



TASMAN RESOURCES NL

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Australian Stock Exchange Announcement

Eden Energy Pty Ltd -South Wales Energy Joint Ventures

8th July 2004

Tasman Resources NL's ("Tasman") wholly owned subsidiary Eden Energy Pty Ltd ("Eden"), has entered into two separate Joint Venture Agreements with Coastal Oil and Gas Ltd ("Coastal") and UK Methane Ltd ("UK Methane") to farm-in to two significant energy exploration prospects in South Wales.

These comprise:

- the right to acquire a 50% interest in Coal Bed Methane (CBM)/Coal Mine Methane ("CMM") and Natural Gas ("NG") in the Westphalian Measures (the strata containing the South Wales coal fields) in Petroleum Exploration and Development License ("PEDL") 100 which comprises an area of approximately 230 km² of South Wales and covering a large portion of the rich South Wales coalfields (PEDL 100 Area), and
- the right to acquire a 50% interest (potentially increasing to 60% if expenditure exceeds £1m) in an untested large interpreted Oil/Natural Gas target that occurs in Devonian-age Measures beneath the Westphalian Measures in PEDL 100 (the Conventional Hydrocarbon Area).

TERMS OF JOINT VENTURES

To earn its interest in each Joint Venture Eden must undertake the following:

PEDL 100 Area - 50% in all CSM/CMM /Natural Gas in Westphalian Measures

- drill fracc and test seven coal seam methane wells to satisfy the first term work conditions on PEDL 100 which must be completed before March 2006. Each well must if possible be drilled within three months of all permits being obtained.

The Conventional Hydrocarbon Area - 50% (rising to 60 % if expenditure exceeds £1.0m) in all oil/natural gas below the Westphalian Measures.

- acquire all previous seismic data and drill logs for the area;
- conduct a new detailed seismic survey over the target area within 15 months, and
- drill one well to a depth of 2,500m or such shallower depth at which oil or natural gas are encountered within 30 months.

Other Terms of Joint Ventures

In each case Eden will be entitled to recover all its capital and operating costs together with interest out of net sales proceeds from sale of production from each area (with the Joint Venture partner only receiving 5% of the net sales revenue during the recovery period).

Eden will also engage Mr Gerwyn Williams as a consultant for a three year period at an annual fee of £75,000. Mr Williams is a principal of Coastal who has had more than 30 years experience in the Welsh coal mining industry including 22 years with British Coal finishing as Head of Coalfield Services- South Wales Area.

As part of the consideration, Tasman will issue to Coastal (or its nominee) one million options to acquire fully paid ordinary shares in Tasman exercisable at 20 cents per share at any time up to 28 February 2006.

All of the agreements are conditional upon approval of the Department of Trade and Industry and the Tasman board.

BACKGROUND

The South Wales coalfields cover a total area of approx 1900km² and were worked extensively from 1850. The coalfields produced hundreds of millions of tons of coal. Production records show that annual production, mostly from underground workings, peaked in 1913 at 56.8 million tons. In the late 1970's British Coal, whilst drilling for additional reserves of coal, tested for gas levels in the coal and confirmed the presence of CSM, noting that the gas content did not change significantly with depth.

These loss making collieries that were nationalised in 1948 were closed by the Government between 1985 and 1989. The South Wales coalfields are regarded as amongst the gassiest in the UK. Historically some of the mines in the area produced very high levels of gas, periodically resulting in explosions, some of which killed many miners.

Whilst many of the old mine workings are likely to be now filled with water, it is possible that some may be dry and potentially could contain large quantities of easily recovered methane. Large areas of the coal fields remain unworked and these areas are the targets for CSM particularly where deeper coal seams have been mined causing distressing of the shallower seams, thereby increasing the chance of recovery of gas from the shallower seams.

The target areas in question are close to the electricity grid, the natural gas pipeline network and several major industrial markets including a major steel mill and blast furnace, paper mill, insulation factory and industrial gas manufacturer, along with many smaller industrial enterprises.

POTENTIAL SIZE OF PROSPECTS

Coal Seam Methane/Coal Mine Methane

No resource or reserve calculations of either CSM or CMM in the joint venture area have been completed. However, based on historical drill hole data and past mining records and the known thickness of the various coal seams in South Wales, PEDL 100 has been estimated to have the potential to contain in excess of 5 billion tonnes of coal. It occurs in over 130 seams (some up to nearly 9.0m thick) that occur in the Westphalian Measures and which, in some places, due to upfaulting now project to the surface and can range down to a depth of more than 700m.

One report previously prepared on PEDL 100 concluded that it may contain substantial quantities of recoverable CSM. However no work has been done to substantiate any resource estimate, nor to confirm that the methane can be commercially recovered from the coal.

It is known from the comprehensive British Coal records held by UK Methane, that there are extensive mine workings in the prospect area which, if still dry, are considered likely to contain significant quantities of CMM. No drilling has been undertaken to date to determine if these workings have been flooded.

Of significant commercial benefit is the fact that both old mine workings and unworked coal seams occur immediately under and/or adjacent to several large industrial plants (including a major steel mill and blast furnace, an insulation manufacturer and a paper mill) and an industrial estate that are all potential customers for any gas or electricity produced.

Conventional Hydrocarbons (Oil/Natural Gas)

Beneath the coal bearing Westphalian Measures in South Wales is a Devonian-age sandstone unit that is considered to have geological similarities to the prolific gas basins of the Appalachian Trend in the United States of America that have been estimated by various authors to have produced gas reportedly exceeding 43 trillion cubic feet (tcf) with an estimated 95-158 tcf of remaining reserves and undiscovered possible resources.

A portion of both PEDL 100 and the Conventional Hydrocarbon Area, where the prominent and extensive east-west trending Pontypridd and Maesteg Anticline and the Moel Gilau Fault and associated structuring occur, are considered prospective targets for both natural gas and possibly oil. Two boreholes, some distance from the interpreted target structures, have previously been drilled in the area to below the Westphalian Measures. Only one north- south 2D seismic line over the area exists.

PROPOSED STRATEGY

CSM/CMM and Conventional Hydrocarbons

Eden, in conjunction with its joint venture partners, proposes to prove up the viability of the area for CSM, test for CMM, and drill the deeper Conventional Hydrocarbon target with the aim of developing a commercial gas field and use the gas produced:

- to generate electricity which will be sold into the electricity grid or to local customers;
- to sell the gas either to local customers or into the pipeline network after cleaning the gas and bringing it to grid specifications, and
- to produce natural gas vehicle fuel, hydrogen and Hythane® which it proposes to market in conjunction Brehon Energy plc in which it has invested and formed a joint Asian/ Pacific marketing company as previously announced.

Any liquid hydrocarbons recovered would be marketed as appropriate in the circumstances.

FUNDING

Tasman proposes to raise the initial funding necessary to progress this exciting prospect in the near term and when appropriate raise further funding in Eden and seek a stock exchange listing of Eden.

8th July 2004

Gregory H Solomon
Executive Chairman

The interpretations and conclusions reached in this report are based on current geological theory and the best evidence available to the authors at the time of writing. It is the nature of all scientific conclusions that they are founded on an assessment of probabilities and, however high these probabilities might be, they make no claim for complete certainty. Any economic decisions that might be taken on the basis of interpretations or conclusions contained in this report will therefore carry an element of risk.