

5 May 2009

Dear Shareholder

Proposed Delisting of the Company

Your Board has been considering the strategic direction of the Company in light of the worldwide economic crisis and heavy falls in the commodity markets. The key question is the preservation and enhancement of the value of the Company for current shareholders. To this end, the Board has called a meeting of shareholders to consider the proposed delisting of the Company. A notice of meeting is enclosed with this letter.

We have a number of prospective projects which have been steadily advanced and have large potential value to be unlocked provided that they can be adequately funded to meet this objective. After careful consideration, the Board considers that the proposed delisting of the Company is a way forward that will give us the best chance of achieving this.

The global economic crisis has resulted in an across the board collapse in share prices for most junior resource explorers and Gippsland Offshore is no exception. The market capitalisation at the date of this letter is \$5M and the shares trade infrequently and in relatively low volumes.

We had planned to fund our projects largely by farm-out but the current crisis has also hit the larger oil explorers who have been retreating from exploration in favour of increasing production. Many entities in our position are seeking to raise capital at very low share prices. If the Company was to follow suit, this would mean that existing shareholders who do not wish to or are unable to contribute to a capital raising would have the value of their holding diluted substantially. Furthermore any such raising would probably only maintain the Company in the short term.

The Board's unanimous conclusion is that at this time, the Company would be better served if it is unlisted. We consider that in this state we would have a better chance of accessing capital at higher valuations and in doing so, preserve current shareholder value more effectively in the longer term. We are also of the view that there are a number of potential investors for our projects that could be accessed at better valuations if the Company was unlisted.

We recognise that this is an important step in the future of the Company and the Board is seeking shareholder approval to proceed with this proposal. Full details of the reasons for the proposed delisting and disadvantages associated with it are set out in the attached comprehensive notice of meeting documentation. Please consider the issues raised carefully.

We note that currently no shareholder holds more than 10% and no director holds more than 6% therefore no majority shareholder is seeking to impose their view on other shareholders.

Please note that if the resolution is successful the shares of the Company will continue to trade on ASX until a date to be decided by the ASX but no later than 30 June 2009 but expected to be 17 June 2009 and so shareholders can choose to sell their holdings during this period.

This decision to seek shareholder approval has not been taken lightly or without careful consideration of a number of alternatives and we seek your support for this proposal.

Yours sincerely

A handwritten signature in dark ink, appearing to read 'P. Harman', with a long horizontal flourish extending to the right.

Phillip Harman
Chairman

THIS IS AN IMPORTANT DOCUMENT

AND REQUIRES YOUR ATTENTION

If you are in any doubt as to how to deal with it,
please consult your financial or other professional adviser.

GIPPSLAND OFFSHORE PETROLEUM LIMITED
ABN 51 111 418 270

('GOP' or 'Company')

NOTICE OF MEETING

and

EXPLANATORY STATEMENT

The General Meeting will be held:

- at Level 7, 530 Little Collins Street, Melbourne 3000;
- on 10 June 2009 at 10:00am.

You can vote by:

- attending and voting at the meeting; or
- appointing someone as your proxy to attend and vote at the meeting on your behalf, by completing and returning the proxy form to GOP in the manner set out in the proxy form. The proxy form must be received by the Share Registry of GOP no later than 10 am on 8 June 2009.

GIPPSLAND OFFSHORE PETROLEUM LIMITED
ABN 51 111 418 270

NOTICE OF MEETING

The meeting of the members of **Gippsland Offshore Petroleum Limited** will be held:

- on **Wednesday, 10 June 2009**
- at **10:00am**
- at **Level 7, 530 Little Collins Street, Melbourne 3000**

1. ORDINARY RESOLUTION

Resolution 1: Delisting of the Company

To consider and, if thought fit, to pass the following resolution:

***"THAT** the Company be removed from the official list of the ASX Limited in accordance with Chapter 17 of the ASX Listing Rules and for other purposes."*

2. VOTING ENTITLEMENT

The Company has determined, in accordance with Regulation 7.11.37 of the *Corporations Regulations 2001*, that the Company's shares quoted on ASX Limited at 7.00pm AEST on 8 June 2009 will be taken for the purpose of the General Meeting to be held by the persons who held them at that time. Accordingly, those persons will be entitled to attend and vote at the meeting.

3. HOW TO VOTE

Shareholders entitled to vote at the General Meeting may vote by attending the General Meeting in person, by attorney or proxy or, in the case of corporate shareholders, by a corporate representative.

4. VOTING IN PERSON OR BY ATTORNEY

Shareholders or their attorneys wishing to vote in person should attend the General Meeting. Persons are asked to arrive at least 30 minutes prior to the time the General Meeting is to commence, so that their shareholding may be checked against the register and their attendance recorded. Shareholders intending to attend the General Meeting by attorney must ensure that they have, not later than 48 hours prior to the time the General Meeting is to commence, provided the original or a certified copy of the power of attorney to the Company, in the same manner prescribed below for the giving of proxy forms to the Company.

5. VOTING BY PROXY

(a) Shareholders wishing to vote by proxy must complete, sign and deliver the enclosed personalised proxy form or forms, in accordance with the instructions on the form, prior to 10.00 am Melbourne time on 8 June 2009 by:

- Post in the reply paid envelope provided
- Hand delivery to: Gippsland Offshore Petroleum Limited c/- Computershare Investor Services Pty Limited, Yarra Falls, 452 Johnston Street Abbotsford, Victoria 3067 or
- Fax to: Gippsland Offshore Petroleum Limited C/- Computershare Investor Services Pty Limited on +61 3 9473 2555.

