project by:

- Paying Tasman a further A\$7 million cash payment, and
- Then within 3 years, RTX must either
 - Fund the delineation of a JORC compliant Inferred Mineral Resource and complete a concept study; or
 - Expend a further A\$25 million on exploration costs, whichever is the earlier.

Tasman can then either retain a 45% interest and thereafter contribute or, if not, RTX, at its election, may increase its interest in the Project to 80% by either:

- Completing a pre-feasibility study within a further 5 years; or
- Funding an additional A\$50 million on exploration costs, whichever is the earlier.

If Rio earns its 80% interest, Tasman then has the right to either maintain its 20% stake and contribute to future project development funding, or offer to sell its holding to RTX (which RTX must purchase) at fair market value.

Vulcan Project background

The Agreement covers Exploration Licence EL 4322 which hosts a number of IOCGU prospects including the Vulcan prospect.

Tasman discovered the Vulcan prospect as a prime IOCGU target in 2009 after identifying its very large gravity anomaly and supporting magnetic and seismic anomalies, and recognising that its location placed it close to one of the key tectonic (structural) lineaments which had previously been used in the original targeting of Olympic Dam by WMC in the mid-1970s.

Tasman recently secured a Native Title Mining Agreement with the Kokatha Uwankara Native Title Claimants for exploration of almost the entire Lake Torrens project. Most of the eight holes drilled by Tasman to date are confined to a section in Vulcan's north or east, intersecting iron-oxide copper gold uranium mineralisation and/or alteration in all holes. Tasman already has identified further priority drilling targets including in the southern portion of the prospect area. The Company has set a tentative date for late October 2011 for a heritage clearance survey to be conducted in a number of areas, including the southern portion of the Vulcan prospect.

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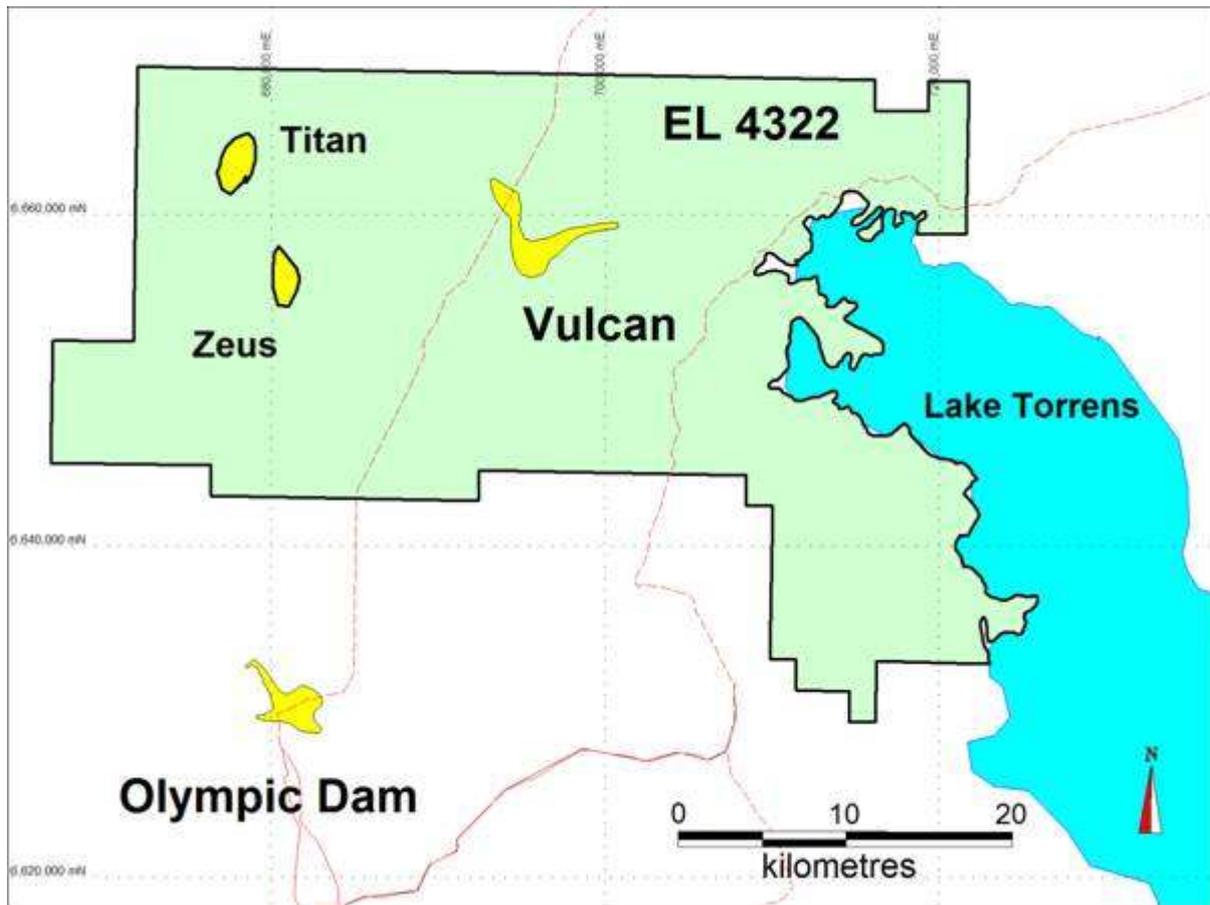


Figure showing Tasman Resources Ltd Exploration Licence 4322, and the location of the Vulcan Project target area (together with Zeus and Titan Prospects) and the Olympic Dam Ore Deposit.