



**Tasman Resources Ltd**  
**ABN 85 009 253 187**

**and Controlled Entities**

**Interim Financial Report**  
**for the**  
**Half-Year Ended 31 December 2012**

**CONTENTS**

|  |           |
|--|-----------|
| <b>Highlights</b>  | <b>3</b>  |
| <b>Corporate Directory</b>   | <b>4</b>  |
| <b>Review of Operations</b>  | <b>5</b>  |
| <b>Directors' Report</b>   | <b>9</b>  |
| <b>Auditors' Independence Declaration</b>                                      | <b>10</b> |
| <b>Consolidated Statement of Profit or Loss and Other Comprehensive Income</b> | <b>11</b> |
| <b>Consolidated Statement of Financial Position</b>                            | <b>12</b> |
| <b>Consolidated Statement of Changes in Equity</b>                             | <b>13</b> |
| <b>Consolidated Statement of Cash Flows</b>                                    | <b>14</b> |
| <b>Notes to the Financial Statements</b>                                       | <b>15</b> |
| <b>Directors' Declaration</b>  | <b>19</b> |
| <b>Independent Auditor's Review Report</b>                                     | <b>20</b> |

## **HIGHLIGHTS**

### **SA – VULCAN IOCGU<sup>#</sup> PROJECT EL4322**

- An Aboriginal heritage survey was conducted in mid-July with the Kokatha Uwankara Native Title Claim Group, and a number of drill sites were cleared, including drill sites over the southern, high priority Vulcan IOCGU exploration target.
- The conditional Farm-in/Joint Venture agreement with Rio Tinto Exploration (RTX) over the Vulcan prospect Exploration Licence became unconditional, and consequentially a further \$9million was received from RTX.
- Drilling commenced on the southern Vulcan exploration target pursuant to the Tasman/RTX Farm In/Joint Venture, with four holes completed.
- All four holes intersected large thicknesses of IOCGU – style highly altered and variably brecciated rocks, including hematite-rich breccias and massive hematite.
- Although no strong mineralisation was intersected, assays received from the first two holes (VUD 9 & 10) have returned some intervals with strongly anomalous Copper ('Cu'), Gold ('Au') and/or Rare Earth Elements.
- To date 5,172m of the current 12,000m Farm In/Joint Venture programme have been completed, and drilling is scheduled to resume at the beginning of March 2013.

### **CORPORATE**

- \$9million was received from Rio Tinto Exploration (RTX), as noted above.
- Tasman increased its holding in Eden Energy Ltd ("Eden") from 20.2% to 47.9%, following a rights issue by Eden. As Tasman effectively has control of Eden at 47.9%, Eden is now deemed a subsidiary of Tasman and included in the consolidated accounts of Tasman.

<sup>#</sup>Iron oxide-copper-gold-uranium

## **CORPORATE DIRECTORY**

### **DIRECTORS:**

Gregory H Solomon **LLB** (Executive Chairman)

Douglas H Solomon **BJuris LLB (Hons)** (Non-Executive)

Guy T Le Page **BA, BSc (Hons), MBA, FINSIA, MAusIMM** (Non-Executive)

### **COMPANY SECRETARY:**

Aaron P Gates **B.Com, CA, ACIS**

### **REGISTERED OFFICE:**

Level 15

197 St Georges Terrace

Perth

Western Australia 6000

Tel +61 8 9282 5889

Fax +61 8 9282 5866

Email: [mailroom@tasmanresources.com.au](mailto:mailroom@tasmanresources.com.au)

Website: [www.tasmanresources.com.au](http://www.tasmanresources.com.au)