(b) A shareholder who is entitled to vote at the meeting may appoint:

- (1) one proxy if the shareholder is only entitled to one vote; or

- (2) one or two proxies if the shareholder is entitled to more than one vote.
- (c) If a shareholder appoints one proxy, that proxy may vote on a show of hands
- (d) Where the shareholder appoints two proxies, the appointment may specify the proportion or number of votes that each proxy may exercise. If the appointment does not do so, each proxy may exercise one-half of the votes, and any fraction of votes will be disregarded.
- (e) A proxy need not be a shareholder of the Company. In the case of joint holders, all should sign the proxy form. In the case of corporations, proxies must be executed in accordance with the Corporations Act.
- (f) To be valid, a proxy form signed under a power of attorney must be accompanied by the signed power of attorney, or a certified copy of the power of attorney.
- (g) If the abstention box on the proxy form for the item of business is marked, the proxy will be directed not to vote on a show of hands or on a poll and the relevant shares will not be counted in calculating the required majority on a poll. If no box is marked, the proxy will not be directed as to how to vote and may vote as he or she thinks fit.
- (h) If the proxy form is signed by the shareholder but does not name the proxy or proxies in whose favour it is given, or the proxy does not attend the General Meeting, the chairperson of the General Meeting may either act as proxy or complete the proxy by inserting the name of one or more Directors or the Company Secretary.
- (i) The chairperson of the General Meeting intends to vote all undirected proxies from shareholders (who are eligible to vote in favour of the Resolution) in favour of the Resolutions to be voted on at the General Meeting. The chairperson will not vote any undirected proxies from shareholders ineligible to vote in favour of the Resolutions.
- (j) If you require an additional proxy form, the Company will supply it on request to the undersigned.

6. VOTING BY CORPORATE REPRESENTATIVE

Corporate shareholders wishing to vote by corporate representative should:

- (a) obtain an appointment of corporate representative form from the Registry;
- (b) complete and sign the form in accordance with the instructions on it; and
- (c) bring the completed and signed form with them to the General Meeting.

DATED 5 May 2009

BY ORDER OF THE BOARD

A handwritten signature in black ink, appearing to read 'Bill Michaelidis', is written over a horizontal dotted line.

Bill Michaelidis
Company Secretary

000001 000 GOP
MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Lodge your vote:



By Mail:

Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

For all enquiries call:

(within Australia) 1300 850 505
(outside Australia) +61 3 9415 4000

Proxy Form

For your vote to be effective it must be received by 10.00am Monday 8 June 2009

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote as they choose. If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.computershare.com.

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

Turn over to complete the form ➔



View your securityholder information, 24 hours a day, 7 days a week:

www.investorcentre.com

- ☒ Review your securityholding
- ☒ Update your securityholding

Your secure access information is:

SRN/HIN: I9999999999



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

☐

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

Proxy Form

Please mark ☒ to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Gippsland Offshore Petroleum Limited hereby appoint

☐

the Chairman
of the meeting OR



PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the General Meeting of Gippsland Offshore Petroleum Limited to be held at Level 7, 530 Little Collins Street, Melbourne Vic on Wednesday 10 June 2009 at 10.00am and at any adjournment of that meeting.

STEP 2 Items of Business



PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

Item 1 Delisting of the Company

For

Against

Abstain

☐☐☐

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

SIGN

Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact
Name

Contact
Daytime
Telephone

Date ____/____/____

GOP

999999A

Computershare +

GIPPSLAND OFFSHORE PETROLEUM LIMITED
ABN 51 111 418 270

EXPLANATORY STATEMENT

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1. INTRODUCTION

The purpose of this Explanatory Statement is to provide shareholders with an explanation of the business of the meeting and the Resolution proposed to be considered at the General Meeting on 10 June 2009 and to assist shareholders in determining how they wish to vote on the proposed resolution to delist the Company. This Explanatory Statement should be read in conjunction with the Notice of Meeting and forms part of the Notice of Meeting.

2. SUMMARY

The Board of the Company ("Board") has come to the conclusion that it is in the interests of the Company and its shareholders to seek the removal of the Company from the official list of ASX Limited ("ASX"). Upon removal, the Company's shares, will cease altogether to be quoted by ASX, and will not be able to be traded through the market operated by ASX. This Explanatory Statement refers to this proposal, and resulting status, as "delisting" and "unlisted", respectively.

Listing Rule 17.11 allows ASX to remove an entity from trading from its official list at the request of the listed entity. ASX has provided its approval in the form set out in **Appendix C**.

This proposal requires approval of the Company's shareholders, by ordinary resolution ("Resolution").

If the Resolution is passed, the Company is expected to be delisted at a date to be decided by the ASX but no later than 30 June 2009 and currently expected to be on 17 June 2009.

The predominant factors which have resulted in the Board seeking shareholder approval for the delisting of the Company are as follows:

- (a) The Company has built a portfolio of assets as described in **Appendix A** which in the Board's opinion is currently valued significantly lower than its potential value. The Company has reached a point where

the two key projects in Jamaica and Kenya require a substantial amount of capital to unlock this potential value. Raising this capital at present given the current share price and the global financial crisis is difficult and will result in a significant dilution of existing shareholders given that the Company would not be able to obtain debt funding at present. The Board of the Company wishes to preserve the shareholder value and over time realise the potential of the key assets of the Company. It is the Board's opinion that delisting the Company will create the opportunity to access private investors and current shareholders prepared to invest at a value unaffected by the prevailing share price.

- (b) In an unlisted environment unaffected by a market capitalization focus, the Company also expects to be able to command higher valuation for its projects when negotiating with potential joint venturers or third parties based on resource potential.
- (c) The principal disadvantage for shareholders if a listed entity delists is that they lose the opportunity to sell their shares on ASX. In the Company's case there has been a recent history of low trading volumes and as such, the trading of meaningful parcels has been difficult.
- (d) The delisting of the Company will result in saving on ASX fees and management time relevant to an ASX listed company.
- (e) Other small listed companies have gone down a delisting approach for similar reasons to those set out above.

