

**TASMAN RESOURCES NL ABN 85 009 253 187  
AND CONTROLLED ENTITIES**

**Interim Financial Report For The  
Half-Year Ended 31 December 2006**

**TASMAN RESOURCES NL ABN 85 009 253 187  
AND CONTROLLED ENTITIES**

**Interim Financial Report**

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**CORPORATE DIRECTORY**

**DIRECTORS:**

Gregory Howard Solomon **LLB** (Executive)

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

Guy Touzeau Le Page **B.A., B.Sc. (Hons), M.B.A., ASIA., MAusIMM** (Non-Executive)

**COMPANY SECRETARY:**

Raymond F Buscall

**REGISTERED OFFICE:**

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**SOLICITORS:**

Solomon Brothers

Level 40, Exchange Plaza

2 The Esplanade

Perth WA 6000

Minter Ellison

1 King William Street

Adelaide SA 5000

**AUDITORS:**

Bentleys MRI Perth Partnership

Chartered Accountants

Level 1

10 Kings Park Road

West Perth WA 6005

**SHARE REGISTRY:**

Advance Share Registry Services

110 Stirling Highway

Nedlands WA 6009

**STOCK EXCHANGE LISTING:**

ASX Code: TAS (ordinary shares)

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

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**DIRECTORS' REPORT**

Your directors submit the financial report of the economic entity for the half-year ended 31 December 2006.

**Directors**

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

<b>Name</b>	<b>Period of Directorship</b>
<b>Executive</b>	
Gregory Howard Solomon	Director since 1987
<b>Non Executive</b>	
Douglas Howard Solomon	Director since April 2003
Guy Touzeu Le Page	Director since February 2001
Graham Roland Bedford	(Appointed 22 August 2005, Resigned 8 September 2006)

**Review of Operations**

**MINERAL EXPLORATION ACTIVITIES**

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

- The "Lake Torrens IOCGU-Base Metal Project" comprising Exploration Licences 2989, 3109, 3123, 3140, 3174, 3175, 3177, 3209, 3254, 3261, 3449, 3541, 3607, 3634 and 3677. Of these, Exploration Licences 3109, 3175, 3174, 3177, 3209, 3261, 3449 and 3634 are subject to a joint venture agreement with WCP Resources.
- The "Parkinson Dam Epithermal Gold-Silver Project" (ELs 3102, 3307, 3453 and ELA 289/06).
- The "Central Gawler Gold-Uranium-Nickel-Project" (ELs 3306, 3339, 3340, 3341, 3342, 3343, 3344, 3345, 3423, 3532 and ELA 189/06).
- The "Mirrica Gold-Base Metal Project" comprises applications 15642 and 15643 for EPMs in Queensland.

**GOLD EXPLORATION**

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

Tasman's 100% owned Parkinson Dam Project is located approximately 60km west of Port Augusta. The project comprises an extensive area with outcropping epithermal gold-silver mineralisation. Tasman is aggressively exploring this prospect with a variety of geochemical and geophysical techniques and both RC percussion and diamond drilling.

During the six months assay results from 23 RC percussion drill holes of varying depths plus a pre-collar for a core hole were received. This round of drilling at Parkinson Dam, was designed to test a number of epithermal gold-silver targets, based on:

- follow up of mineralisation previously intersected by Tasman (e.g. 3m down hole at 3.4g/t Au and 80g/t Ag);
- newly located outcropping gold-silver mineralisation (rock chip samples up to 1.0g/t Au and 15g/t Ag);
- highly anomalous calcrete soil samples; and,
- geological interpretation, including new data from a detailed airborne magnetic survey.

Most of these holes tested targets peripheral to the previously tested areas, with results from several holes highlighting areas requiring further follow up drilling.

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Also during the six months three relatively deeper diamond core holes PD 30, 31 and 56 were completed in one area at the northern end of a previous drilling traverse to test for higher-grade extensions to thick, but low-grade lead-zinc ± gold-silver mineralisation previously intersected (e.g. up to 96m down hole at 0.2% Pb and 27m at 0.4% Zn).

**Diamond Core Hole PD 30**

PD 30 is located 40m grid north from hole PD 27 and is inclined at 60° south. The hole was drilled with RC percussion drilling to 51m depth, and completed with NQ diamond coring at 416.4m.

PD 30 intersected a very thick zone (over 400m down hole) containing variable amounts of epithermal-style quartz-sulphide veining, disseminated sulphides (mostly pyrite and base metal sulphides, galena or lead sulphide and sphalerite or zinc sulphide) and associated epithermal-style alteration (chlorite, sericite and silica).

Within this interval, a zone of higher-grade lead-zinc mineralisation was intersected, and was reported to the ASX on 6<sup>th</sup> November 2006 (1.66m down hole from a depth of 254.34m at 7.6% Pb, 10.5% Zn, 0.4% Cu, 1.20g/t Au and 120g/t Ag). This interval is included within a broader zone of 20m down hole at 1.2% Pb, 1.5% Zn, 0.1g/t Au and 16g/t Ag. Individual assays for the higher-grade zone and the interval adjacent to it as reported are presented in Table 1.

Assays for all of PD 30 have been received, and reveal, as expected, broad zones of anomalous lead-zinc-copper-silver and gold mineralisation over the remaining 400m of the hole.