### **SOLICITORS:**

Solomon Brothers

Level 15

197 St Georges Terrace

Perth WA 6000

Minter Ellison

1 King William Street

Adelaide SA 5000

### **AUDITORS:**

Nexia Perth Audit Services Pty Ltd

Level 3

88 William Street

Perth WA 6000

### **SHARE REGISTRY:**

Advance Share Registry Services

150 Stirling Highway

Nedlands WA 6009

### **STOCK EXCHANGE LISTING:**

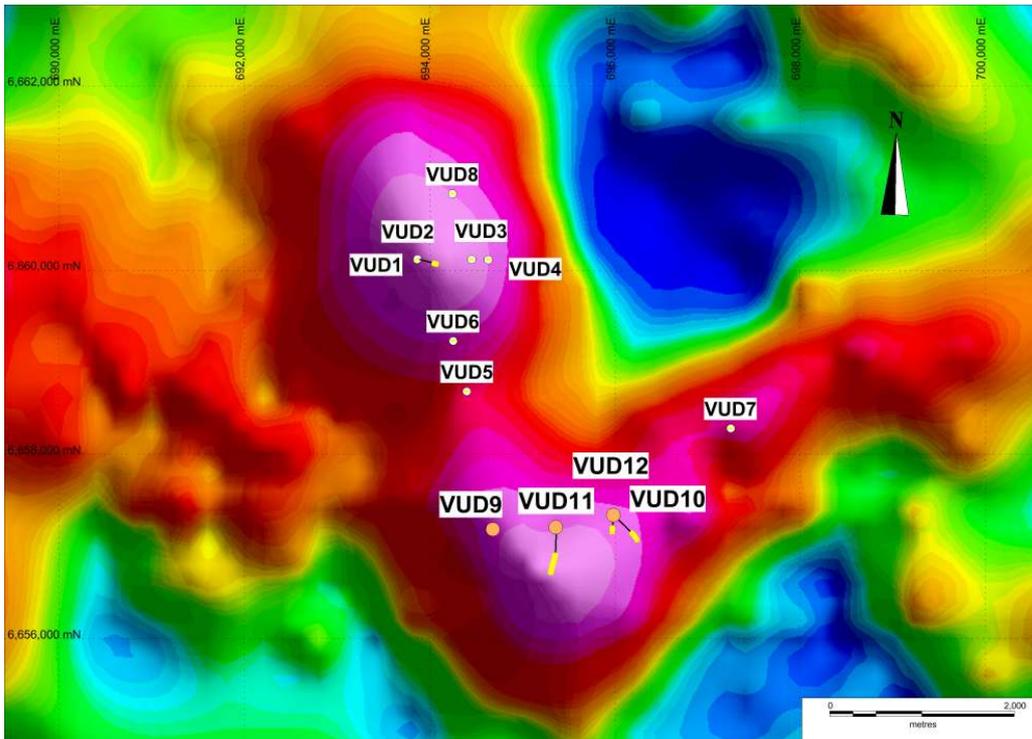
ASX Code: TAS (ordinary shares)

Quotation has been granted for all the ordinary shares and all issued options of the company on all Member Exchanges of the Australian Stock Exchange Limited.

**REVIEW OF OPERATIONS**

**SA – VULCAN IOCGU PROJECT (100% Tasman)**

Drilling under the Tasman/RTX Farm in and Joint Venture Agreement commenced in September 2012 and to date four holes (VUD 9 to 12, Figure 1) totalling 5,172m have been drilled. Collar details are given in Table 1. Assay results from the first four drill holes (VUD 9 - 12) have been received.



**Figure 1: Vulcan Project: Residual gravity image showing previously completed drill holes (labelled small yellow dots) and the recently completed holes VUD 9 to 12 (larger orange dots). Surface projections of basement intersections in the inclined holes are shown in yellow.**

**Table 1: Drill Hole Collar Details**

| Hole No | Easting | Northing  | RL | Az (Grid) | Dip | Depth   |
|---------|---------|-----------|----|-----------|-----|---------|
| VUD 9   | 694,686 | 6,657,191 | 90 | 0         | -90 | 1,110.8 |
| VUD 10  | 695,975 | 6,657,342 | 88 | 135       | -70 | 1,256.9 |
| VUD 11  | 695,366 | 6,657,208 | 89 | 180       | -70 | 1,466.7 |
| VUD 12  | 695,979 | 6,657,335 | 88 | 180       | -80 | 1,337.4 |

**VUD 9**

Drill hole VUD 9 was drilled on the western side of the main southern gravity anomaly, intersected the basement at a depth of 778.86m and was completed at 1,110.80m. The basement consists of a series of IOCGU-style highly altered and brecciated rocks, dominated by a very thick zone (242m down hole) of very hematite-rich breccias.

As expected, no strong copper, gold or uranium assays were returned from assaying of the basement intersection in this hole. However, of interest are anomalous gold, silver, barium and rare earth elements (REE; being cerium and lanthanum) assays detected above the VUD 9 hematite-rich breccia zone. This included a 16m down hole intersection from 802m to 818m averaging 95ppb Au, 0.8% Ba, 590 ppm Ce, 325ppm La and 145ppm Cu.

## **REVIEW OF OPERATIONS (CONTINUED)**

### **VUD 10**

VUD 10 was designed to test the eastern margin of the main gravity anomaly, where it was believed that the mineralised breccias in VUD 7 may join it. VUD 10 hit the basement at 858.60m and was completed at 1,256.9m. The drill hole intersected 398m of sericite-chlorite-carbonate altered, veined and brecciated host rocks, believed to have been originally volcanic in origin. Relatively minor hematite was intersected, and weak sulphide mineralisation occurs throughout.

As expected no high copper, gold or uranium assays were returned from sampling of the basement intersection in this hole. The assay results however indicate strongly anomalous Cu values with the entire basement intersection of 398m averaging 910ppm Cu, including 30m down hole from 970m to 1,000m averaging 0.28% Cu. A number of narrower zones displaying anomalous gold values up to 487ppb over a 5m composite were also intersected.

### **VUD 11**

VUD 11 was designed to test the central "core" of the large southern gravity anomaly. The hole hit the basement at 835.66m and was completed at 1,466.70m, and intersected thick, IOCGU-style hematite, sericite, carbonate and chlorite altered and brecciated rocks in the basement.

