



# TASMAN RESOURCES NL

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## ASX QUARTERLY EXPLORATION REPORT FOR PERIOD ENDED 30<sup>TH</sup> SEPTEMBER 2005

### HIGHLIGHTS

#### Minerals

- Drilling at Marathon South commenced on 30<sup>th</sup> July 2005. Hole MS2 has been completed and MS3 is currently being drilled.
- Ongoing prospecting and rock chip sampling has established the presence of extensive epithermal gold-silver mineralised veining at the Parkinson Dam Prospect – the dimensions of the system continue to be expanded, currently covering approximately 10km<sup>2</sup>. Soil geochemistry, electrical geophysics and drill testing are planned for the December Quarter.
- The over 10km of the Tertiary Wynbring channel, and over 50km of the Garford channel occurs on Tasman's tenements. Both channels are considered excellent potential hosts for roll front-type uranium mineralisation. Evaluation of the channels within Tasman's tenements has been minimal. A HoistEM survey to assess the channel at Wynbring is scheduled for November 2005.
- A number of untested or poorly tested gold prospects has been identified, including 92ppb Au over 8m in RAB drilling, five sparsely drilled areas containing sub-economic gold mineralisation and at least three other areas which contain untested significant gold-in-calcrete anomalies.

#### Energy – Eden Energy Ltd (Tasman 48.72%)

##### Hydrogen/Hythane

- The Chinese Hythane® demonstration project to confirm the emission reductions and performance of Hythane® continues to progress well. The Chinese bus engines were sent to Colorado, USA where they are undergoing conversion to Hythane® operation. It is now anticipated that the engines will be returned to China for Chinese certification and field testing during November 2005 – January 2006.

##### Geothermal Energy

- Permitting for the old Western Mining drill-hole WWD1 re-entry in near completion. The programme will be completed at the conclusion of the Marathon South drilling programme.

##### Coal Bed Methane South Wales

- The digital data capture of extensive historical coal field data continued, preliminary capture is complete and creation of 3D surfaces is underway.

## **MINERAL EXPLORATION ACTIVITIES**

Tasman Resources NL holds a 100% interest in the following exploration projects:

- The “Lake Torrens Project” comprising Exploration Licences 2989, 2772 (now ELA 685/05), 2832, 3109, 3123, 3140, 3174, 3175, 3176, 3177, 3209, 3254, 3260, 3261, 3441 and ELAs 777/04 and 272/05 (see Figure 1).
- The Parkinson Dam Project (formerly called the “Wartaka Gold-Silver Project”) (ELs 3102 and 3307 and ELA 339/05)
- The “Central Gawler Gold-Nickel Project” (ELs 3306, 3339, 3340, 3341, 3342, 3343, 3344, and ELAs 111/05 and 258/05).

### **Lake Torrens Project - Marathon South Prospect**

Tasman’s 100% owned Marathon South Prospect is located 24 km northeast of Olympic Dam in South Australia. Tasman completed the first drill hole into the prospect MS 1 in November 2004.

Drilling at the Marathon South Prospect commenced on 30<sup>th</sup> July 2005 at the date of this report, MS2 has been completed and MS3 is nearing completion. The SA Government PACE supported programme is testing a large complex gravity anomaly associated with breccias drilled by Tasman in MS1. The breccias in MS1 show strong similarities with rocks comprising the nearby Olympic Dam deposit. Tasman believes it may have discovered a large volcanic breccia system that could host a substantial copper-gold deposit. As at Olympic Dam, the size and complexity of such systems require the drilling of a number of relatively deep holes to adequately assess the potential.

Drilling has been progressing more slowly than planned due to the drilling contractor only being able to supply a single day drilling shift rather than two shifts, effectively doubling the time needed for the holes to be drilled. Further details of the results from the drilling program will be announced as soon as they are available.