<b>Table 1</b>								
<b>From</b>	<b>To</b>	<b>Thickness</b>	<b>Density</b>	<b>Au</b>	<b>Ag</b>	<b>Cu</b>	<b>Pb</b>	<b>Zn</b>
<b>Down-hole depth (m)</b>		<b>metres</b>	<b>g/cm<sup>3</sup></b>	<b>ppm</b>	<b>ppm</b>	<b>%</b>	<b>%</b>	<b>%</b>
251.00	251.80	0.80	2.70	0.02	6	<0.01	0.36	0.10
251.80	252.00	0.20	2.92	1.60	104	0.10	5.02	9.54
252.00	253.00	1.00	2.71	0.07	16	0.03	0.80	1.06
253.00	254.00	1.00	2.69	0.03	<5	<0.01	0.34	0.18
254.00	254.34	0.34	2.63	0.02	26	0.04	1.77	0.11
254.34	255.00	0.66	2.84	0.66	36	0.10	3.87	5.54
255.00	255.36	0.36	3.20	1.87	61	0.25	9.03	14.6
255.36	255.55	0.19	3.81	1.94	120	0.66	17.50	23.9
255.55	256.00	0.45	3.08	0.98	287	0.63	6.20	6.67
256.00	257.00	1.00	2.68	0.03	15	0.02	0.56	0.43
257.00	258.00	1.00	2.69	0.02	7	<0.01	0.06	0.10

- Note:
1. Half core (sawn) samples of NQ diamond core. Core recovery essentially 100%.
  2. Core sampling intervals chosen to reflect geological and mineralisation boundaries.
  3. Density (SG) measured gravimetrically. Assays: Au: Fire assay/AAS (detection limit 0.01ppm), Ag: 4 acid digest/AAS (5ppm), Cu, Pb and Zn: 4 acid digest/AAS (0.01%). Internal laboratory quality control

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on the results has been conducted, although no external laboratory checks have been conducted at this stage.

4. Entire hole has been logged and photographed.

5. As stated above the hole was inclined at 60 degrees towards grid south. However instrumentation problems prevented effective down hole surveying of this hole

***Diamond Core Holes PD 31 and PD 56***

These holes were designed to follow-up the mineralisation intersected in PD 30. PD 31 was drilled approximately 200m south west of PD 30, utilising an existing inclined percussion hole as a pre-collar, and PD 56 is a vertical hole drilled from the same site as PD 30.

PD 31 and 56 intersected similar thick, highly anomalous zones of mineralisation to PD 30. In PD 31, the high grade zone intersected in PD 30 was not recognised despite the intersection of thick lower grade mineralisation (eg. 81m down hole from 235m down hole at 0.18% Zn, 1.9g/t Ag; assays based on 3m chip composite sampling).

Vertical drill hole PD 56 intersected the down dip continuation of the high grade zone in PD 30, although the strength of the mineralisation was weaker. From 253m PD 56 recorded an intersection of 7m at 0.6% Pb, 0.4% Zn and 1.9g/t Ag, believed to be equivalent to the high grade zone in PD 30.

***Discussion***

A follow up drilling strategy for the project has been developed, with drilling scheduled to resume in early March 2007. Drilling will focus in particular on locating higher-grade epithermal mineralisation related to the zones already intersected and evaluating the large, essentially untested area to the north and north west with a combination of diamond core and limited RC percussion drilling.

Tasman is very encouraged by the results from its first diamond core holes at Parkinson Dam, and the intersection of high grade mineralisation. The style and type of alteration and mineralisation seen in this drilling programme are interpreted to be characteristic of the edges of a major mineralised system. Recently released PIRSA gravity data together with Tasman data suggest the presence of a major controlling structure to the north. The large completely untested area to the north of the current drilling now offers potential for significant lead and zinc discoveries, but the high grade gold and silver potential of the prospect overall is enhanced by these developments.

**Eyre, Skye and Birdie Gold Prospects (Tasman 100%)**

Drill testing at the Eyre, Skye and Birdie Prospects was completed at the end of the September quarter and all assay results are now in hand. A total of 30 RAB holes were drilled for 1740m.

Eyre is located 7km west of the Alice Springs railway line approximately 85km north of Tarcoola, and the Skye and Birdie Prospects are about 95km southwest of Coober Pedy.

All of these prospects were originally drilled by previous explorers. Tasman's objectives were to both explore around mineralisation identified earlier, but poorly tested, and to test other anomalies and prospective zones identified by follow up work.

***Skye Prospect***

Seven inclined RAB holes totalling 449m were drilled at 10m spacings along a single fence at the Skye prospect to test for higher grade plunging primary gold mineralisation beneath a low grade supergene gold blanket defined by previous shallow drilling. All holes were inclined 60° to the north west, and were planned to 80m however some had to be abandoned at shallower depths due to drilling difficulties. All holes were sampled in 4m

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composites.

The three most northern holes intersected an interpreted south east dipping zone of +0.1 g/t gold up to 15m in width. This zone had essentially been missed by the previous drilling which was mostly only to bedrock and in the opposite direction. Assays from the second hole included a 4m composite assaying 2.6 g/t from 56 to 60m with an adjacent 1.02 g/t from 52 to 56m. Re-assaying of 1m intervals returned 2.95 g/t over 6m down hole from 54 to 60m including 8.3 g/t from 56 to 57m. This interval probably represents a plunging higher grade shoot within the broader low grade mineralised envelope.