In deciding to put the delisting proposal to shareholders, the Board has carefully considered what it regards are the actual and potential advantages, disadvantages and alternatives to this proposal discussed below. The Board recognises that the individual circumstances of shareholders or the potential existence of other factors relevant to each shareholder may also affect the extent of the importance of the following and encourages shareholders to seek independent financial or legal advice if they are in any doubt about the proposal and its effect on them.

3. KEY DATES

10 June 2009	Shareholder meeting.
17 June 2009	Delist from the ASX (assuming shareholder approval is obtained). The actual date will be decided by the ASX and will be no later than 30 June 2009, accordingly this date is only indicative.

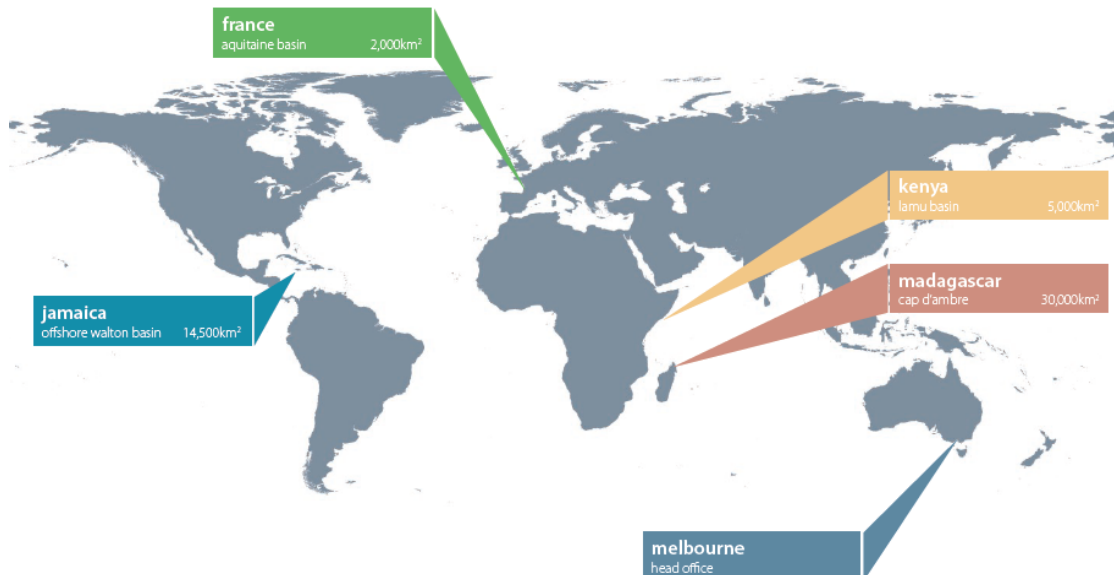
4. REVIEW OF THE COMPANY'S ACTIVITIES

The Company is an oil and gas exploration entity that has:

- Global assets with large potential
- Near term wells planned to test permit prospects
- Use of innovative technology to lever into projects and optimise exploration
- Small market capitalisation with large unlocked value
- Highly skilled team to continue building the portfolio
- Proven ability to fast-track the exploration process

The Company's strategy is to unlock petroleum plays in basins known to hold oil and gas where conventional seismic methods are challenged and to build a global exploration and production company.

The exploration assets of the Company are in Jamaica, Kenya, France and Madagascar as shown on the following map.



Our core projects are in Kenya and Jamaica and we are aiming to find a partner for both of these projects as we move closer to the drilling and potential development phases. The France exploration project will be commencing in earnest in late 2009.

Attached is the Company's recent quarterly report and management overview of projects released to the ASX on 15 April 2009. It contains a review of the status of each of our exploration projects (refer **Appendix A**). Further details regarding the Company's projects are available on the Company's site at www.gop.com.au

5. BACKGROUND

The Company listed on the ASX in January 2005, raising \$12 million in the initial public offering (IPO).

These funds were raised to drill the Gilbert Prospect in the Gippsland Basin, offshore Australia and meet farmin obligations relating to three exploration permits in the basin. Although oil was encountered in the Gilbert well, it was heavily biodegraded and not commercially viable to produce.

The Company subsequently signed an exclusive agreement with BHP Billiton to access their wholly owned FALCON® airborne gravity gradiometer system for use in exploration settings where seismic was challenged. The use of this technology and the drive to build the exploration portfolio on a world-wide stage where highly prospective opportunities were identified, led to the Company securing exploration permits in Jamaica, Kenya, France and Madagascar.