### **Lake Torrens Project – Torrens Hinge Prospect**

Results for SDP sampling over the Torrens Hinge prospect, a sediment-hosted zinc-silver-lead target are still awaited. Soil desorption pyrolysis (or SDP) is being used to target buried mineralisation and the structures that could be controlling it. Results are delayed due to a high workload at the laboratory but are expected in late October 2005.

### **Parkinson Dam Gold-Silver Project**

Tasman’s 100% owned Parkinson Dam Project is located approximately 60km west of Port Augusta. The Parkinson Dam Prospect resulted from the follow-up of calcrete sampling data collected by a previous explorer in an area Tasman had earlier identified as prospective for gold mineralisation and comprises an extensive area with outcropping epithermal gold-silver mineralised quartz veins and float.

Outcropping, subcropping and widely distributed float of epithermal textured banded quartz veining was located during follow-up of gold-in-calcrete anomalies from prior exploration. Reconnaissance rock samples from this material identified gold-silver mineralisation. The mineralisation is interpreted to be epithermal in character due to:

- the presence of “classic” banded quartz veins showing crustiform, colloform, cockade and comb textures, together with complex overprinting relationships (see photographs below);
- a distinctive gold-silver-lead-antimony metal association, typical of epithermal deposits; and,

- evidence of hydrothermal clay alteration in wallrocks at surface.

Epithermal deposits are quartz vein and stockwork style mineralisation that generally form at shallow depths (<1km) when hot hydrothermal fluids associated with volcanic activity boil or encounter different chemical conditions. Epithermal deposits can vary considerably in size, grade and metal association. Examples include Pajingo and Wirralie (North Queensland, Australia), Ladolam-Lihir (PNG), Hishikari (Japan) and Chatree (Thailand). Mineralised epithermal deposits have not previously been identified in South Australia to the company's knowledge.

During the quarter, the Company has completed extensive field checks and prospecting to outline the possible dimensions of the system. Banded epithermal textured quartz vein material, both as subcrop and float, comprising numerous zones has been identified over an area 2km wide by 5km long.

Considerably more work is required to fully assess the size and significance of the mineralisation and quartz veining. Only surface samples have been collected thus far and although very encouraging, may bear little or no relationship to the typical or average grade of potential mineralisation in the area.

Electrical geophysical surveys to locate resistive vein structures and detailed soil geochemical surveys are planned for the December quarter with the first RC percussion drilling scheduled for December 2005.

### **Central Gawler Project**

Tasman has a significant tenement holding in the central Gawler Craton in South Australia. The area is currently a focus for Tertiary channel-hosted (roll front-type) uranium exploration, and also hosts the Challenger and Tarcoola gold deposits and other advanced gold prospects such as Tunkillia.

Tasman has acquired a portfolio of selected tenements within the central Gawler Craton (Figure 1), which are considered prospective for uranium, gold, nickel and diamonds. The portfolio was developed by:

- the application of Tasman's conceptual models for these types of deposits;
- recognition of significant anomalies or mineralisation; and,
- assessment of the comprehensive geological database provided by SA Government's Primary Industry and Resources Department (PIRSA) which was largely compiled from the results of previous exploration.

### **Wynbring North Uranium Project**

This area was explored in the early 1980s by uranium explorer PNC (Australia) Pty Ltd and most of PNC's work was south of Tasman's exploration licence. However, PNC reported radiometric anomalies from probing of several drill holes within a Tertiary channel in the southern portion of Tasman's EL 3306, and concluded that roll front-type uranium mineralisation may exist within the channel. Granites, a possible primary source of the uranium, were intersected at the bottom of some of the PNC holes, and outcrops of granite occur sporadically in the catchment of the channel.

Tasman believes that at least 10km of potential, undrilled channel may exist on EL 3306, and requires evaluation and test drilling. Other branches of the channel may occur in areas of no outcrop or drilling.

### **Garford Channel Uranium Project**

At least 50km of this channel is located within Tasman's tenements and its potential for hosting roll front-type uranium is unknown, but by analogy, is considered prospective.