Some elevated As values up to 290ppm are associated with the gold envelope however there is no strong correlation with the gold assays.

A low grade supergene zone is also developed on the south east side of the mineralised envelope below the base of complete oxidation and above and below the top of fresh rock. A low grade halo of +0.01 g/t Au is also present from the surface to 5 to 15m depth above the supergene zone and thickens north westerly towards the top of the primary steeply dipping mineralised zone.

Follow up drilling of the primary mineralised zone at depth and along strike is planned to test for high grade "Challenger style" plunging shoots within it.

***Birdie Prospect***

Seven inclined RAB holes totalling 373m were drilled along two fences 100m apart to infill around anomalous gold values previously intersected in vertical holes spaced 50m apart. The holes were inclined 60° to the west and spaced approx. 30m apart. The best gold assay was obtained from hole BIRB06-003 which intersected 1.5 g/t Au in a 4m composite from 40 to 44m, part of a 16m zone from 40 to 56m averaging 0.47g/t. This hole was drilled beneath a vertical hole which previously recorded a best assay of 1.4g/t over 1m.

***Eyre Prospect***

No significant results were obtained from follow up drilling of calcrete anomalies at the Eyre prospect however other targets remain to be tested.

**URANIUM EXPLORATION**

**Garford Palaeovalley Uranium (Tasman 100%)**

Tasman holds tenements over approximately 1200km<sup>2</sup> covering part of the Garford palaeochannel on the Gawler Craton 85km southwest of Coober Pedy in South Australia. The area is prospective for Tertiary palaeochannel-hosted (roll front-type or redox-related) uranium mineralisation such as that located elsewhere on the Gawler Craton e.g. the Beverley and Warrior deposits.

Processing, imaging and interpretation of the data from Tasman's recent airborne EM (TEMPEST) survey flown over the northern portion of its Central Gawler project have now been completed. The survey totalling 1450 line km was flown for Tasman by Fugro Airborne Surveys on north-south lines spaced 1km apart to better define the uranium - prospective Garford palaeochannel which trends in a generally east-west direction across Tasman's tenements.

Interpretation of the TEMPEST conductivity images suggests that in excess of 80 kilometres of the Garford palaeochannel exists within Tasman's tenements to depths of around 40 to 50m.

A similar length of deeper linear TEMPEST conductors to maximum depths of 130m located partially beneath the Garford channel are interpreted to represent older buried Mesozoic - Permian palaeodrainages, based on the

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available stratigraphic drilling data. As the latter are also draining Precambrian crystalline basement rocks (potential uranium source rocks) and are known to contain carbonaceous material (potential uranium traps) they are also considered prospective for the roll front/palaeochannel hosted style of uranium deposit identified in the younger Tertiary palaeodrainages..

Tasman is currently finalising a uranium exploration strategy for the Wynbring and Garford palaeochannels within its Central Gawler tenement portfolio.

**Wynbring North Uranium Project (Tasman 100%)**

The project area is within EL 3306 on the Gawler Craton and is located approximately 75km northwest of Tarcoola in South Australia near the Trans-Australia Railway, and is 15km west of the Warrior Uranium deposit that is located in an adjacent palaeochannel draining the same granitic source rocks as the Wynbring Channel. Drilling during the 1980's by a previous explorer identified significant radiometric anomalies in the palaeochannel, 95% of which remains untested in Tasman's tenement.

The extent of the palaeochannel, as defined by Tasman's recent HoistEM survey, within EL3306 at Wynbring (perhaps up to 40km) represents a sizable uranium exploration target.

Tasman is currently discussing possible joint ventures for this project.

**Parkinson Dam Uranium Mineralisation (Tasman 100%)**

As previously reported, Tasman has located outcropping uranium mineralisation (as fine-grained uraninite or UO<sub>2</sub>) at its Parkinson Dam epithermal gold-silver (lead-zinc) prospect, reported above. This uranium mineralisation was first found by explorer PNC in the mid-1980's, who recognised the uranium potential of the area, but did not drill test this occurrence.

During the reporting period, Tasman tested this outcropping mineralisation with several RC percussion holes, demonstrating that this particular outcrop is of a fairly limited extent.

However, the occurrence is located close to a regional unconformity or geological contact, considered a significant 'ingredient' in the unconformity-uranium exploration model (examples deposits typical of this model include Cigar Lake in Canada's Athabasca province and Ranger and Jabiluka in the Northern Territory's Alligator Rivers province), and the overall prospectivity for uranium at Parkinson Dam is not significantly diminished by the drilling.

Further work will consist of follow up of a number of previously defined airborne radiometric anomalies and geological reconnaissance along the continuation of the regional unconformity noted above.

**NICKEL EXPLORATION**

**Sturt Nickel Project (Tasman 100%)**

The Sturt project is located within EL 3341 on the Gawler Craton approximately 85km northwest of Tarcoola in South Australia.

Fieldwork by Tasman in 2006 delineated an area of poorly outcropping weathered ultramafic rocks. which returned Ni assays up to 1500ppm in surface pisolites and are considered prospective for nickel mineralisation.

Tasman completed a series of RAB traverses, testing various aeromagnetic and geological features of possible ultramafic origin. A total of 2772m of RAB drilling in 69 holes was completed.