### **VUD 12**

VUD 12 was collared close to the collar position of VUD 10, and was designed to further test the eastern limit of the main southern gravity anomaly. The drill hole intersected the basement at a depth of 819.70m and was completed at 1,337.40m, again after intersecting thick IOCGU-style alteration and associated brecciated rocks.

Despite the relative paucity of mineralisation in holes VUD 9 to 12 drilled in this southern segment of the Vulcan IOCGU target Tasman is still encouraged by the magnitude and large aerial extent of the geological processes (extensive hematite rich breccias, pervasive hematite-sericite-chlorite-carbonate alteration together with anomalous Cu, Au and REE) that have clearly been active in this part of Vulcan. The task still remains to find where this very large system (with an areal extent of around 12km<sup>2</sup>) has concentrated the copper, gold and uranium normally associated with these IOCGU geological processes.

#### *Analytical*

*The assays referred to above are based on NQ2 core. Samples for assay were either sawn in half with one entire half taken for assay in 1m intervals, or, in zones believed to contain very weak mineralisation, chip sampling core at 25cm spacing and compositing over 5m intervals. Intervals are down hole lengths, true widths are unknown.*

*Gold was assayed by fire assay with an AAS finish having a detection limit of 1ppb and Cu & Ba by a four acid digest and optical emission spectrometry with a detection limit of 1 & 2 ppm respectively. Ce and La were analysed using a 4 acid digest followed by mass spectrometry with detection limits of 0.1ppm.*

### **ONGOING PROGRAM**

VUD 12 was the last hole drilled in 2012 and drilling of the remaining 6,800m of the current programme will recommence in early March and take about four months to complete.

#### **Background to the Vulcan Project**

*Tasman identified Vulcan as a prime IOCGU target in 2009, based on the presence of a very large gravity anomaly, supporting magnetic and seismic anomalies and Vulcan's location close to key tectonic (structural) lineaments, which had previously been used in the original targeting of Olympic Dam by WMC in the mid-1970s. Tasman's initial discovery drill hole, VUD 001, intersected the Vulcan IOCGU system late in 2009.*

*Eight diamond drill holes had been completed by Tasman at Vulcan between 2009 and early 2011. All exhibit IOCGU-style alteration and/or mineralisation, including copper, gold, uranium, silver, molybdenum and rare earth elements. Recent age dating of the mineralisation at about 1,590 million years confirms that Vulcan belongs to the same "family" of deposits as Olympic Dam, Prominent Hill and Carrapateena.*

*Tasman has entered a Farm In/ Joint Venture agreement with Rio Tinto Exploration (RTX) covering the whole of EL 4322, including the Vulcan discovery. Under the FarmIn/Joint Venture agreement, RTX has paid to Tasman \$10 million and Tasman is accordingly managing an exploration programme consisting of 12,000m of drilling at Vulcan over a 12 month period.*

## REVIEW OF OPERATIONS (CONTINUED)

### OTHER PROJECTS

Tasman has gold and base metal projects at Parkinson Dam and the Central Gawler Craton in South Australia (Figure 2).



Figure 2: Location of Tasman Project Areas in South Australia

### Investment in Eden Energy Ltd (ASX Code: EDE)

Tasman has a 47.9% interest in Eden Energy Ltd.

- Eden is continuing in the development of its carbon/hydrogen pyrolysis project.
- Eden's US and Indian subsidiaries make further Optblend Dual Fuel Kit sales, with sales increasing, particularly in USA where natural gas has become very cheap following the increase in gas supplies from shale gas deposits in the US.
- Eden holds a 50% Joint Venture interest in over 1,800km<sup>2</sup> of prospective Petroleum Exploration and Development Licences in southern England and Wales and 100% in over another 250 km<sup>2</sup> in South Wales.

### Investment in Fission Energy Ltd (ASX Code: FIS)

Tasman has a 19% interest in potential nickel-cobalt producer Fission Energy Ltd as at 31 December 2012.

#### **Cambodia**

Fission has conditionally agreed to acquire three Cambodian exploration licences highly prospective for gold and base metals covering a total area of 430km<sup>2</sup> in the largely unexplored north-western region of Cambodia.

#### **Mt Thirsty Nickel-Cobalt Project**

Recent investigations of processing routes suggest that Continuous Vat Leaching (CVL) involving relatively low cost recovery of cobalt at the expense of some nickel recovery warrants further consideration.

Phase 3 CVL metallurgical testwork has been completed and indicates that 81% of the contained cobalt can be recovered in 24 hours from coarse material indicating high cobalt recoveries are possible. Tests also indicate that cheaper SO<sub>2</sub> is the only realistic leaching agent to use rather than more expensive SMBS (sodium metabisulphite).

## **REVIEW OF OPERATIONS (CONTINUED)**

### ***Background***

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 is located 20 kilometres north-northwest of Norseman, Western Australia. Mt Thirsty has a current JORC compliant Indicated Resource of 16.6 million tonnes at 0.14% Co, 0.60% Ni and 0.98% Mn and a JORC compliant Inferred Resource of 15.3 million tonnes at 0.11% Co, 0.51% Ni and 0.73% Mn over an apparent strike of 1.3 kilometres and a width of around 800 metres.

