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ASX/MEDIA RELEASE

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DRILLING COMMENCES AT CHALLENGER PROJECT

Queensland-based gold exploration company Tasman Goldfields Limited (Tasman, the Company) (ASX: TGX) is pleased to report that drilling has commenced at its Challenger Project (ML 1435 and EL 5728) in New South Wales.

The programme consists of 40 RC holes for a total of 3,000 metres. Drillhole depths range from 30 to 100 metres, averaging 60 metres deep. Holes are inclined at 50-60 degrees. The holes are sited near the surface traces of the historically-producing quartz lodes of the Old Hill Line, Victoria Line, Middle, and Caledonian reefs of the Adelong Goldfield.

This round of drilling is designed to follow up on existing drill results generated by previous explorers, which have outlined unmined areas along these lodes that have returned sporadic, potentially ore-grade intersections. Two of the planned drillholes are targeted on untested IP/Chargeability anomalies, and two are sited on an untested felsic dyke that has a similar orientation to known quartz lodes. The remainder of the drillholes are sited along strike of existing gold anomalous drill intersections or under existing prospecting pits, and are designed to define additional mineable ounces proximal to the existing Challenger Main and Challenger Extended orebodies.

Thirty four of the current drillholes are located within Mining Lease 1435, and 4 on the margins of this ML within EL 5728, both wholly-owned by Tasman.

The host rock to the reefs in this part of the Adelong Goldfield is the Wondalga Granodiorite. The target gold-bearing lodes occur as plunging shoots within steeply-dipping shear zones. These shoots occur in structural "jogs", or dilatant zones, along the shears. Quartz vein development within these shears is generally narrow, up to 1 metre wide, and veining may occur as either hanging wall or footwall lodes, or both, marginal to a variably-mineralised, altered country rock "intermediate" zone. This package ranges from 4 metres to 15 metres wide where all the elements are present, and is particularly well developed in the Challenger shoots of the Old Hill Line. Mineralisation in some of the other reef workings are associated with sheared mafic dykes.

The current drilling program follows on from successful drilling carried out at the nearby Sawpit Prospect, in the south of EL 5728, last year (ASX release 8 January 2008). The 2007 programme was designed to follow up gold intersections generated during drilling by a previous tenement holder at Sawpit in 1999.

Significant intercepts obtained during the 2007 drilling programme included:

- **16m at 2.43 g/t gold, including 9m at 3.08 g/t gold, and**
- **7m at 4.02 g/t gold, including 2m at 11.41 g/t gold.**

The drilling indicated the potential for the development of significant mineralised shoots within the Sawpit vein structure. Further drill testing is planned for this prospect during 2008-09.

ENDS

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The information in this report that relates to Exploration Results is based on information compiled by Mr Peter Nicolson, who is a Member of the Australasian Institute of Mining and Metallurgy and a Member of the Australian Institute of Geoscientists, is a full-time employee of Tasman Goldfields Ltd, and who has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity referred to herein, to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Minerals Resources and Ore Reserves". Mr Nicolson consents to the inclusion in this report of the matters based on his information in the form and context in which they appear.