



TALISON LITHIUM SELECTS LOCATION FOR LITHIUM CARBONATE PLANT

NEWS RELEASE

Perth, Western Australia, February 9, 2012

Location for Minerals Conversion Plant

Talisson Lithium Limited (“Talisson” or the “Company”) (TSX:TLH) has selected the Kwinana Industrial Area in Western Australia as the location for its proposed plant to convert lithium minerals into lithium carbonate (“Minerals Conversion Plant”).

The Kwinana Industrial Area is located approximately 40km south of Perth and 200km north-east of the Greenbushes Lithium Operations. It is one of the largest dedicated industrial areas in Western Australia and comprises a range of industries including fabrication and construction facilities, power stations, waste water plants, chemical manufacturers and alumina, nickel and oil refineries.

Talisson selected the Kwinana Industrial Area as its preferred location for the Minerals Conversion Plant due to the synergies between the lithium carbonate plant and the surrounding industries; the proximity to water, reagents and energy supply; access to skilled labour; potential customers for by-products located in the vicinity; and close location to Fremantle Port for container exports.

Talisson is currently finalizing tenure arrangements for its preferred site in the Kwinana Industrial Area and anticipates commencing environmental and regulatory approval processes shortly thereafter. An investment decision on the project is expected by the end of calendar 2012 and Talisson is targeting commissioning in 2015.



Location of the proposed Minerals Conversion Plant in the Kwinana Industrial Area

Talison and Mitsui sign Memorandum of Understanding

Talison and Mitsui & Co., Ltd (“Mitsui”), a leading Japanese trading firm with significant involvement in the lithium-ion battery market, have entered into a Memorandum of Understanding to discuss on a non-exclusive basis collaborative marketing and distribution opportunities in Japan for lithium carbonate produced by Talison at its Minerals Conversion Plant.

Japan is one of the world’s largest markets for lithium-ion batteries and lithium chemicals, and there are potential opportunities for Talison and Mitsui to work together to provide an additional secure supply of lithium chemicals to customers in this market. The Memorandum of Understanding provides a framework for Talison and Mitsui to discuss collaboration opportunities on a non-binding basis and is valid for an initial period of 12 months.

Financial Results Release February

Talison will release its financial results for the fiscal second quarter 2012 before market open on Monday, February 13, 2012. An investor conference call will be held at 8:30 a.m. EST. Peter Oliver, Chief Executive Officer and Managing Director, and Lorry Mignacca, Chief Financial Officer, will host the call.

Investors in North America interested in participating in the live call should dial +1 (800) 299 8538 and enter passcode: 27020177. Those calling from outside North America should dial +1 (617) 786-2902 and use the same passcode. A telephone replay will be available approximately two hours after the call concludes through Monday, February 20, 2012 by dialing +1 (888) 286-8010 from North America, or +1 (617) 801-6888 from outside North America, and entering passcode: 44937066.

There will also be a simultaneous live webcast and presentation used during this call that will be available on the Company's website at www.talisonlithium.com.

About Talison

Talison is a leading global producer of lithium. Talison has been producing lithium concentrate for a global customer network from the Greenbushes Lithium Operations in Western Australia for over 25 years. In addition, Talison explores for lithium at the Salares 7 lithium project made up of seven salars located in Region III, Chile.

For further information please contact:

Investor Relations:

ICR, LLC

Gary T. Dvorchak, CFA

Senior Vice President

+1 (310) 954-1123

Gary.Dvorchak@icrinc.com

Cautionary Note Regarding Forward-Looking Statements

Certain information contained in this press release, including any information as to Talison's mineral reserve and mineral resource estimates, strategy, projects, plans, prospects, future outlook, anticipated events or results or future financial or operating performance, may constitute "forward-looking information" within the meaning of Canadian securities laws. All statements, other than statements of historical fact, constitute forward-looking information. Forward-looking information can often, but not always, be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", "predicts", "potential", "continue" or "believes", or variations (including negative variations) of such words, or statements that certain actions, events or results "may", "could", "would", "should", "might", "potential to", or "will" be taken, occur or be achieved or other similar expressions concerning matters that are not historical facts. The purpose of forward-looking information is to provide the reader with information about management's expectations and plans. Readers are cautioned that forward-looking statements are not guarantees of future performance. All forward-looking statements made or incorporated in this press release are qualified by these cautionary statements.

Forward-looking statements are necessarily based on a number of factors, estimates and assumptions that, while considered reasonable by Talison, are inherently subject to significant business, economic and competitive uncertainties and contingencies. Such factors, estimates and assumptions include, but are not limited to: anticipated financial and operating performance of Talison, its subsidiaries and their respective projects; Talison's market position; future prices of lithium or lithium concentrates; estimation of mineral reserves and mineral resources; realization of mineral reserve and mineral resource estimates; timing, amount and costs of estimated future production; grade, quality and content of concentrate produced; sale of production; capital, operating and exploration expenditures; costs and timing of the expansion of the Greenbushes Lithium Operations; exploration and development of the Salares 7 lithium project; costs and timing of future exploration; requirements for additional capital; government regulation of exploration, development and mining operations; environmental risks; reclamation and rehabilitation expenses; title disputes or claims; absence of significant risks relating to Talison's mining operations; the costs of Talison's hedging policy; sales risks related to China; currency; interest rates, and limitations of insurance coverage. While Talison considers these factors, estimates and assumptions to be reasonable based on information currently available to it, they may prove to be incorrect and actual results may vary.

Readers are cautioned that forward-looking information involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Talison and/or its subsidiaries to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information. Such risk factors include, among others, those described in the unaudited condensed consolidated interim financial statements of Talison and the related notes thereto as at September 30, 2011 and for the three months ended September 30, 2011 and under the heading "Risk Factors" in the annual information form of Talison for the year ended June 30, 2011 dated September 23, 2011, each of which can be found on Talison's SEDAR profile at www.sedar.com. While Talison considers these assumptions to be reasonable based on information currently available to it, they may prove to be incorrect and actual results may vary.

Although Talison has attempted to identify statements containing important factors that could cause actual actions, event or results to differ materially from those described in forward-looking information, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. Forward-looking information contained herein is made as of the date of this press release based on the opinions and estimates of management on the date statements containing such forward-looking information are made. Except as required by law, Talison disclaims any obligation to update any forward-looking information, whether as a result of new information, estimates or opinions, future events or results or otherwise. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information.