## **COMPETENT PERSON'S STATEMENT**

*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.*

## **DIRECTORS' REPORT**

Your directors submit the financial report of the consolidated group for the half-year ended 31 December 2012.

### **Directors**

The names of directors who held office during or since the end of the half-year:

Mr Gregory H Solomon

Mr Douglas H Solomon

Mr Guy T Le Page

### **Review of Operations**

The net profit after income tax for the half year was \$8,563,878 (2011: loss of \$364,661).

A review of the operations of the Group during the half-year ended 31 December 2012 is set out in the Review of Operations on Page 5.

### **Significant Changes in State of Affairs**

Changes in controlled entities

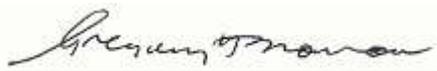
On 5 October 2012, Tasman increased its interest to 47.925% (30 June 2012: 20.205%) in the issued capital of Eden Energy Limited ("Eden"), a clean energy company listed on the Australian Securities Exchange (ASX Code: EDE). Eden is now included in the consolidated figures reported by Tasman.

### **Auditor's Declaration**

The lead auditor's independence declaration under section 307C of the *Corporations Act 2001* is set out on page 10 for the half-year ended 31 December 2012.

This report is signed in accordance with a resolution of the Board of Directors.

Director



Gregory H Solomon

Dated this 14<sup>th</sup> day of March 2013

**Auditor's independence declaration under section 307C of the Corporations Act 2001**

To the directors of Tasman Resources Ltd

I declare that, to the best of my knowledge and belief, in relation to the review for the half year ended 31 December 2012, there have been:

- (i) no contraventions of the auditor's independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.



**Nexia Perth Audit Services Pty Ltd**



**PTC Klopper**  
*Director*

Perth  
14 March 2013

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2012**

|  | <b>Note</b> | <b>Consolidated Group</b> |                    |
|--|-------------|---------------------------|--------------------|
|  |             | <b>31 Dec 2012</b>        | <b>31 Dec 2011</b> |
|  |             | <b>\$</b>                 | <b>\$</b>          |
| Revenue  |             | 185,392                   | -                  |
| Other Income   | 2           | 9,161,182                 | 97,971             |
| Accounting and audit expense   |             | (27,212)                  | (18,366)           |
| Depreciation and amortisation expense                                |             | (33,116)                  | (999)              |
| Employee benefits expense  |             | (550,305)                 | (241,404)          |
| Gain on acquisition of subsidiary                                    | 9           | 136,724                   | -                  |
| Gain on remeasure of fair value of previously held equity interest   | 9           | 173,315                   | -                  |
| Impairment of exploration expenditure                                |             | (2,945)                   | -                  |
| Impairment of trade and other receivables                            |             | (32,037)                  | -                  |
| Legal and other consultants expense                                  |             | (17,947)                  | (8,924)            |
| Management Fees  |             | (166,274)                 | (113,085)          |
| Other expenses   |             | (195,438)                 | (79,854)           |
| Raw materials and consumables used                                   |             | (67,461)                  | -                  |
| Profit/(loss) before income tax                                      |             | 8,563,878                 | (364,661)          |
| Income tax expense   |             | -                         | -                  |
| <b>Profit/(loss) for the period</b>                                  |             | <b>8,563,878</b>          | <b>(364,661)</b>   |
| <br>   |             |                           |                    |
| <b>Other Comprehensive Income, net of income tax</b>                 |             |                           |                    |
| <i>Items that may be reclassified subsequently to profit or loss</i> |             |                           |                    |
| Change in fair value of available-for-sale financial assets          |             | -                         | (2,469,958)        |
| Exchanges differences on translating foreign operations              |             | 12,259                    | -                  |
| Other comprehensive income, net of income tax                        |             | 12,259                    | (2,469,958)        |
| <b>Total Comprehensive Income / (Loss)</b>                           |             | <b>8,576,137</b>          | <b>(2,834,619)</b> |
| <br>   |             |                           |                    |
| Profit attributable to:  |             |                           |                    |
| Owners of the parent   |             | 8,778,186                 | (364,661)          |
| Non-controlling interests  |             | (214,308)                 | -                  |
|  |             | 8,563,878                 | (364,661)          |
| <br>   |             |                           |                    |
| Total comprehensive income attributable to:                          |             |                           |                    |
| Owners of the parent   |             | 8,790,445                 | (2,834,619)        |
| Non-controlling interests  |             | (214,308)                 | -                  |
|  |             | 8,576,137                 | (2,834,619)        |
| <br>   |             |                           |                    |
| Basic/diluted earnings per share (cents per share)                   |             | 3.8783                    | (0.1817)           |

The accompanying notes form part of these financial statements.