## **Eyre Gold Prospect**

An intersection of 20m at 53ppb Au (including 8m at 92ppb Au) from 42m to the bottom of the hole and highly anomalous arsenic (20m at 115ppm As from surface in a hole located 40m away) was intersected in RAB drilling in past exploration. Follow up step-out and deeper RC drilling is planned, and offers the potential for an early discovery.

## **Norman Gold Prospect**

This prospect contains five separate areas of interest that were subject to drilling by prior explorers, who reported a number of significant, but sub-economic gold intersections in relatively sparse drilling.

These areas require re-evaluation and possibly further drilling as a result of:

- a better understanding of the complexity and controls on high grade mineralisation likely in this geological environment, now evident at the Challenger deposit; and,
- a better understanding of the regolith and geochemical dispersion in this terrain.

## **Goss and Forrest Gold Prospects**

Significant gold-in-calcrete anomalies (up to 10ppb Au in areas sampled at about 1.6km sample spacing) require follow-up surface sampling and possibly drilling.

## **Other Targets**

Additionally, some of the tenements contain areas considered prospective for nickel mineralisation and diamonds.

Highly anomalous nickel, copper and cobalt-in-calcrete (up to 300ppm Ni, 175ppm Cu and 75ppm Co in samples collected 1km apart) have been reported in prior exploration, and the anomalies require follow-up sampling and evaluation.

The potential for diamonds has been highlighted from conceptual targeting and identification of multiple targets from detailed aeromagnetic processing. A microdiamond was recorded on Tasman's tenements in prior exploration.

Tasman intends to accelerate exploration over these areas over the coming six months with a combination of ground geological, geochemical and geophysical work, native title clearances followed by drilling.

## **ENERGY ACTIVITIES**

### **Eden Energy Ltd (Tasman 48.72%)**

- **South Wales – Coalbed Methane/Coalmine Methane/Natural Gas**

During the quarter, Eden Energy Ltd, in association with its joint venture partner in Wales, continued with conversion of compiled coal field data to isopach maps and simplified 3D models.

The search for a suitable drilling rig has been successful. More detailed discussions are underway regarding capabilities, costs and availability, with a view to drilling test wells in the March quarter of 2006. Discussions are also underway with respect to the option of using directional drilling to test some targets.

Assessment of the AMM potential of the JV tenements (Figure 2) has been completed. A series of target areas have been identified.

A suitable laboratory for performing the coal and gas testing programme has been identified in Germany and finalisation of testing parameters and protocols to Australian Standards is underway.

Permitting for a range of well types and sites has commenced including holes to test coal bed methane (CBM) and abandoned mine methane (AMM). Permitting for the test wells takes between 6-8 weeks.

- **Hydrogen/Hythane Projects**

Eden Energy Ltd holds a 20% interest in Brehon Energy plc (“Brehon”) and a 49% interest in Brehon Far East. Brehon holds patents, trademarks and engineering knowledge for Hythane (a mixture of natural gas and hydrogen which dramatically reduces emissions) and to NASA-developed cryogenic storage for hydrogen. Brehon Far East holds the total marketing rights for the Asia/Pacific region for the Brehon technology.

During the quarter, progress continued on the Hythane Demonstration Project in China. This project comprises the building, testing and demonstration of two Hythane®-powered Chinese buses. Two Chinese CNG bus engines have been sent from China to Hythane Company LLC in Denver, Colorado, USA (a wholly owned subsidiary of Brehon) for conversion to operate on Hythane®. Final tests on the benchtop dynamometer and emissions testing are nearing completion.

Following the successful calibration of the Chinese bus engines they will be returned to China and then installed in buses for the Demonstration Project. It is now anticipated that the motors will be undergoing field tests in China by late-2005, with the trials expected to be completed by the end of January 2006.

As previously discussed, the objective is 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 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.