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A fence of 50m spaced RAB holes drilled in the vicinity of the nickel anomalous surface pisolites intersected various strongly metamorphosed mafic and chromite bearing ultramafic lithologies beneath the weathered zone over a width of approx. 800m. Similar lithologies were observed on two other traverses drilled a further 4.3km to the south and 1.6 km to the north.

Petrographic study of selected bottom of hole drill chips supports the existence of a large differentiated mafic intrusive. Nickel assays up to 1400ppm and chromium assays up to 5000ppm confirm the ultramafic lithologies which are prospective for nickel – copper –PGE mineralisation.

The postulated mafic intrusion is associated with an airborne magnetic high which extends through Tasman's EL for +8km.

Follow up exploration including a possible ground EM survey is planned for 2007.

## **BASE METAL EXPLORATION: LAKE TORRENS PROJECT**

### **Chudys and 50 Mile Prospects (Tasman 100%)**

Tasman has received approval from the South Australian Government for PACE Funding to the level of \$75,000 to test for base metals (zinc, silver, lead) at the Chudys and 50 Mile prospects within EL 3209. Both prospects are located on the Stuart Shelf in central SA, approximately 40km northeast of Olympic Dam, on part of a complex structural zone known as the Torrens Hinge.

Tasman commenced exploration in the area in 2002, with partial leach geochemical sampling, detailed gravity and induced polarisation geophysical surveys and relatively shallow drilling. The principal target of this exploration was Mississippi Valley-type (MVT) mineralisation within the Andamooka Limestone. MVT deposits are an important class of orebodies that have provided a significant proportion of the world's lead and zinc. Limited success was achieved with base metal sulphides being located within parts of the Andamooka Limestone, particularly at the base. However, focussing the exploration remained a fundamental problem.

The release of Geoscience Australia seismic data from along the Borefield road north of Olympic Dam in 2004 delivered a previously unknown picture of the structures and geology of the area. Major faults in the subsurface that would have influenced the pathways of mineralising fluid flow during in the compression and folding of the basin 500 million years ago were clearly visible. Reprocessing of detailed aeromagnetic data revealed that the locations of these faults could be traced away from the seismic traverse.

Tasman recognised that the new picture presented by the seismic image enabled the MVT targeting process to be refined. The concept for the formation of MVT limestone-hosted base metal mineralisation includes:

- Compression and folding of the older Adelaidean lead to expulsion of mineralised brines from deeper layers;
- Major faults forming the Torrens Hinge Zone channelled mineralised fluid flow into the lower layers of the Andamooka Limestone;
- The carbonates of the Andamooka Limestone were the trap site where MVT style mineralisation may have formed.
- 

The introduction of the Soil Desorption Pyrolysis (SDP) geochemical approach was the final element in undertaking a new MVT exploration programme on the Stuart Shelf in EL3209. SDP is a relatively new geochemical technique which measures trace amounts of volatile compounds that are adsorbed onto clay-sized particles in soil.

Rocks degas constantly due to burial, metamorphism and interaction with groundwater. However, ore deposits and the fluids that form them are chemically very different from their surroundings, and are frequently also associated with higher temperatures. The net result is that the gases above a buried mineral deposit are quite

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distinct from the regional background signal.

MVT deposits are particularly well suited to this approach because they are very commonly associated with hydrocarbons that are particularly easy to detect using SDP.

Tasman plans to drill a traverse of drill holes over the two best SDP anomalies located at Chudys. Negotiations for a suitable drill rig have already commenced and Tasman plans to drill these holes by the middle of 2007.

**Iron Oxide Copper-Gold-Uranium Joint Venture (Tasman 100%; WCP may earn up to 65% interest)**

On 22<sup>nd</sup> December 2006 Tasman announced the signing of a Heads of Agreement to create a joint venture with WCP Resources Limited ("WCP") on the Lake Torrens IOCGU Project. The JV will explore Tasman's tenements located adjacent to the north and west of BHP Billiton Limited's world-class Olympic Dam mine at Roxby Downs in the Stuart Shelf region of South Australia.

WCP can earn up to a 65% interest in IOCGU deposits that occur within eight granted exploration licences covering 2870 km<sup>2</sup> by spending \$6.5 million within a five year period. WCP has agreed to a minimum commitment of \$750,000 within 12 months and before it can exit and thereafter to expend a minimum of \$1 million per annum for the next 4 years if it proceeds with the joint venture on a year on year basis. No interest will be earned unless and until at least \$2,500,000 has been spent. At that stage WCP will have earned a 25% interest in the Project, and thereafter will earn a further 5% for each additional \$500,000 of expenditure. If less than \$6.5 million is expended, WCP will earn a proportionally smaller interest in these IOCGU prospects.

Within 14 days of completion of formal documentation, WCP will issue Tasman 1,000,000 ordinary shares in WCP, which would be subject to a voluntary escrow of 12 months. The transaction is subject to the completion of formal documentation which is expected to be concluded by January 18, 2006. The agreement excludes any sediment-hosted mineralization which is not an IOCGU deposit such as the sediment-hosted base metal targets that Tasman has identified at Chudys and 50 Mile bore and for which drilling programme, Tasman recently received a South Australian Government PACE (Plan for Accelerated Exploration) funding award of \$75,000 towards the cost of drill testing these targets.

