



TASMAN RESOURCES NL

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AUSTRALIAN STOCK EXCHANGE ANNOUNCEMENT EDEN ENERGY CHINESE PROJECT UPDATE

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Highlights

Top Energy Pty Ltd (“Top Energy”), a company controlled by Mr Guiting Liu (“Mr Liu”) (a director of Eden Energy Ltd (“Eden”) which is a subsidiary of Tasman Resources NL (“Tasman”) in which Tasman holds 64% and Top Energy holds 24%), and Mr Liu have agreed with Eden, Tasman and Brehon Energy plc (“Brehon”) to the following:

- Investment in Eden Energy:** Top Energy will subscribe a further A\$2,280,000 (bringing its total investment in Eden to A\$4,280,000) for 22,800,000 fully paid ordinary shares (“Shares”) at 10 cents each together with 11,400,000 Options (exercisable at 20 cents on or before 30th September 2009) in Eden to increase its shareholding in Eden to 50%;
- Investment in Hydrogen China:** Mr Liu will subscribe US\$1,000,000 for a 50% interest in Hydrogen China (BVI) Ltd (“HC”), a wholly owned subsidiary of Brehon Far East Pte Ltd (“BFE”) (Eden 49%: Brehon 51%), to market Brehon’s low emission Hythane fuel technology in China. Hythane is a mixture of approximately 5-7% (by energy) of hydrogen in Natural Gas, which reduces NO_x and CO₂ emissions by up to 50% compared with Natural Gas;
- Hydrogen Joint Venture Company:** Mr Liu and BFE will establish a joint venture company in China in which BFE will hold a 15% non-contributing, non-dilutable interest and Mr Liu will hold an 85% contributing interest, to provide all hydrogen required by the Hythane project in China;
- Investment in Tasman Resources** Subject to Tasman shareholder approval, Top Energy will also subscribe A\$2,000,000 for 16,806,722 Shares in Tasman at an issue price of 11.9 cents each.

A diagram of the proposed overall corporate structure is set out in Schedule A.

Details

Tasman, Eden, Brehon, BFE, HC, Top Energy and Mr Liu have entered into an agreement to undertake the following:

- 1 Top Energy will subscribe a further AUD \$2,280,000 (bringing its total investment in Eden to A\$4,280,000) for 22, 800,000 Shares at 10 cents each together with 11,400,000 options (exercisable at 20 cents on or before 30 September 2009) in Eden, to increase its shareholding in Eden to 47,000,000 shares representing 50% of Eden's issued capital. Top Energy and Mr Liu will hold 31.92% of the issued options in Eden. Tasman holds 45,800,000 Shares and 46,500,000 Options. Mr Liu will be appointed as Chairman of Eden and Greg Solomon will become Chief Executive Officer.

All funds will be subscribed by 30th June 2005. The proceeds will be used to fund the subscription by Eden of a further US\$1,000,000 into Brehon to acquire a further 1,250,000 shares in Brehon, bringing Eden's holding to 3,750,000 shares representing 27.27% of Brehon's issued capital.

Brehon is continuing the expansion of the global marketing of Hythane and is also undertaking development of several new patents, including an exciting patent for a new **cryogenic storage device** that has the potential to be developed for a variety of uses including a portable superconducting electrical storage device.

The remainder of the funds raised will be used to fund Eden's ongoing exploration expenses for its 50% interest in the South Wales coal bed methane joint venture and Eden's 100% owned eight South Australian geothermal licenses and conventional hydrocarbon licence.

- 2 Mr Liu will subscribe, by 30th June 2005, US\$1,000,000 for a 50% share holding in Hydrogen China (BVI) Ltd ("HC"), a wholly owned subsidiary of Brehon Far East Pte Ltd ("BFE") (Eden 49%, and Brehon Energy plc 51%). HC will market Brehon's low emission Hythane fuel technology in China. These funds will be applied in part to fund HC's forthcoming demonstration project in China scheduled for the second half of 2005 when the Hythane technology will be demonstrated on a Chinese bus.

The funds will also be applied to commence the establishment of the network of local Chinese companies which will market and distribute the Hythane technology in China. It is proposed to initially target 16 cities and regions in China that are included in the Chinese Government's Clean Air Programme. HC is confident that upon completion of the Demonstration Project, Hythane will be approved as a suitable technology for the Clean Air Programme, and then have immediate access to this large section of the Chinese urban transit bus market.

Mr Liu is Chairman and President of the Beiya Group, a major Chinese stock exchange listed railway and technology group which has a wide network covering much of China. It is proposed that the Hythane Project will utilise this network to assist in the marketing and establishment of the provincial and regional local companies throughout China in conjunction with significant local joint venture partners.

The Demonstration Project will involve the shipping of two Chinese Natural Gas engines to Brehon's Colorado laboratory where they will be recalibrated to operate on Hythane. The engines are due for shipment to Colorado within the next two weeks. It is targeted to

return them to China during the third quarter of 2005 and to complete the Demonstration Project before the end of 2005.

It is Brehon's objective to progressively have Hythane adopted as the fuel of choice throughout China for urban transit buses in lieu of Natural Gas following completion of a successful Demonstration Project. Upon this occurring, a very significant market in China for Brehon's Hythane technology is anticipated to emerge over the next two to three years in the Chinese urban transit bus market, estimated to be well over 500,000 buses in aggregate.

- 3 Mr Liu and BFE will establish a joint venture company in China in which BFE will hold a 15% non-contributing, non-dilutable interest, to provide all hydrogen required by the Hythane project in China. Mr Liu will hold 85% of the shares in this company and alone will provide all operating and capital costs required by this joint venture company.
- 4 Subject to Tasman shareholder approval, Top Energy will subscribe A\$2,000,000 for 16,806,722 fully paid shares in Tasman at an issue price of 11.9 cents per share. This will be in lieu of the previously announced proposed subscription by Top Energy of A\$2,000,000 for 10,000,000 Shares at 15 cents each and 10,000,000 options (exercisable at 20 cents each on or before 28 February 2006) at an issue price of 5 cents each, which will not now proceed. The new Tasman shareholders' meeting will be convened for early July 2005. The funds will be subscribed within seven days of Tasman shareholders' approval being given.

The result of this agreement will be to significantly expand the available working capital and overall level of activity in all of these projects and, in particular, establish the necessary groundwork to enable the very exciting Chinese Hythane project to rapidly penetrate the enormous Chinese urban transit bus market.

Gregory H Solomon
EXECUTIVE CHAIRMAN

Schedule A

Tasman Resources NL and related entities

