

28 July 2010

GRANTING OF LARGE ERITREAN TENEMENTS

The Directors of Gippsland Limited ('Gippsland' or the 'Company') [ASX: GIP, FRA: GIX] are pleased to announce that the Company's 100% owned subsidiary Nubian Resources Pty Ltd has been granted a 2,100km² Exploration Licence plus three new 100km² Prospecting Licences (total 2,400km²), in the highly prospective Adobha region of The State of Eritrea ("Licences").

The large Exploration Licence covers the Company's three existing Prospecting Licences granted during September 2009 plus a number of other Prospecting Licence areas which were previously in the application stage. Under the terms of the Eritrean Mining Act, Prospecting Licences are granted for one year after which they may be converted to Exploration Licences or surrendered. Exploration Licences have tenure of three years which can be extended for a further two years.

The new Licences secure a large area around the promising base metal prospects discovered by the Company during recent regional reconnaissance geochemical surveys. The geochemical surveys and subsequent follow-up involving rock-chip sampling and geological mapping identified large areas of visible copper mineralisation, some of which contained associated lead and zinc. The geochemical surveys targeted the highest ranked of the interpreted Thematic Mapper ('TM') satellite image anomalies. A number of anomalies are still to be examined.

The two main areas of copper mineralisation identified thus far by the Company are anomalies E26 & E21:

Anomaly E26

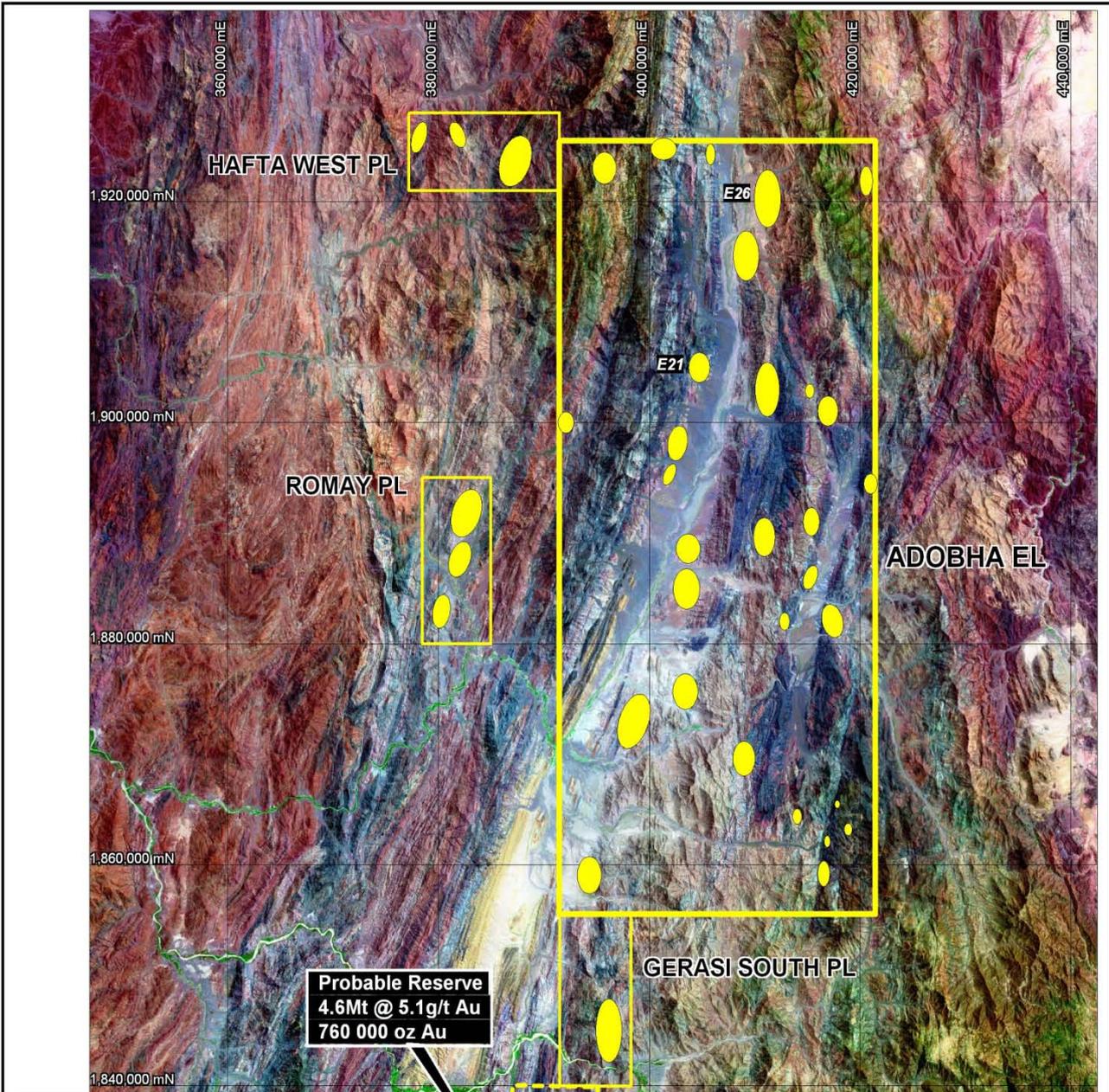
- Widespread copper mineralisation in bedrock with values up to 10.63% Cu
- Large area of discontinuous copper mineralisation (390m x 520m)
- Mineralisation open to the east and north
- Copper bearing samples analysed up to 1.15g/t Au

Anomaly E21

- Copper mineralisation identified over 1.7km strike length
- High lead values (up to 0.97%) indicate favourable lithology for VMS deposits

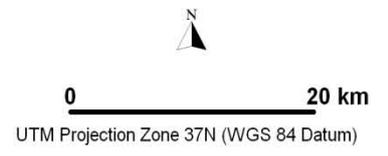
The new Licences cover 2,400km² of a highly mineral endowed region of Eritrea that is regarded as very prospective for volcanogenic massive sulphide (VMS) mineralisation and structurally controlled gold mineralisation. Local examples of these types of deposits are the Bisha base metal deposit (1.44 million ounce gold and 0.39 million tonne copper) located some 174km to the south and the 0.760 million ounce Zara gold project (Koka deposit) located only 16km to the south of the Company's most southern Licence. The large area covered by the Licences forms part of the Precambrian Nubian-Arabian Shield that also hosts the 13.7 million ounce Sukari gold deposit.

Gippsland's CEO Jack Telford stated: ***"Gippsland now holds Licences totalling 2,400km² in a region that has the potential to host substantial high grade gold and base metal deposits. Although this area has recently become very competitive and has attracted the attention of some large international mining companies, Gippsland has the first mover advantage and the technical expertise to discover and develop any deposit located in this region."***



LEGEND

- Granted Exploration licence (EL)
- Granted Prospecting licence (PL)
- TM Anomaly
- Chalice Gold Mines
Zara Project Tenement outline
- Gold deposit
- Gold prospect



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Note:

In accordance with Listing Rule 5.6 of the Australian Stock Exchange Limited, the geological information in this report that relates to Exploration Results, Mineral Resources and Ore Reserves is based on data compiled by Dr John Chisholm, a Fellow of The Australasian Institute of Mining and Metallurgy. Dr Chisholm has sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Dr Chisholm consents to the inclusion in the report of the matters based on his information in the form and contest in which it appears"