The Lake Torrens Project tenements, currently 100% held by Tasman Resources Limited, border BHP Billiton Limited's Olympic Dam Project tenure to the north and west and occur within IOCG Potential Rank 1 and 2 areas defined by Geoscience Australia. Rank 1 is seen as having the highest potential for IOCG mineralisation on the Gawler Craton. It includes Olympic Dam (Proven and Probable Reserves of 761 million tonnes grading 1.5% copper, 0.5 g/t gold, and 0.6 kg/t U<sub>3</sub>O<sub>8</sub>), Prominent Hill (Proven and Probable Reserves of 68.2 million tonnes grading 1.31% copper and 0.59 g/t gold) and Carapateena (discovery intercept of 178.2 metres grading 1.83% copper and 0.64 g/t gold).

There are a number of targets comprising Fe-altered volcanic breccia systems, mineralised haematite-magnetite breccias, and untested gravity anomalies that have been identified within the Lake Torrens IOCG Project area. Of these, the two most interesting are the Titan and Marathon South prospects.

Tasman welcomes the agreement, which will fund a very large amount of exploration activity on these world-class targets over the next five years, without diluting Tasman's share capital.

## **COAL EXPLORATION**

### **Columba Coal Project (Tasman 100%)**

During evaluation of the TEMPEST EM data for the Garford palaeochannel uranium project a strong NW-SE trending conductor from 70 to 130m depth was recognised.

This feature, named the Columba Coal Prospect, is interpreted to be indicative of the presence of a possible Permian trough very similar to several narrow linear troughs further to the east which host the Lake Phillipson

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and Penrhyn coal deposits. These are located within the upper portions of the Mt Toondina Formation within the Permian Arckaringa Basin and according to government reports contain in excess of 5 billion tonnes of sub bituminous coal (PIRSA Report Book 96/25, 1996).

The potential for other troughs to the west of Lake Phillipson was alluded to by a PIRSA magnetic/ gravity interpretation and from three holes drilled in 1996. One of these holes (CPC 16) lies at the northern end of the interpreted trough and intersected several coal seams up to 2m in thickness within the Mt Toondina Formation from 54 to 100m. The EM data implies a broader, potentially more favourable portion of the trough up to 8.5km in width within Tasman's EL 3532. The Mt Toondina Formation however is possibly missing from hole CPC15 which was drilled at the southern end of this feature. This hole, which intersected carbonaceous sediments interpreted to belong to the older Permian Stuart Range Formation, may be on a local structural high between two sub basins.

An RC drilling program is planned to test the coal potential of this recently interpreted Permian trough, probably in conjunction with drill testing of palaeochannel uranium targets.

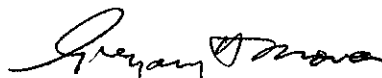
Any future coal discovery by Tasman could benefit from its close proximity to the existing Lake Phillipson deposits and the Alice Springs-Adelaide railway line, which is located approximately 30km to the east. A potential market for the coal would be the Port Augusta power station which is serviced by rail access and is anticipated to exhaust its own coal reserves at Leigh Creek within approximately 10 to 15 years.

**Auditor's Declaration**

The lead auditor's independence declaration under section 307C of the *Corporations Act 2001* for the half-year ended 31 December 2006 is set out on page 12.

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 2007

**AUDITORS' INDEPENDENCE DECLARATION**  
**Under Section 307C of the Corporations Act 2001**

To the Directors of Tasman Resources NL

I declare that, to the best of my knowledge and belief during the half year ended 31 December 2006, there have been:

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

**BENTLEYS MRI PERTH PARTNERSHIP**



**M J Hillgrove**  
**Partner**

Dated this 14<sup>th</sup> day of March 2007.

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**CONDENSED INCOME STATEMENT FOR THE HALF-YEAR ENDED 31 DECEMBER 2006**

	Note	Economic Entity	
		31 Dec 2006	31 Dec 2005
		\$	\$
Revenue		76,785	73,944
Administration expenses		(217,768)	(225,082)
Employee benefits expense		(340,756)	(390,708)
Depreciation and amortisation expense		(3,738)	(3,466)
Share of losses of associates accounted for using the equity method	3	(373,804)	-
Exploration expenditure written off		(365)	-
Research project expenditure written off		-	(40,000)
Investment costs written off		-	(7,171)
Loss before income tax		(859,646)	(592,483)
Income tax expense		-	-
Loss from continuing operations		(859,646)	(592,483)
Loss from discontinued operations		-	-
Loss for the period		(859,646)	(592,483)
Loss attributable to minority equity interest		-	117,941
Loss attributable to members of the parent entity		(859,646)	(474,542)
<b>Overall Operations</b>			
Basic earnings per share (cents per share)		(1.0607)	(1.8804)

The accompanying notes form part of these financial statements.