Agreements relating to establishing franchises or entities to market Hythane® in China remain under negotiation pending completion of the Demonstration project.

- **Geothermal Exploration**

Eden holds eight geothermal exploration licences in South Australia: GELs 166, 167, 168, 169, 175, 176, 177 and 185 (see Figure 3).

A comprehensive review of all available data for the five targets covered by Eden’s tenements is underway by Eden’s consultant. Recommended work programmes and strategies for progressing the targets are expected in December 2005.

Planning and permitting for the re-entry programme to measure the temperature gradient in WWD1 are progressing. The work is expected to take place in late 2005 following completion of the drilling at Marathon South.

- **Proposed Stock Exchange Listing of Eden Energy Ltd**

Preliminary work commenced in relation to the proposed listing of Eden Energy Ltd on the ASX possibly during the first quarter of 2006.

## **CORPORATE**

### **Finance**

At 30th September 2005 Tasman had cash reserves of \$ 3.00 million.

At 30th September 2005 Eden had cash reserves of \$ 0.77 million.

Greg Solomon

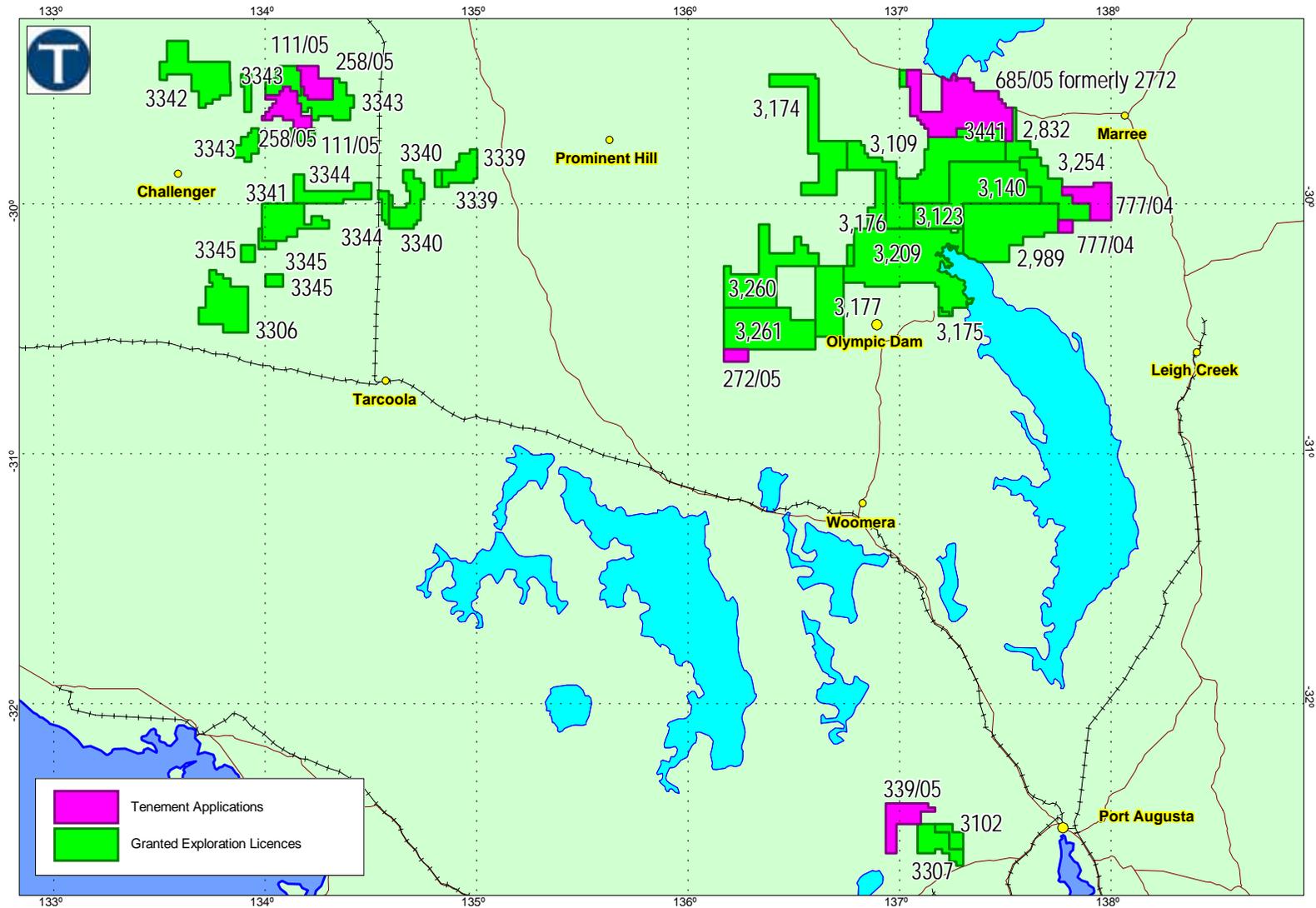
Executive Chairman

*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 Graham M. Jeffress and Robert N. Smith, 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 Jeffress and Mr Smith are full-time employees of the company. Mr Jeffress and Mr Smith 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 Jeffress and Mr Smith 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.*