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2012**

|   | Note | Consolidated Group |                   |
|---|------|--------------------|-------------------|
|   |      | 31 Dec 2012        | 30 Jun 2012       |
|   |      | \$                 | \$                |
| <b>ASSETS</b>                                     |      |                    |                   |
| <b>CURRENT ASSETS</b>                             |      |                    |                   |
| Cash and cash equivalents                         |      | 7,122,093          | 746,025           |
| Inventories                                       |      | 432,998            | -                 |
| Other assets                                      |      | 20,849             | -                 |
| Trade and other receivables                       |      | 600,193            | 514,784           |
| <b>TOTAL CURRENT ASSETS</b>                       |      | <b>8,176,133</b>   | <b>1,260,809</b>  |
| <b>NON-CURRENT ASSETS</b>                         |      |                    |                   |
| Exploration and Evaluation expenditure            |      | 16,743,963         | 12,221,685        |
| Intangibles                                       |      | 1,157,974          | -                 |
| Investments accounted for using the equity method |      | -                  | 490,469           |
| Other receivables                                 |      | 730,000            | -                 |
| Property, plant and equipment                     |      | 395,549            | 47,079            |
| <b>TOTAL NON-CURRENT ASSETS</b>                   |      | <b>19,027,486</b>  | <b>12,759,233</b> |
| <b>TOTAL ASSETS</b>                               |      | <b>27,203,619</b>  | <b>14,020,042</b> |
| <b>CURRENT LIABILITIES</b>                        |      |                    |                   |
| Trade and other payables                          |      | 833,254            | 126,297           |
| Provisions  | 3    | 680,650            | 67,097            |
| <b>TOTAL CURRENT LIABILITIES</b>                  |      | <b>1,513,904</b>   | <b>193,394</b>    |
| <b>NON-CURRENT LIABILITIES</b>                    |      |                    |                   |
| Provisions  |      | 52,390             | 48,707            |
| <b>TOTAL NON-CURRENT LIABILITIES</b>              |      | <b>52,390</b>      | <b>48,707</b>     |
| <b>TOTAL LIABILITIES</b>                          |      | <b>1,566,294</b>   | <b>242,101</b>    |
| <b>NET ASSETS</b>                                 |      | <b>25,637,325</b>  | <b>13,777,941</b> |
| <b>EQUITY</b>                                     |      |                    |                   |
| Issued capital                                    | 8    | 23,505,526         | 23,433,864        |
| Reserves  |      | 990,369            | 915,372           |
| Accumulated losses                                |      | (1,793,109)        | (10,571,295)      |
| Parent interest                                   |      | 22,702,786         | 13,777,941        |
| Non-controlling interest                          |      | 2,934,539          | -                 |
| <b>TOTAL EQUITY</b>                               |      | <b>25,637,325</b>  | <b>13,777,941</b> |

The accompanying notes form part of these financial statements.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE HALF YEAR ENDED 31 DECEMBER 2012**

|   | Ordinary<br>Shares | Option<br>Reserve | Financial<br>Asset<br>Reserve | Foreign<br>Currency<br>Translation<br>Reserve | Accumulated<br>Losses | Non-<br>controlling<br>Interests | Total       |
|---|--------------------|-------------------|-------------------------------|---|-----------------------|----------------------------------|-------------|
|   | \$                 | \$                | \$                            |   | \$                    |                                  | \$          |
| <b>Balance at 1 July 2011</b>                           | 21,220,230         | 909,235           | 3,127,781                     | -   | (9,470,513)           | -                                | 15,786,733  |
| Shares issued during the period, net of issue costs     | 2,065,480          | -                 | -                             | -   | -                     | -                                | 2,065,480   |
| Total comprehensive income                              | -                  | -                 | (2,469,958)                   | -   | (364,661)             | -                                | (2,834,619) |
| Subtotal  | 23,285,710         | 909,235           | 657,823                       | -   | (9,835,174)           | -                                | 15,017,594  |
| Dividends paid or provided for                          | -                  | -                 | -                             | -   | -                     | -                                | -           |
| Balance at 31 December 2011                             | 23,285,710         | 909,235           | 657,823                       | -   | (9,835,174)           | -                                | 15,017,594  |
| <b>Balance at 1 July 2012</b>                           | 23,433,864         | 915,372           | -                             | -   | (10,571,295)          | -                                | 13,777,941  |
| Shares issued during the period, net of issue costs     | 71,662             | -                 | -                             | -   | -                     | -                                | 71,662      |
| Options issued  | -                  | 62,738            | -                             | -   | -                     | -                                | 62,738      |
| Minority equity interest upon acquisition of subsidiary | -                  | -                 | -                             | -   | -                     | 3,148,847                        | 3,148,847   |
| Total comprehensive income                              | -                  | -                 | -                             | 12,259  | 8,778,186             | (214,308)                        | 8,576,137   |
| Subtotal  | 23,505,526         | 978,110           | -                             | 12,259  | (1,793,109)           | 2,934,539                        | 25,637,325  |
| Dividends paid or provided for                          | -                  | -                 | -                             | -   | -                     | -                                | -           |
| Balance at 31 December 2012                             | 23,505,526         | 978,110           | -                             | 12,259  | (1,793,109)           | 2,934,539                        | 25,637,325  |

The accompanying notes form part of these financial statements.