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**CONDENSED BALANCE SHEET AS AT 31 DECEMBER 2006**

	Note	Economic Entity	
		31 Dec 2006	30 June 2006
		\$	\$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		530,943	678,827
Trade and other receivables		71,568	298,515
<b>TOTAL CURRENT ASSETS</b>		<b>602,511</b>	<b>977,342</b>
<b>NON-CURRENT ASSETS</b>			
Receivables			
Investments accounted for using the equity method		-	373,804
Property, plant and equipment		26,954	24,375
Intangible assets		1,652	1,543
Exploration expenditure at cost		7,028,219	6,309,638
<b>TOTAL NON-CURRENT ASSETS</b>		<b>7,056,825</b>	<b>6,709,360</b>
<b>TOTAL ASSETS</b>		<b>7,659,336</b>	<b>7,686,702</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		327,270	204,490
<b>TOTAL CURRENT LIABILITIES</b>		<b>327,270</b>	<b>204,490</b>
<b>TOTAL LIABILITIES</b>		<b>327,270</b>	<b>204,490</b>
<b>NET ASSETS</b>		<b>7,332,066</b>	<b>7,482,212</b>
<b>EQUITY</b>			
Issued capital		11,540,174	10,830,673
Reserves		343,355	343,355
Accumulated losses		(4,551,463)	(3,691,816)
Parent entity interest		7,332,066	7,482,212
<b>TOTAL EQUITY</b>		<b>7,332,066</b>	<b>7,482,212</b>

The accompanying notes form part of these financial statements.

**TASMAN RESOURCES NL ABN 85 009 253 187  
AND CONTROLLED ENTITIES**

**Interim Financial Report**

**CONDENSED STATEMENT OF CHANGES IN EQUITY**

	\$	\$	\$	\$	\$
	<b>Issued Capital</b>			<b>Minority Equity Interests</b>	
<b>Note</b>	<b>Ordinary</b>	<b>Option Reserve</b>	<b>Accumulated Losses</b>		<b>Total</b>
<b>Balance at 1.7.2005</b>	8,926,534	343,355	(505,162)	-	8,764,727
Shares issued during the period	1,900,000	-	-	-	1,900,000
Loss attributable to members of parent entity	-	-	(1,099,637)	-	(1,099,637)
Loss attributable to minority shareholders	-	-	(775,883)	-	(775,883)
Sub-total	10,826,534	343,355	(2,380,682)	-	8,789,207
Dividends paid or provided for	-	-	-	-	-
Balance at 31.12.2005	10,826,534	343,355	(2,380,682)	-	8,789,207
<b>Balance at 1.7.2006</b>	10,830,674	343,355	(3,691,817)	-	7,482,212
Shares issued during the period	810,000	-	-	-	810,000
Transaction costs	(100,500)	-	-	-	(100,500)
Loss attributable to members of parent entity	-	-	(859,646)	-	(859,646)
Subtotal	11,540,174	343,355	(4,551,463)	-	7,332,066
Dividends paid or provided for	-	-	-	-	-
Balance at 31.12.2006	11,540,174	343,355	(4,551,463)	-	7,332,066

The accompanying notes form part of these financial statements.

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**CONDENSED CASH FLOW STATEMENT FOR THE HALF-YEAR ENDED 31 DECEMBER 2006**

	<b>Economic Entity</b>	
	<b>31 Dec 2006</b>	<b>31 Dec 2005</b>
	<b>\$</b>	<b>\$</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers	65,136	-
Payments to suppliers and employees	(635,583)	(828,992)
Interest received	11,650	73,944
Goods and Services Tax refunded	55,885	39,801
Bonds on tenements	-	(50,000)
Net cash provided by (used in) operating activities	<u>(502,912)</u>	<u>(765,247)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Cash acquired on acquisition of associated entities	-	136,943
Exploration expenditure	(615,696)	(796,425)
Investment in joint venture	-	(177,886)
Purchase of property plant & equipment	(6,426)	(471)
Equity investments	-	(2,199,240)
Loans to associated entities	267,650	-
Net cash provided by (used in) investing activities	<u>(354,472)</u>	<u>(3,037,079)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of shares	810,000	2,000,000
Costs of share issues	(100,500)	(88,111)
Net cash provided by (used in) financing activities	<u>709,500</u>	<u>1,911,889</u>
Net increase in cash held	(147,884)	(1,890,437)
Cash at beginning of period	<u>678,827</u>	<u>3,754,555</u>
Cash at end of period	<u><u>530,943</u></u>	<u><u>1,864,118</u></u>

The accompanying notes form part of these financial statements.

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2006**

**NOTE 1: CORPORATE INFORMATION**

The financial report of Tasman Resources NL (the Company) for the half-year ended 31 December 2006 was authorised for issue in accordance with a resolution of the directors on 14 March 2007. Tasman Resources NL is a company incorporated in Australia and limited by shares, which are publicly traded on the Australian Stock Exchange.

The nature of the operations and principal activities of the Group are described in note 4.

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The half-year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report.

The half-year financial report should be read in conjunction with the annual financial report of Tasman Resources NL as at 30 June 2006.

It is also recommended that the half-year financial report be considered together with any public announcements made by Tasman Resources NL and its controlled entities during the half-year ended 31 December 2006 in accordance with continuous disclosure obligations arising under the *Corporations Act 2001*.

**(a) Basis of Preparation**

The half-year consolidated financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001*, applicable Accounting Standards, including AASB 134: *Interim Financial Reporting* and other mandatory professional reporting requirements. The half-year financial report has been prepared on a historical cost basis, except for investment properties, land and buildings, derivative financial instruments and available-for-sale investments that have been measured at fair value. The carrying values of recognised assets and liabilities that are hedged items in fair value hedges, and are otherwise carried at cost, are adjusted to record changes in the fair values attributable to risks that are being hedged.