# Tasman Resources - South Australian Mineral Exploration



**Figure 1:** South Australia - Lake Torrens Project Location and tenement map, showing Tasman exploration tenements.

# South Wales - Energy Projects Farm-in Area

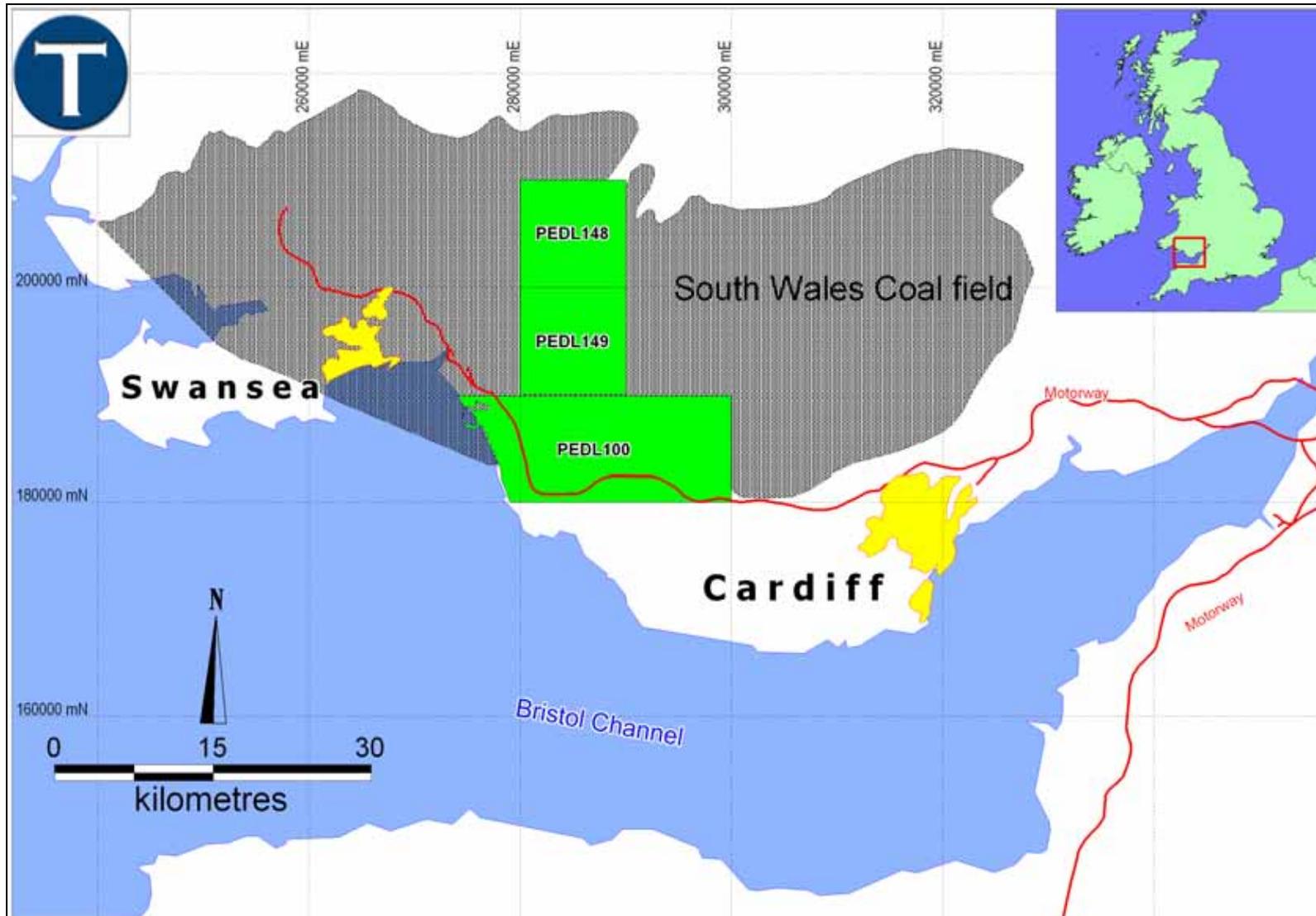


Figure 2: South Wales Project Location and tenement map; PEDLs cover Coal Bed/Coal Mine Methane and conventional hydrocarbon plays