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2012**

|   | <b>Consolidated Group</b> |                    |
|---|---------------------------|--------------------|
|   | <b>31 Dec 2012</b>        | <b>31 Dec 2011</b> |
|   | \$                        | \$                 |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>         |                           |                    |
| Receipts from customers                             | 173,171                   | -                  |
| Other receipts                                      | 9,476,887                 | 91,751             |
| Payments to suppliers and employees                 | (1,653,261)               | (474,039)          |
| Interest received                                   | 78,308                    | 21,797             |
| Net cash provided by (used in) operating activities | 8,075,105                 | (360,491)          |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>         |                           |                    |
| Exploration expenditure                             | (1,815,327)               | (252,235)          |
| Payment for development of intangibles              | (64,473)                  | -                  |
| Payments for property, plant & equipment            | (142,154)                 | (426)              |
| Payments for equity investments                     | -                         | (1,029,420)        |
| Payments for subsidiary, less cash acquired         | 255,182                   | -                  |
| Net cash used in investing activities               | (1,766,772)               | (1,282,081)        |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>         |                           |                    |
| Proceeds from issue of shares, net of issue costs   | 71,662                    | 2,065,480          |
| Net cash provided by (used in) financing activities | 71,662                    | 2,065,480          |
| Net increase in cash held                           | 6,379,995                 | 422,908            |
| Net decrease due to foreign exchange movements      | (3,927)                   | -                  |
| Cash at beginning of period                         | 746,025                   | 813,892            |
| Cash at end of period                               | 7,122,093                 | 1,236,800          |

The accompanying notes form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2012**

**NOTE 1: BASIS OF PREPARATION**

The financial statements are a general purpose financial report prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standard AASB 134: Interim Financial Reporting, Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board. Compliance with AASB 134: Interim Financial Reporting ensures compliance with IAS 34: Interim Financial Reporting.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2012 and any public announcements made by Tasman Resources Limited and its controlled entities during the half-year in accordance with continuous disclosure requirements arising under the *Corporations Act 2001* and the *ASX Listing Rules*. The half-year report does not include full disclosures of the type normally included in an annual financial report.

*Going Concern*

The financial statements have been prepared on the basis that the entity is a going concern, which contemplates the continuity of normal business activity, realisation of assets and the settlement of liabilities in the normal course of business.

*Accounting Policies*

The accounting policies have been consistently applied by the entities in the consolidated group and are consistent with those in the June 2012 financial report except for the adoption of new and revised Accounting Standards.

New and revised Standards and Interpretations issued by the AASB have been considered by the Group and the Group does not expect these to have any material effect on the Group's financial statements.

|  | <b>2012</b>      | <b>2011</b>   |
|--|------------------|---------------|
|  | \$               | \$            |
| <b>NOTE 2: OTHER INCOME</b>                                |                  |               |
| Interest   | 72,861           | 34,210        |
| Wages recovery   | 13,321           | 17,511        |
| Underwriting fee   | 75,000           | 46,250        |
| First milestone payment from Rio Tinto Exploration Pty Ltd | 9,000,000        | -             |
|  | <u>9,161,182</u> | <u>97,971</u> |

**NOTE 3: PROVISIONS**

This mainly relates to a claim made by La Jolla Cove Investors LLC (LJCI) against Eden Energy Ltd, to recover what it claims it is entitled to (including alleged loss of profits) in relation to a Funding Agreement pursuant to which LJCI was advancing money to Eden. In consequence of a repudiation by LJCI, Eden terminated the Funding Agreement and LJCI has also purported to terminate the Funding Agreement, such that it is common ground that the Funding Agreement has been terminated. As a result of the termination, no further draw-downs under the Funding Agreement have been or will be made, and similarly Eden believes that LJCI cannot convert any more money that may be owed to it by Eden to shares under the terms of the Funding Agreement. Having obtained legal advice, Eden has denied any obligations to repay the unconverted balance of the funds advanced to Eden by LJCI before the facility was terminated (US\$536,039) due to the repudiation by LJCI of the Funding Agreement.

**NOTE 4: CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

The directors have become aware of a potential contingent liability arising from the treatment of Value Added Tax ("VAT") on certain UK transactions by Eden Energy Ltd. At the date of this report, the directors had been advised that the probability of a liability arising was unlikely. The directors are not aware of any other contingent liabilities or contingent assets as at 31 December 2012.

**NOTE 5: COMMITMENTS**

As at 31 December 2012 Tasman had a commitment to drill 6,700m (about 5 drill holes) at Tasman's Vulcan project in South Australia, under the farm-in agreement with Rio Tinto Exploration Pty Ltd.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2012**

**NOTE 6: SEGMENT INFORMATION**

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision maker) in assessing performance.

Activities of the Group are managed on a Group structure basis and operating segments are therefore determined on the same basis. In this regard the following list of reportable segments has been identified.