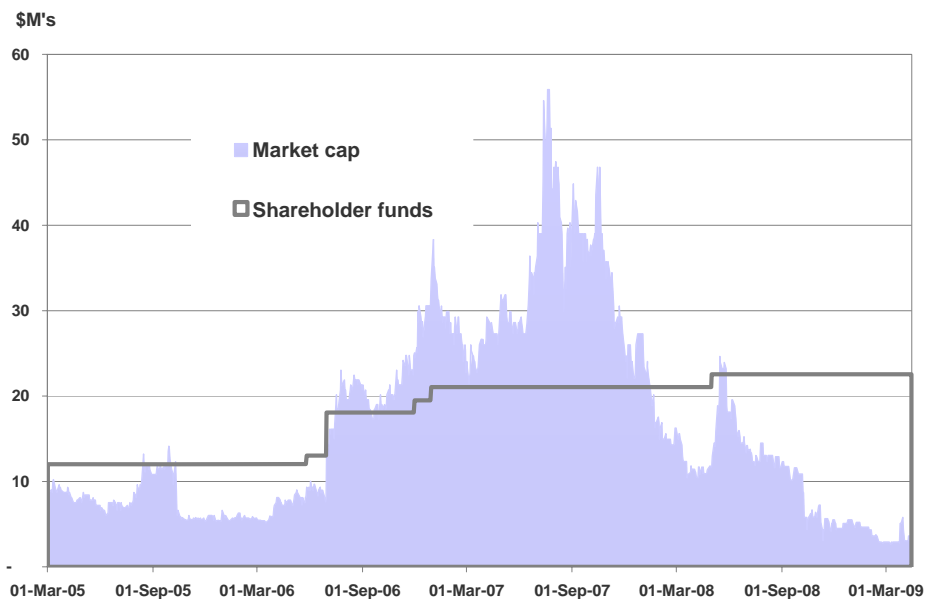
After three years, the Company has fast-tracked the exploration of the Jamaica and Kenya projects and has now mapped drillable prospects. After economic evaluation of these projects it is poised to move to drilling in each area. Both projects have very large oil and gas potential and as previously reported, based on a recent external report, the Economic Monetary Value (EMV) of these projects totals USD1 billion (after AMOG Consulting report). Access to the Company's historical announcements and reports are available on the Company's site at www.gop.com.au.

The Company has been trading at a substantial discount to what the Board considers to be its potential value and this in turn restricts its ability to raise further capital to progress the projects and achieve a revised valuation.

To remedy the situation, the Board of the Company is proposing to unlock this unrealised value in the Company by delisting from the ASX and raising capital at an increased valuation with a view to relisting the Company in the future if and when the circumstances are suitable. The Board is seeking your support for this proposal.

Since listing, as shown in the graph below, the Company has steadily built its portfolio of projects and matured these to farm-out or drill stage. However, the crisis in the global markets that has been reflected on the ASX in turn has resulted in a slump in both liquidity and share price for the Company. Whilst our projects are maturing and increasing in geological value, by contrast the Company's shares are losing value in the

marketplace. These market conditions are expected to remain for some time and it is the Board's view that delisting will make it easier for the Company to revalue the assets on an international stage and hence raise capital at a higher valuation. This would better satisfy our objective of preserving the shareholder value in the Company in the longer term.



6. ALTERNATIVES CONSIDERED

The Board has considered a number of alternatives to the current delisting proposal and has concluded that delisting from the ASX, while retaining the public company status, provides the best way forward for the Company. Alternatives to the delisting considered include:

(a) Maintain Status Quo

The Company has considered numerous capital raising alternatives as a listed entity including a rights issue, placement or share purchase plan or a combination of them, however none of these were viewed as capable of providing the substantial required funding in the current financial climate at a sufficiently reasonable price. The Board considers these options are likely to provide sufficient funding to maintain the status quo by supporting corporate overheads and project maintenance for the short term only but are unlikely to supply adequate funding to facilitate project advancement to any meaningful degree. Therefore, with no ongoing project development news and continued weak market conditions predicted for some time, the Board considers this strategy is likely to be value destroying for shareholders.

Two of the Company's projects are at crucial stages and are near drill ready. It is important that the Company continues to plan for drilling and bring value to these assets as soon as possible. As previously advised drilling, in Jamaica on a 100% basis is estimated to cost around USD50M and although this project is planned to proceed by way of a farm-out, the farm-out transaction will most likely result in a continued work program leading to the drilling of a well, rather than additional funds for the Company over the next two years or so.

As previously advised, the Kenya project is estimated to cost USD10M (with the Company to fund 60% of this) to drill a prospect with the potential to lead to the discovery of 4TCF of gas recoverable in the block. With a market capitalization of [\$M] and unfavourable market conditions for raising this money in Australia, advancing this project appears unlikely in the absence of a major capital raising or a significant transaction with a third party.

Hence, the Board has taken the view that maintaining the status quo will not facilitate meaningful capital raising to allow us to effectively explore our major assets, unlock the underlying value and so provide sufficient liquidity for our shareholders.

(b) Changing Listing Exchange

The Board considers that at this time, the cost and time required for listing on an alternative exchange (whether in Australia or overseas) to improve the valuation of the Company is unjustifiable and will do little to address the Company's short term needs.

(c) Suspend Operations and "Sit Out" the Global Financial Crisis

As set out in the Company's balance sheet at 31 March 2009 in **Appendix B** the Company had only \$673,000. The Company spent \$534,000 in the previous quarter.

Although the suspension of operations and "sit out" option may facilitate the financial survival of the Company, this course of action may also result in the loss of the combined technical expertise and thereby preclude or delay the Company's ability to realize the intrinsic value of its existing assets or exploit other opportunities created by the current financial crisis. It is conceivable that this course of action could jeopardize the long term viability of the organization, especially in a scenario where it is unable to reassemble a comparable technical team once financial conditions improve and could also place its hard earned interests in high potential projects at considerable risk.

(d) Backdoor Listing

The Company could allow itself to be used as a backdoor listing "shell" by another entity seeking to be listed. However, such processes rarely ascribe any value to the underlying assets of the "shell" vehicle aside from the value of the shell itself and in any event take some time to implement.

7. REASONS FOR THE PROPOSAL TO DELIST

(a) Maximising shareholder value in the current global economic crisis

The Company completed an initial public offering and listed on ASX 4 years ago. This provided the Company with a public market for its securities and a perpetual valuation mechanism for the Company's assets. In addition the most important advantage in seeking ASX listing was access to funding from the public market. In the four years since listing the Company evaluated and relinquished its original interest in the Gippsland Basin, it subsequently secured and significantly advanced the prospective Jamaican and Kenyan projects to a point now requiring drilling. At this critical point however, the Company is discovering that accessing funding to realize asset potential is not possible in a listed context at the present time without considerable dilution of existing shareholders..

