Talison Lithium Announces Closing of "Bought Deal" Financing

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PERTH, WESTERN AUSTRALIA -- (Marketwire - Feb. 10, 2011) - TALISON LITHIUM LIMITED (TSX: TLH) ("Talison") is pleased to announce that it has closed the previously announced bought deal financing for aggregate gross proceeds of CAN$69,569,500. The financing was completed by a syndicate of underwriters led by Cormark Securities Inc. and including Scotia Capital Inc., Haywood Securities Inc. and Byron Securities Limited (collectively the "Underwriters") whereby the Underwriters purchased, on a bought deal basis, 10,703,000 ordinary shares (the "Shares") of Talison at a purchase price of CAN$6.50 per Share (the "Offering").

Talison has granted the Underwriters an option (the "Over-Allotment Option") to purchase up to an additional 1,605,000 ordinary shares (representing 15% of the Offering) at the offering price for aggregate gross proceeds of CAN$10,432,500. The Over-Allotment Option is exercisable in whole or in part for a period of 30 days after the date hereof. If the Over-Allotment Option is exercised in full, the total gross proceeds of the Offering would be CAN$80,002,000.

The net proceeds of the Offering will be used primarily to fund the Stage 2 expansion of the Greenbushes Lithium Operations (Western Australia), for exploration of the Salares 7 Lithium Project (Region III, Chile), and for general corporate and working capital purposes.

This press release shall not constitute an offer to sell or solicitation of an offer to buy, nor shall there be any sale of the Shares in any state or jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such state or jurisdiction. The Shares have not been, and will not be, registered under the United States Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or applicable exemption from the registration requirements.

About Talison:

Talison is a leading global producer of lithium. Talison mines and processes the lithium bearing mineral spodumene at the Greenbushes Lithium Operations in Western Australia. In addition, Talison explores for lithium at the Salares 7 lithium project made up of seven salars (brine lakes and surrounding concessions) located in Region III, Chile. Talison has an extensive, well established global customer network and a leading position in the growing Chinese market.

Cautionary Note Regarding Forward-Looking Statements

Certain information contained in this press release, including any information as to Talison's strategy, projects, plans, prospects, future outlook, anticipated events or results or future financial or operating performance (including expectations relating to the use of the proceeds of the Offering) constitute "forward-looking statements" within the meaning of Canadian securities laws. All statements, other than statements of historical fact, are forward-looking statements. Forward-looking statements can often, but not always, be identified by the use of words such as "plans", "expects", "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.

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, those described in the Company's short form prospectus dated February 8, 2011 (the "Final

Prospectus"), the Company's restated financial statements for the three month period ended September 30, 2010 (the "Restated Financial Statements"), and the Company's annual information form for the year ended June 30, 2010 dated January 12, 2011 (the "Annual Information Form"), each of which can be found on Talison's SEDAR profile at www.sedar.com. While the Company considers these 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 statements involve 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 statements. These risks, uncertainties and factors are discussed in the Final Prospectus, the Restated Financial Statements and the Annual Information Form, each of which can be found on Talison's SEDAR profile at www.sedar.com. Readers are cautioned that forward-looking statements are not guarantees of future performance. All of the forward-looking statements made or incorporated in this press release are qualified by these cautionary statements.

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 are 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.

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