- Tasman Resources Ltd – Mineral exploration in South Australia
- Eden Energy Ltd – Hythane™ and Optiblend™ sales, service and manufacturing in India and the USA; development of Eden's pyrolysis technology; and coal seam methane and shale gas exploration and development in the UK.

|                                  | Tasman<br>Resources Ltd | Eden Energy Ltd | Eliminations | Consolidated Entity |
|----------------------------------|-------------------------|-----------------|--------------|---------------------|
|                                  | \$                      | \$              | \$           | \$                  |
| <b>31 December 2012</b>          |                         |                 |              |                     |
| Total external revenue           | -                       | 185,392         | -            | 185,392             |
| Inter-segment revenue            | -                       | -               | -            | -                   |
| Total segment revenue            | -                       | 185,392         | -            | 185,392             |
| Segment profit / (loss) result   | 8,907,828               | (416,811)       | -            | 8,491,017           |
| Unallocated expenses             |                         |                 |              | -                   |
| Result from operating activities |                         |                 |              | 8,491,017           |
| Interest revenue                 |                         |                 |              | 72,861              |
| Interest expense                 |                         |                 |              | -                   |
| Income tax expense               |                         |                 |              | -                   |
| Loss after income tax            |                         |                 |              | 8,563,878           |
| Segment Assets                   | 22,798,343              | 6,993,127       | (2,587,851)  | 27,203,619          |
| Unallocated assets               |                         |                 |              | -                   |
| Total Assets                     |                         |                 |              | 27,203,619          |
| Capital expenditure              | (142,154)               | -               | -            | (142,154)           |
| Depreciation                     | (13,290)                | (19,826)        | -            | (33,116)            |
| <b>31 December 2011</b>          |                         |                 |              |                     |
| Total external revenue           | -                       | -               | -            | -                   |
| Inter-segment revenue            | -                       | -               | -            | -                   |
| Total segment revenue            | -                       | -               | -            | -                   |
| Segment profit / (loss) result   | (1,626,296)             | -               | -            | (1,626,296)         |
| Unallocated expenses             |                         |                 |              | -                   |
| Result from operating activities |                         |                 |              | (1,626,296)         |
| Interest revenue                 |                         |                 |              | 48,720              |
| Interest expense                 |                         |                 |              | -                   |
| Income tax (expense)/benefit     |                         |                 |              | 476,794             |
| Loss after income tax            |                         |                 |              | (1,100,782)         |
| <b>30 June 2012</b>              |                         |                 |              |                     |
| Segment Assets                   | 14,020,042              | -               | -            | 14,020,042          |
| Unallocated assets               |                         |                 |              | -                   |
| Total Assets                     |                         |                 |              | 14,020,042          |
| Capital expenditure              |                         |                 |              | (1,390,588)         |
| Depreciation                     | (2,381)                 | -               | -            | (2,381)             |

**NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2012**

|  | <b>2012</b>        | <b>2011</b>         |
|--|--------------------|---------------------|
|  | <b>\$</b>          | <b>\$</b>           |
| <b>NOTE 7: RELATED PARTY TRANSACTIONS</b>  |                    |                     |
| Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.   |                    |                     |
| <b>a. Key Management Personnel</b>   |                    |                     |
| Management fees and administration fees paid to Princebrook Pty Ltd, a company in which Mr GH Solomon and Mr DH Solomon have an interest.  | 166,274            | 113,085             |
| Legal and professional fees paid to Solomon Brothers, a firm in which Mr GH Solomon and Mr DH Solomon are partners.  | 19,942             | 9,272               |
| Consulting fees paid to RM Corporate Finance, a company in which Mr GT Le Page has an interest   | -                  | 19,000              |
| Note: The above 2012 figures includes fees paid by Eden from 5 October 2012, the date Tasman effectively gained control of Eden.   |                    |                     |
| <b>b. Associated Companies</b>   |                    |                     |
| Reimbursement to the Company from Fission Energy Ltd and its associates, (in which the Company has an 18.96% fully diluted interest) for employee costs on an hourly basis.  | 13,321             | 17,511              |
| Noble Energy Pty Ltd, (a 100% subsidiary of Tasman Resources Ltd) purchased 18,500,000 fully paid ordinary shares (with 18,500,000 free attaching options) in Eden Energy Ltd (in which the company has a 47.92% undiluted interest) as a partial sub-underwriter. | -                  | 925,000             |
| Noble Energy Pty Ltd, (a 100% subsidiary of Tasman Resources Ltd) purchased 233,042,394 fully paid ordinary shares in Eden Energy Ltd (in which the company has a 47.92% undiluted interest) as a partial sub-underwriter and acceptance of a rights issue.        | 2,097,382          | -                   |
| Noble Energy Pty Ltd, (a 100% subsidiary of Tasman Resources Ltd) received a sub-underwriting fee from Eden Energy Ltd (in which the company has a 47.92% undiluted interest) for partially sub-underwriting a rights issue.                                       | 75,000             | 46,250              |
|  | <b>31 Dec 2012</b> | <b>30 June 2012</b> |
|  | <b>\$</b>          | <b>\$</b>           |