In the current risk adverse environment the Board considers that the market does not recognize and appropriately value the Company's exploration portfolio. The Board therefore considers that it would be better off developing as an unlisted public entity until such time that it can command a more appropriate capitalization.

It is the Board's view that if the Company is unlisted, it may well have access to private investors prepared to invest at a higher price than would be the case than if the Company remains listed.

(b) Lack of a liquid market for the Company's shares

During the first quarter of the current year the trading of the Company securities has only occurred on 42 days and therefore on about one third of the ASX trading days there were no trades in the Company's shares at all. Daily traded value for the Company's securities during the same period ranged from a low of \$57 to a maximum of just over \$20,000. Total trading volumes during the same 3 month period accounted for less than 4% of the total issued capital with a total aggregate value of approximately \$160,000. Average daily turnover for the same period was just over 132,000 shares. These are very low levels of liquidity. No research analyst follows the Company's shares.

The general lack of liquidity makes it difficult for shareholders to sell (or buy) anything other than small parcels of shares, particularly if they are seeking to realize meaningful value without placing excessive downward pressure on the Company's share price. In general, on only two occasions during the previous four years have the Company's securities shown any meaningful liquidity and that was during the actual drilling of the Gilbert well and on the announcement of corporate activity pertaining to Finder

Exploration. Based on the preceding factors the Directors now consider that market liquidity for the Company's shares is unlikely to improve in the short to medium term.

(c) Cost of public listing

While listed, the Company continues to incur direct and indirect costs, including payment of ASX fees in the order of approximately \$30,000 per annum. In addition there are indirect costs associated with the need to devote management time attending to listing related matters which could be directed elsewhere if the Company was unlisted.

Although the Board has considered a number of alternatives to the current delisting proposal the Board has concluded that delisting from the ASX, while retaining the public company status, provides the most optimal way forward for the Company.

8. DISADVANTAGES OF DELISTING

The Board recognises that there are various disadvantages of delisting which need to be taken into account:

(a) Inability to trade the Company's shares

If the Company is unlisted, shareholders will no longer have the ability to buy and sell shares on the ASX. This means that there will no longer be a readily accessible market and mechanism to buy and sell the Company's shares. Shares will only be able to be sold by way of private transaction (see section 12 for further details). There will be difficulties finding a buyer for shares if shareholders wish to sell them.

There are also restrictions under the Corporations Act on a potential buyer's ability to make unsolicited offers to buy shares from a shareholder (section 1019C and following). These requirements for example, impose an obligation on a potential purchaser in an unlisted context to provide a fair estimate of the value of the shares and an explanation of the basis on which that estimate was made.

To assist shareholders, the Company is applying for registration with ASIC on its "Low Volume Financial Market Register". If registration occurs, this will entitle the Company to operate a non licensed low volume financial market in the form of a register whereby potential buyers and sellers can advertise the fact that they wish to sell their shares at their desired price. However shareholders should be aware that the register is not a matching and settlement services and that any proposed transaction will be a private transaction between the parties. Furthermore, shareholders may experience difficulties in obtaining a buyer within the desired time frame and the desired price.

Shareholders should also be aware that there is no certainty that ASIC will grant registration to the Company to operate a low volume financial market, as a range of criteria will need to be satisfied and ASIC's discretion would need to be exercised. The conditions for being registered are limiting and the Company may not qualify. Moreover if ASIC approves registration, it is not clear when the Company can commence operating the register. Further details about the operation of the register are set out in section 12.

If the Company is not allowed to operate the register, then shareholders who wish to buy or sell shares must comply with various restrictions under the Corporations Act regarding making offers to buy shares. The register is an exception from the prohibition on operating a financial (stock) market, namely a facility through which offers to acquire or dispose of financial products are regularly made or accepted. This means that potential sellers may well find it difficult to find a buyer to buy their shares.

(b) Removal of ASX Listing Rules Protection

The ASX Listing Rules will cease to apply to the Company once delisted and shareholders will not have the benefit of protections inherent in the ASX Listing Rules. These include restrictions relating to:

- disclosures on issuing of shares and other securities (Listing Rule 3)
- ASX corporate governance principles (Listing Rule 4)

- quarterly report disclosures (Listing Rule 5)
- the ability of the Company in certain circumstances to issue more than 15% of its existing capital in a 12 month period (Listing Rule 7.1)
- acquiring or disposing of substantial assets from or to, or the issue of securities in the Company to, related parties of the Company (Listing Rules 10.1 and 10.11) and
- making significant changes to the nature or scale of the Company's activities (Listing Rule 11.1).

However, shareholders will continue to have the protections applicable to public companies under the Corporations Act, including those set out in section 9 below.

(c) Restriction on Public Capital Raising

If the Company is unlisted, there are limitations on the Company's ability to raise funds quickly and simply. Although this is in the first instance a Company concern, if the Company is unable to raise funds under certain circumstances, this may impact on the Company and in turn affect the value of shares in the Company or price at which capital may be raised.

Fundraising alternatives without the issue of a prospectus such as a rights issue or a share purchase plan are not available to unlisted companies. Nor can the Company raise funds using a "limited disclosure" prospectus under section 713 of the Corporations Act to raise funds. Accordingly, the main means for the Company as a listed entity to raise funds is by way of a full prospectus (which has certain timing and financial costs associated with it) or by way of placement.

As an unlisted entity, the Company may raise funds without a prospectus by way of placement in the usual fashion such as to sophisticated or professional investors. However, in such circumstances those investors may not on-sell their shares to retail investors within 12 months of subscribing for their shares, thereby discouraging certain potential investors. In other words, the "cleansing notice" provisions allowing on-sales are not open to unlisted entities. In a practical sense, new investors are likely to be subject to a form of 12 month effective escrow following a share issue to them.