# South Australian Geothermal Exploration

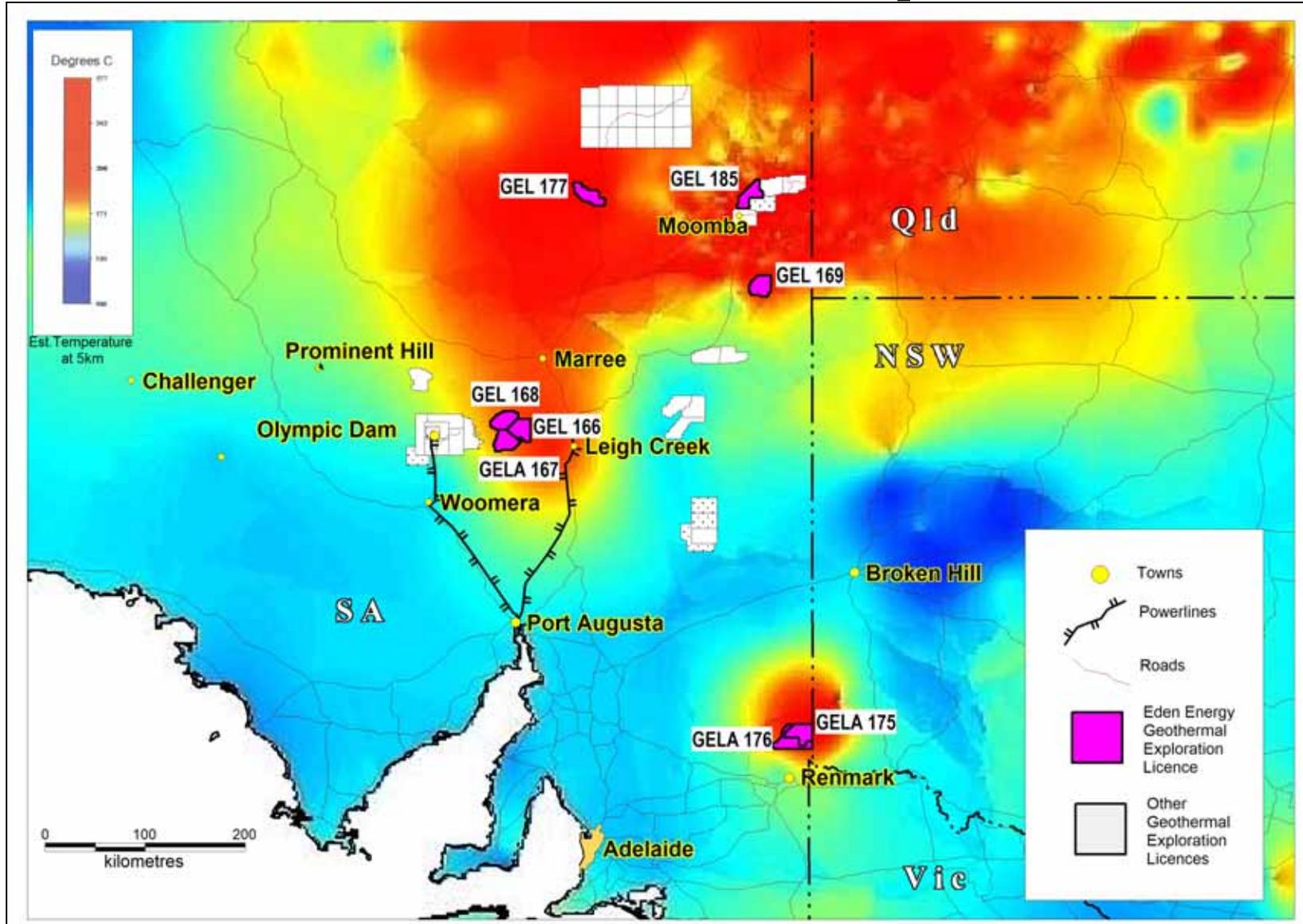


Figure 3: Eden Energy's South Australian Geothermal Exploration Licences overlain on AusTherm03 estimated temperature at 5km depth

# Appendix 5B

## Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

TASMAN RESOURCES NL

ABN

85 009 253 187

Quarter ended ("current quarter")

30 September 2005

### Consolidated statement of cash flows

<b>Cash flows related to operating activities</b>		Current quarter \$A'000	Year to date (3 months) \$A'000
1.1	Receipts from product sales and related debtors	0	0
1.2	Payments for (a) exploration and evaluation (b) development (c) production (d) administration	(237)	(237)
1.3	Dividends received	0	0
1.4	Interest and other items of a similar nature received	44	44
1.5	Interest and other costs of finance paid	0	0
1.6	Income taxes paid – GST Paid	(35)	(35)
1.7	Income Taxes – GST Refunds Received	17	17
1.7	Other (provide details if material)		
<b>Net Operating Cash Flows</b>		<b>(520)</b>	<b>(520)</b>
<b>Cash flows related to investing activities</b>			
1.8	Payment for purchases of: (a)prospects (b)equity investments (c)other fixed assets	0 (1,244) (1)	0 (1,244) (1)
1.9	Proceeds from sale of: (a) prospects (b)equity investments (c) other fixed assets	0 0 0	0 0 0