The financial report is presented in Australian dollars.

For the purpose of preparing the half-year financial report, the half-year has been treated as a discrete reporting period.

**(b) Significant Accounting Policies**

The half-year consolidated financial statements have been prepared using the same accounting policies as used in the annual financial statements for the year ended 30 June 2006.

**(c) Going Concern**

The Directors have prepared the financial statements on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and extinguishment of liabilities in the ordinary course of business.

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**Interim Financial Report**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2006**

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

The Group's operations require it to raise capital on an on-going basis to fund its planned exploration program and to commercialise its tenement assets. If the Group does not raise capital in the short term, it can continue as a going concern by reducing planned but not committed exploration expenditure until funding is available and/or entering into joint venture arrangements where exploration is funded by the joint venture partner.

**(d) Principles of Consolidation**

A controlled entity is any entity Tasman Resources NL has the power to control the financial and operating policies of so as to obtain benefits from its activities.

All controlled entities have a December half-year end.

All inter-company balances and transactions between entities in the economic entity, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistencies with those policies applied by the parent entity.

Where controlled entities have entered or left the economic entity during the year, their operating results have been included/excluded from the date control was obtained or until the date control ceased.

Minority equity interests in the equity and results of the entities that are controlled are shown as a separate item in the consolidated financial report.

**TASMAN RESOURCES NL ABN 85 009 253 187  
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**Interim Financial Report**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2006**

NOTE 3: PROFIT FROM ORDINARY ACTIVITIES

	<b>Economic Entity</b>	
	<b>31 Dec 2006</b>	<b>31 Dec 2005</b>
The following revenue and expense items are relevant in explaining the financial performance for the interim period:		
Share of losses of associates accounted for using the equity method	(373,804)	-

	<b>Economic Entity</b>	
	<b>31 Dec 2006</b>	<b>31 Dec 2005</b>
	<b>\$</b>	<b>\$</b>
<b>a. Movements During the Period in Equity Accounted Investment in Associated Companies</b>		
Balance at beginning of the period	373,804	-
Add: New investments during the period	-	-
Share of associated company's loss after income tax	(373,804)	-
Balance at end of the period	-	-
<b>b. Equity accounted losses of associates are broken down as follows:</b>		
Share of associate's loss before income tax expense	(373,804)	-
Share of associate's income tax expense	-	-
Share of associate's loss after income tax	(373,804)	-
<b>c. Summarised Presentation of Performance of Associates</b>		
Loss after income tax of associates	(2,022,955)	-
<b>d. Ownership interest in Eden Energy Limited at the reporting date was 26.95% of ordinary shares. The reporting date of Eden Energy Limited is 31 December 2006. This reporting date coincides with the entity's holding company. The ordinary shares held in Eden Energy Ltd have a two year escrow period expiring 6 June 2008. The entity also held 32,497,065 options expiring 30 September 2009 at the reporting date.</b>		
<b>e. Market value of listed investment in associate</b>	18,869,285	-

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**Interim Financial Report**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2006**

NOTE 4: SEGMENT INFORMATION

**a) Geographical**

The economic entity operates predominately in Australia.

**b) Business**

The economic entity operates predominately in the area of mineral exploration, gas and investments.

NOTE 5: CONTINGENT LIABILITIES

There are no contingent liabilities at the reporting date.

NOTE 6: RELATED PARTY TRANSACTIONS

<b>Economic Entity</b>	
<b>31 Dec 2006</b>	<b>31 Dec 2005</b>
<b>\$</b>	<b>\$</b>

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Transactions with related parties:

a. **Key Management Personnel**

Management fees and administration fees paid to Princebrook Pty Ltd, a company in which Mr GH Solomon and Mr DH Solomon have an interest.

78,750	141,750
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Legal and professional fees paid to Solomon Brothers, a firm of which Mr GH Solomon and Mr DH Solomon are partners.

-	1,364
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Professional fees paid to RM Capital Pty Ltd, a company in which Mr GT Le Page is a director and shareholder.

6,000	-
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**Interim Financial Report**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2006**

**NOTE 7: EVENTS SUBSEQUENT TO REPORTING DATE**

In January 2007, Tasman Resources NL ("the Company") announced that it proposes to make a 1:8 pro-rata non-renounceable rights issue to all shareholders ("the Rights Issue") to raise additional working capital for the Company.

The terms of the Rights Issue are as follows:-

1. Each shareholder in the Company as at the Record Date, which was determined in accordance with the Australian Stock Exchange Listing Rules to be 21 February 2007, will be entitled to apply for 1 fully paid ordinary share in the Company at an issue price of 16 cents per share for every 8 ordinary shares in the Company held by the shareholder as at the Record Date. In addition, each shareholder will receive 1 free option to acquire 1 fully paid ordinary share, exercisable at 20 cents on or before 31 December 2009 (being the same terms as the existing issued options – see ASX Code TASO) for every 2 new shares applied for. The Rights Issue is non-renounceable.
2. As a consequence, the Company is proposing to issue approximately 13,627,189 new shares plus 6,813,594 new 20 cent 31 December 2009 options to raise a total of approximately \$2,180,350.00, which will be used as additional working capital to fund continued exploration and drilling on the Company's various mineral prospects in Australia. After completion of the Rights Issue, the issued capital of the Company will be approximately 122,644,699 ordinary shares and 16,013,594 options (including 3,200,000 employee options).
3. The Rights Issue is fully underwritten, and all directors have indicated that they propose to take up their full entitlement in the issue. A fee of 5% will be paid to the underwriters who are Australian Financial Services Licensees.