(d) Loss of value from listing

There is an inherent value in an entity that is listed. This is because the process of becoming listed has certain costs associated with it. If the Company delists, shareholders will lose this inherent value in being listed. However it is difficult to ascertain the value inherent in being listed.

(e) Other

There are potentially other disadvantages from not being listed, including the fact that some people apply a higher valuation multiple to listed entities. In addition, each of the sale of unmarketable parcel procedures, the on-market buyback procedures and the minimum holding buyback procedures are not available in an unlisted environment.

9. EFFECT OF DELISTING AND PLANS

The Board recognizes that the inability for shareholders to sell shares on ASX if the Company is delisted may be a significant disadvantage to shareholders. However the Board considers that the advantages of the proposal outweigh the disadvantages over the longer term, particularly since:

- The Board is optimistic that delisting may give rise to a greater potential to access new private investors prepared to invest at a value unaffected by the prevailing share price.
- In an unlisted environment the Company expects to be able to negotiate with potential joint venturers or third parties based on resource potential rather than public market valuation.

Shortly following delisting the Board intends to actively seek out any such potential investors and joint venturers on this basis to pursue the growth opportunities for the Company.

This may also encompass aspects such as seeking shareholder approval in due course for a change in name of the Company and a share consolidation.

If the Company becomes unlisted the following will be applicable:

(a) Continuous disclosure

ASX Listing Rules will cease to apply to the Company following delisting. However under the Corporations Act, the Company will remain a “Disclosing Entity” until it has fewer than 100 shareholders. While it is a Disclosing Entity and in view of its current 1,700 shareholders, the Company will continue to be obliged to disclose under the Corporations Act, as soon as practicable to ASIC, equivalent information to that required to be disclosed to ASX under the continuous disclosure provisions of ASX Listing Rules (sections 111AF and 675).

The Company intends to disclose on its website all such matters which it discloses to ASIC.

(b) General disclosure

The Company will not be required to report on (and Directors will not be obliged to announce) matters specifically required of listed companies including interests in securities in the Company held by directors, contracts pursuant to which directors are a party or entitled to a benefit, and details of emoluments of directors. However the Company will continue to be required to include in its financial reports details of new options over unissued shares granted to directors as part of their remuneration and shares issued to directors on exercise of those options.

There will be no requirement for the Company to compile a quarterly activities and cash flow statement as required under the ASX Listing Rules. To ensure information flows to shareholders and the public, the Company intends to continue to maintain its website and use this as the primary tool for providing updates regarding the project status and general Company activity. The Board strongly encourages all shareholders to make use of the online registration on the website so that announcements and updates can be sent directly and instantly to shareholders.

See also section 8(b) above.

(c) Accounts

Following delisting and while the Company remains a Disclosing Entity, it will also be required to prepare financial reports (containing financial statements, and notes on those statements and a directors’ declaration about them) and a director’s report, similar to those the Company is currently obliged to prepare for each financial year and each half year. The half year financial report will continue to require audit review while the full year financial report must be audited.

(d) Taxation

As at 30 June 2008 the Company had some \$10 million of available carry forward taxation losses. These losses will continue to be available for offset against future income provided the Same Business Test (SBT) or the Continuation of Ownership Test (COT) is satisfied. As a result of delisting the Company believes that it will continue to satisfy the SBT and the COT whilst the Company continues to qualify as a “widely held company”. The Company will continue to satisfy the “widely held company” guidelines if at least 20 people hold a 75% interest in the Company, are entitled to exercise 75% of the voting power or are entitled to receive 75% of any dividend paid by the Company as currently applies. There are some minor advantages in remaining listed in this context, however the Board does not regard them as being material.

(e) Share Certificates and Holding Statements

It is expected that at some time following delisting shareholder holding statements would be cancelled and replaced with share certificates. Further information regarding security holdings and share registry services will be provided as they come to hand. Shareholders should note that this exchange process will not directly result in any change to their actual shareholding. Once in the Share Certificate environment shareholders should ensure that Certificates are securely stored.

(f) Other

The Company will remain a public company following delisting. Legal provisions relating to public companies will therefore continue to apply to the Company. For example, provisions in the

Corporations Act designed to protect the interests of a public company's shareholders as a whole, by requiring shareholder approval for giving financial benefits to related parties that could endanger those interests, will continue to apply to the Company.

The rights and obligations of the Company, its directors and shareholders will continue to be governed by the Company's existing constitution (unless amended by special resolution of shareholders). The Company will continue to be required to hold annual general meetings and shareholders will retain rights, including attending and voting at those meetings, which flow from holding shares in a public company.

While the Company has more than 50 shareholders, the takeover law provisions in the Corporations Act regulating the acquisition of control over shares in the Company will continue to apply to the Company.

10. WHAT HAPPENS IF THE PROPOSAL IS NOT APPROVED

If the resolution is not approved, the Company will remain listed. The Company will as soon as possible pursue one or a combination of the funding options discussed earlier namely a rights issue, placement or share purchase plan or combination in order to secure adequate funding to ensure its ongoing survival.

11. DISCUSSIONS WITH ASX

Prior to calling the meeting, the Company discussed its potential delisting with ASX. Following those discussions, the Company requested, and ASX approved as set out in **APPENDIX C**, that it be removed from the official list of ASX on a date to be decided by the ASX and not later than 30 June 2009 (expected to be 17 June 2009). This is subject to the Company obtaining shareholder approval for the removal of the Company from the official list by ordinary resolution and certain straightforward aspects. This means that it must be passed by at least 50% of the votes cast by members entitled to vote on the resolution, in person or by proxy.