1.10	Loans to other entities	0	0
1.11	Loans repaid by other entities	0	0
1.12	Other (provide details if material)	0	0
<b>Net investing cash flows</b>		<b>(1,245)</b>	<b>(1,245)</b>
1.13	Total operating and investing cash flows (carried forward)	<b>(1,765)</b>	<b>(1,765)</b>

1.13	Total operating and investing cash flows (brought forward)	(1,765)	(1,765)
<b>Cash flows related to financing activities</b>			
1.14	Proceeds from issues of shares, options, etc.	2,000	2,000
1.15	Proceeds from sale of forfeited shares	0	0
1.16	Proceeds from borrowings	0	0
1.17	Repayment of borrowings	0	0
1.18	Dividends paid	0	0
1.19	Other (provide details if material) Share Issue Costs	(214)	(214)
<b>Net financing cash flows</b>		1,786	1,786
<b>Net increase (decrease) in cash held</b>		21	21
1.20	Cash at beginning of quarter/year to date	3,755	3,755
1.21	Exchange rate adjustments to item 1.20	0	0
1.22	<b>Cash at end of quarter</b>	3,776	3,776

**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	184
1.24	Aggregate amount of loans to the parties included in item 1.10	0

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.  
Bona-fide reimbursement of expenses for the period to 30 September 2005  
Directors Fees and Superannuation paid during the period.