**NOTE 8: ISSUED CAPITAL**

|  |                   |                   |
|--|-------------------|-------------------|
| 226,561,469 (30 June 2012: 225,945,395) fully paid ordinary shares | 23,505,526        | 23,445,471        |
|  | <u>23,505,526</u> | <u>23,445,471</u> |

| <b>a. Ordinary shares</b>            | <b>No.</b>         | <b>No.</b>         |
|--------------------------------------|--------------------|--------------------|
| At the beginning of reporting period | 225,945,395        | 210,089,840        |
| Shares issued – prior year           | -                  | 15,855,555         |
| Shares issued during the year        |                    |                    |
| — 3 July 2012                        | 116,074            | -                  |
| — 20 September 2012                  | 500,000            | -                  |
| At reporting date                    | <u>226,561,469</u> | <u>225,945,395</u> |

On 3 July 2012 the company issued 116,074 ordinary shares at \$0.10 per share upon the exercise of options.

On 20 September 2012 the company issued 500,000 ordinary shares at \$0.12 per share upon the exercise of options.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2012**

**NOTE 9: ACQUISITION OF SUBSIDIARY**

On 5 October 2012, Tasman increased its interest to 47.925% (30 June 2012: 20.205%) in the issued capital of Eden Energy Limited ("Eden"), a clean energy company listed on the Australian Securities Exchange (ASX Code: EDE). Total consideration for the acquisition of Eden is \$2.59 million, of which approximately A\$2.1 million is payable in cash and the balance was acquired in prior periods mainly for cash (Eden was originally spun-out of Tasman). The assets and liabilities arising from acquisition are recognised at fair value which is equal to the carrying value at acquisition date.

|  | \$                 |
|--|--------------------|
| Cash consideration for increased interest        | 2,097,381          |
| Carrying amount of investment                    | 490,469            |
| Fair value adjustment to investment              | 173,315            |
| Total purchase consideration                     | <u>2,761,165</u>   |
| Assets and liabilities held at acquisition date: |                    |
| Cash and cash equivalents                        | 2,352,563          |
| Receivables                                      | 1,354,551          |
| Inventories                                      | 321,592            |
| Property, plant and equipment                    | 238,932            |
| Exploration and evaluation assets                | 2,750,321          |
| Intangibles                                      | 1,091,093          |
| Creditors  | (1,485,415)        |
| Provisions                                       | (576,901)          |
|  | <u>6,046,736</u>   |
| Non-controlling interest on acquisition          | <u>(3,148,847)</u> |
|  | 2,897,889          |
| Gain on acquisition                              | (136,724)          |
| Total purchase consideration                     | <u>2,761,165</u>   |

**NOTE 10: EVENTS SUBSEQUENT TO REPORTING DATE**

No matters or circumstances have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

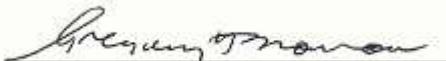
**DIRECTORS' DECLARATION**

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 13 to18:
  - a. comply with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001; and
  - b. give a true and fair view of the consolidated entity's financial position as at 31 December 2012 and of its performance for the half-year ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Director



---

Gregory H Solomon

Dated this 14<sup>th</sup> day of March 2013

## **Independent Auditor's Review Report to the members of Tasman Resources Ltd**

### **Report on the Interim Financial Report**

We have reviewed the accompanying interim financial report of Tasman Resources Ltd and its controlled entities (the "Group"), which comprises the consolidated statement of financial position as at 31 December 2012, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, other selected explanatory notes and the directors' declaration of the Group comprising the Company and the entities it controlled at the half-year end or from time to time during the period.

### **Directors' Responsibility for the Interim Financial Report**

The directors of the Group are responsible for the preparation of the interim financial report that gives a true and fair view in accordance with Australian Accounting Standards, including the Australian Accounting Interpretations, and the *Corporations Act 2001*. This responsibility includes: establishing and maintaining internal controls relevant to the preparation and fair presentation of the interim financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### **Auditor's Responsibility**

Our responsibility is to express a conclusion on the interim financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2012 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Tasman Resources Ltd, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of an interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

#### **Nexia Perth Audit Services Pty Ltd**

ACN 145 447 105  
Level 3, 88 William Street, Perth WA 6000  
GPO Box 2570, Perth WA 6001  
p +61 8 9463 2463, f +61 8 9463 2499  
audit@nexiaperth.com.au, www.nexia.com.au

Independent member of Nexia International



Nexia Perth Audit Services Pty Ltd is an independent Western Australian firm of chartered accountants using the Nexia International trademark under licence. It is affiliated with, but independent from, Nexia Australia Pty Ltd, which is a member of Nexia International, a worldwide network of independent accounting and consulting firms. Neither Nexia International nor Nexia Australia Pty Ltd provide services to clients. Liability limited by a scheme approved under Professional Standards Legislation other than for the acts or omissions of financial services licensees.

### **Independence**

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

### **Conclusion**

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim financial report of Tasman Resources Ltd and its controlled entities is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2012 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.



**Nexia Perth Audit Services Pty Ltd**



**PTC Klopner**  
*Director*

Perth  
14 March 2013