No shareholders are excluded by ASX Listing Rules from voting on the Resolution.

12. TRADING AFTER DELISTING

As stated above, following delisting the Company's shareholders will not be able to buy and sell shares in the Company through ASX. The rules in relation to the transfer, transmission and registration of unlisted shares are predominantly found in the Company's constitution (a copy of which is available on the Company's website) and the Corporations Act. Below is a summary of the procedure which will generally need to be followed in order to transfer shares in the Company when it is unlisted:

- agreement between the buyer and seller on the shares to be sold, their sale price, and any other terms and conditions;
- creation of a transfer instrument. This must be in writing and set out particulars of the relevant shares, be signed by or on behalf of the transferee and transferor, show the place of registration of the Company and state whether or not the transferee will hold the shares beneficially or non-beneficially upon registration;
- payment of the agreed sale price in the manner agreed;
- lodgment by the buyer of the transfer instrument with the Company for registration; and
- registration of the transferee's interest in the Company's share register and issuance of a holding statements to the new registered owner by the Company.

Under current legislation no stamp duty is payable on the transfer of shares in the Company as an unlisted entity, as the Company is incorporated in Victoria and is not land rich.

In order to enable potential share sales to be facilitated after delisting, the Company intends to continue to use Computershare to manage the share register in the short term. After this time, the Company will consider whether it will itself manage the register and communications with shareholders.

As stated in section 8(a) above, the Company is applying to be listed on the Low Volume Financial Markets Register with ASIC. The Company will provide further information on progress of the application in due course. The Company's application is being made on the following basis:

- The Company is to maintain an electronic schedule of buyers and sellers accessible by shareholders
- The Company will not be involved in the matching or settlement of transactions
- All transactions will require valid executed transfer forms
- All transactions that occur through this process will be reported to this register

The low volume register imposes a limit in any 12 month period to 100 trades and total value to no more than \$500,000.

Please note the market would be exempted from the statutory licensing requirements under section 791C, would not be licensed under Part 7.2 of the Act and the Company would not be subject to the legal obligations that apply to the operator of a licensed market including the requirement to do all things necessary to ensure the market is a fair, orderly and transparent market.

Any person with enquiries about how the register operates should contact the Company Secretary, Bill Michaelidis on (03) 9909 7622.

13. FINANCIAL INFORMATION

Set out in **Appendix B** is the unaudited balance sheet of the Company as at 31 March 2009.

14. DIRECTORS' RECOMMENDATION

Each of the directors of the Company recommends that shareholders vote in favour of the Resolution.

Each of the directors of the Company intends to vote shares in the Company in which they have an interest in favour of the Resolution. No Director has more than 6% shareholding in the Company, nor does any shareholder hold more than a 10% interest.

15. QUERIES

If you have any queries about the meeting, the Resolution to be put to the meeting or the proposals being considered, please contact the Company Secretary, Mr Bill Michaelidis, on (03) 9909 7622.

APPENDIX A : QUARTERLY ACTIVITES AND CASH FLOW REPORT TO ASX DATED 15 APRIL 2009

Gippsland Offshore Petroleum Limited
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Tel 61 3 9909 7609
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gopin@gop.com.au
www.gop.com.au

ABN 51 111 418 270



15 April 2009

ASX Release

Quarterly activities report and corporate review Period ended 31 March 2009

Gippsland Offshore Petroleum acknowledges the current economic environment poses obstacles for frontier exploration companies such as ours. Large petroleum companies in these times are focusing on oil production or in fast tracking near term production wells.

This focus eliminates the need to take on new, frontier projects such as those held by Gippsland Offshore Petroleum.

In light of these challenges, this quarterly report includes a strategic review of all the Company's projects.

It has been the Company's focus over the quarter to look at ways to unlock shareholder value by progressing with the 'drill ready' wells in Kenya and Jamaica.

Finally, we are pleased to announce that A\$250,000 cash call has been made to Pancontinental Oil & Gas, as payment for exploration costs in L-6, Kenya. This payment is due on 26 April and will bolster our cash position.

Jamaica Project

Overview

Gippsland Offshore Petroleum is a 50% equity partner in the Jamaica Joint Venture (JJV) that has 5 exploration permits over 14,500km² of frontier exploration acreage offshore Jamaica over the majority of the Walton Basin (as seen in Fig 1).

Award of the project followed an open bid and the JJV signed contracts with the Petroleum Corporation of Jamaica (PCJ) in 2006. The technology agreement between Gippsland Offshore and BHP Billiton was a key factor for the Company to map the large area that covers many protected reefs and atolls. This technology is known as FALCON®, an airborne gravity gradiometer (AGG) system that is a non-invasive exploration tool. The presence of thick carbonate rocks in the geological section meant that historically, seismic quality was poor and measurements of other rock properties (such as density in the case of AGG) were important to help in the interpretation of the geological data.

The area was of great interest to the Company as it had been ignored for twenty years by the exploration community. However, of the 11 wells that had been drilled in and around the basin, 10 of them had oil shows proving a working hydrocarbon generating system. The presence of oil and gas seeps both onshore and offshore adds strength to this case. The last well was drilled in 1978 and the old seismic data was poor.