The Prospectus was issued to shareholders on 27 February 2007.

In February 2007 the Directors of Tasman Resources NL announced that Fission Energy Ltd (Fission), currently a wholly owned subsidiary of Tasman, is to be the subject of a A\$4 million minimum Initial Public Offer (IPO) and planned listing on the Australian Stock Exchange as a uranium explorer.

Fission's uranium assets will comprise the total sediment hosted uranium exploration portfolio currently held by Tasman in South Australia, in addition to a selection of exploration licences made by Fission in its own right and covering a range of uranium prospective properties in Western Australia.

The proposed IPO will also provide for oversubscriptions of up to A\$2 million.

In Fission, Tasman will hold 25,000,000 shares (representing between 45% and 55% of the shares on issue at the time of listing) and 12,500,000 options, exercisable at 20 cents up to and including 28 February 2011. A prospectus is to be issued to raise a minimum of \$4,000,000 (with up to \$2,000,000 in oversubscriptions) through the issue of 20,000,000 fully paid ordinary shares at 20 cents each (with up to 10,000,000 additional shares for oversubscriptions). Tasman shareholders at the record date, which will be determined after completion of the Fission prospectus, will be granted a priority entitlement in aggregate for up to 10,000,000 shares. Taylor Collison Ltd, stockbrokers in Adelaide, will be sponsoring brokers to the issue.

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**Interim Financial Report**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2006**

NOTE 7: EVENTS SUBSEQUENT TO REPORTING DATE (CONT'D)

The Directors propose an option issue within three months of Fission's listing. This will be at an issue price of 1 cent per option to all Fission shareholders at the time, with one option for every two Fission shares held to acquire one fully paid Fission share at an exercise price of 20 cents at any time up until 28 February 2011.

It is hoped that the Fission prospectus will be completed by the end of March 2007, after which it will be lodged with the Australian Securities & Investments Commission and the Australian Stock Exchange. The record date and timetable for the Fission float will be determined at that time.

In February 2007 Tasman confirmed that the formal Joint Venture Agreement for the Lake Torrens IOCGU Project with WCP Resources Limited (ASX: WCP) had been executed. This Joint Venture is limited to basement-hosted (pre Neoproterozoic) mineralization.

The Joint Venture covers basement-hosted mineral deposits, but excludes younger sediment-hosted, (Neoproterozoic and younger) mineralization, specifically MVT-style deposits, base metal deposits and sediment-hosted uranium. Sediment-hosted uranium is to be the subject of a separate joint venture between Tasman and Fission Energy Ltd (currently its wholly-owned subsidiary) as announced on 12 February.

Under the terms of the agreement, WCP agreed to issue to Tasman a total of 1 million fully paid ordinary shares. These shares will be issued this week and, in accordance with the agreement, are subject to a one year voluntary escrow period.

Except for the above no other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the economic entity, the results of those operations, or the state of affairs of the economic entity in future financial years.

**TASMAN RESOURCES NL ABN 85 009 253 187  
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**Interim Financial Report**

**DIRECTORS' DECLARATION**

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 13 to 22:
  - a. comply with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations; and
  - b. give a true and fair view of the economic entity's financial position as at 31 December 2006 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



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**G H Solomon**

Dated this 14th day of March 2007

## **INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF TASMAN RESOURCES NL**

### **Report on the Half-Year Financial Report**

We have reviewed the accompanying half-year financial report of Tasman Resources NL, which comprises the condensed balance sheet as at 31 December 2006, and the condensed income statement, condensed statement of changes in equity and condensed cash flow statement for the half-year ended on that date, a description of accounting policies, other selected explanatory notes and the directors' declaration for Tasman Resources NL (the consolidated entity). The consolidated entity comprises both Tasman Resources NL (the company) and the entities it controlled during that half-year.

### **Directors' Responsibility for the Half-year Financial Report**

The directors of the company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting an 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 half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim 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 consolidated entity's financial position as at 31 December 2006 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 NL, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year 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.

### **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, nothing has come to our attention that causes us to believe that the half-year financial report of Tasman Resources NL is not in accordance with the *Corporations Act 2001* including:

- a) Giving a true and fair view of the consolidated entity's financial position as at 31 December 2006 and of its performance and its cashflows for the half-year ended on that date; and
- b) Complying with Accounting Standard AASB 134: Interim Financial Reporting and Corporations Regulations 2001.

## **Inherent Uncertainty Regarding the Going Concern Assumption**

Without qualification to the conclusion expressed above, attention is drawn to the following matter:

### **Going Concern**

As indicated in Note 1, the financial statements have been prepared on the going concern basis and the ability of the company to extinguish its debts as and when they fall due is dependent on the company obtaining adequate funding for existing commitments and new ongoing business activities. Should the company be unable to obtain adequate funding then there is significant uncertainty whether the company will be able to continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

## **BENTLEYS MRI PERTH PARTNERSHIP**



**M J Hillgrove**  
Partner

Dated this 14<sup>th</sup> day of March 2007.