**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

Nil

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

Not applicable

## 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	Nil	Nil
3.2 Credit standby arrangements	Nil	Nil

## Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	600
4.2 Development	
<b>Total</b>	<b>600</b>

Subsequent to end of quarter additional capital has been raised to fund part of this expenditure.

## 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	2,496	2,355
5.2 Deposits at call	1,280	1,400
5.3 Bank overdraft	0	0
5.4 Other (provide details)	0	0
<b>Total: cash at end of quarter (item 1.22)</b>	<b>3,776</b>	<b>3,755</b>

## 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			
		(formerly)		
	EL 2772	Licence granted	100%	100%
	EL 2832	Licence granted	100%	100%
	EL 2989	Licence granted (EL 2340)	100%	100%
	EL 3109	Licence granted	100%	100%
	EL 3123	Licence granted (EL 2507)	100%	100%
	EL 3140	Licence granted (EL 2543)	100%	100%
	EL 3174	Licence granted	100%	100%
	EL 3175	Licence granted	100%	100%
	EL 3176	Licence granted	100%	100%
	EL 3177	Licence granted	100%	100%
	EL 3209	Licence granted (EL 2594)	100%	100%
	EL 3254	Licence granted	100%	100%
	EL 3260	Licence granted	100%	100%
	EL 3261	Licence granted	100%	100%
	EL 3306	Licence granted	100%	100%
	EL 3307	Licence granted	100%	100%
	EL 3339	Licence granted	100%	100%
	EL 3340	Licence granted	100%	100%
	EL 3341	Licence granted	100%	100%
	EL 3342	Licence granted	100%	100%
	EL 3343	Licence granted	100%	100%
	EL 3344	Licence granted	100%	100%
	EL 3345	Licence granted	100%	100%
	EL 3441	Licence granted (EL 2733)	100%	100%
Outstanding Applications: ELA 777/04, ELA 111/05, ELA 258/05, ELA 272/05, ELA 339/05, New Applications this quarter and subsequent to the quarter: ELA 685/05 (Formerly EL 2772)				
Geothermal Licences held in the name of <b>Eden Energy Ltd</b>				
	GEL 166	Licence granted	100%	100%
	GEL 167	Licence granted	100%	100%
	GEL 168	Licence granted	100%	100%
	GEL 169	Licence granted	100%	100%
	GEL 175	Licence granted	100%	100%
	GEL 176	Licence granted	100%	100%
	GEL 177	Licence granted	100%	100%
	GEL 185	Licence granted	100%	100%
Outstanding Petroleum Exploration Licence Application in the Name of <b>Eden Energy Ltd</b> PELA 183				

## 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)	NOT APPLICABLE			
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	16,806,722	16,806,722		
7.3 <b>*Ordinary securities</b>	102,967,510	102,967,510		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 <b>*Convertible debt securities</b> (description)	NOT APPLICABLE			
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 <b>Options</b>	43,795,417	43,795,417	<i>Exercise price</i> 20 cents	<i>Expiry date</i> 28 Feb 2006
7.8 Issued during quarter	NIL	NIL		
7.9 Exercised during quarter	NIL	NIL		
7.10 Expired during quarter	NIL	NIL		
7.11 <b>Debentures</b> (totals only)	NOT APPLICABLE			
7.12 <b>Unsecured notes</b> (totals only)	NOT APPLICABLE			

# Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.

RAYMOND FRANCIS BUSCALL – COMPANY SECRETARY  
Date: 31 October 2005

# 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 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting 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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