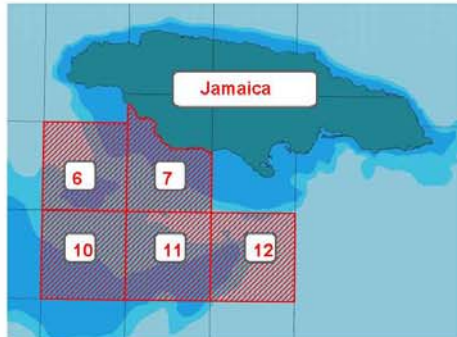


Fig 1 – JJV Exploration acreage offshore Jamaica

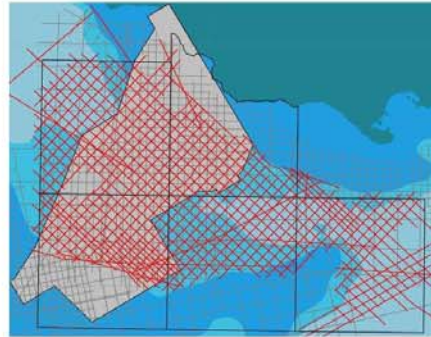


Fig 2 – Work program undertaken to date: grey area is the FALCON® area outline and the red lines are the newly acquired seismic lines

Exploration

The JJV signed 5 year exploration licences with the PCJ and has now completed the exploration commitments to the end of 2010. Over the initial two year period, the JJV has spent almost US\$13million on exploration over the blocks comprising 24,000 line kms of AGG data, 7,000kms of long offset 2D seismic (as per Fig 2), reprocessing 12,560kms of pre-existing seismic data and geological and geophysical studies to integrate and interpret these data. Although there is no well commitment until year 5 of the permits, the JJV would like to commence drilling as soon as feasible.

Gippsland Offshore has been leading the geological and geophysical data interpretation and prospect mapping on behalf of the JJV. The JJV has established that the Walton Basin has potential to house multi million barrel oil and gas fields. The combination of the AGG and 2D seismic has been effective in producing a 3D geological model of the basin and fast-tracking the understanding of the structural framework of the basin. To date, seven prospects have been mapped (Fig 3 and Fig 4) with upside potential for greater than 2 billion barrels of recoverable oil.

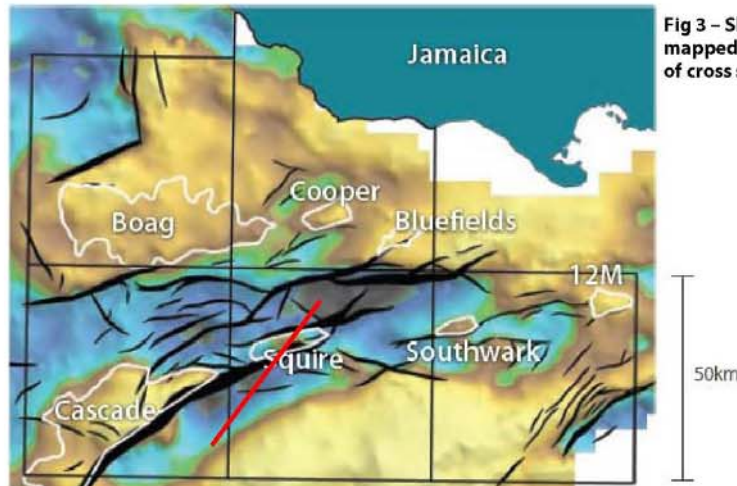
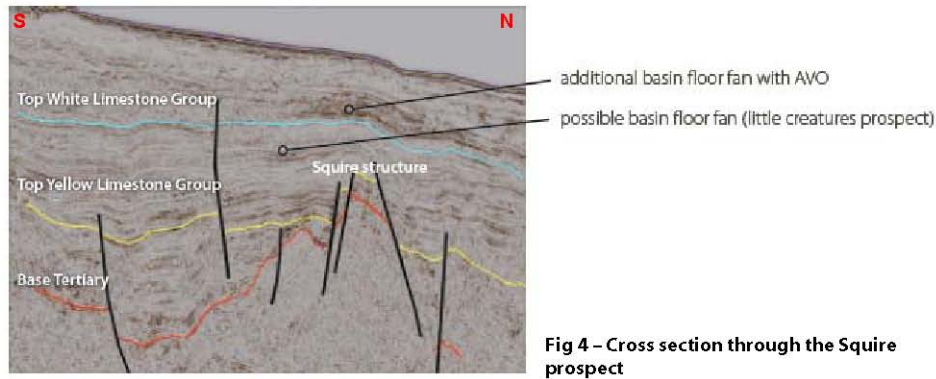


Fig 3 – Showing prospects mapped in the project and line of cross section in Fig 4



Farm-out progress

The JJV got underway in seeking a farm-in partner for progressing these prospects to drilling early in 2008 using the services of IndigoPool, a Schlumberger subsidiary that specialises in assisting companies complete farm-outs. The onset of the global financial crisis coinciding with the high oil prices of the second half of 2008 resulted in oil companies focusing on oil production and bringing near term production on stream as soon as possible. As a result, there was reluctance from companies to take on new, frontier projects and the advice from IndigoPool has been to take the project to market again mid 2009 when the stabilisation of the oil price will see companies starting to get on with business as usual.

Jamaica project fundamentals

The fundamentals of the Jamaica project are very strong:

- Five large, offshore blocks covering 90+% of the Walton Basin
- Working petroleum system proven by oil and gas shows and detected seeps
- Opportunity rich – Eocene to Jurassic multiple play concepts with many leads/prospects in each (e.g. basin floor fans, reefal build-ups, and horst blocks, tilted fault blocks, gentle folds of marine clastics and carbonates, and fluvio-deltaics)
- New 2D Seismic and AGG data covering the majority of the area
- Provenance and reservoir/seal study
- Cretaceous and Tertiary source rock studies and geochemical modeling
- Large potential: an inventory of leads - each holding several hundred million bbl in place
- Excellent fiscal terms and 15 year income tax concession period
- Significant future energy needs onshore Jamaica (bauxite / alumina / electricity) for both oil and gas
- Geographical advantage – close to the large North America gas market in the case of a very large gas discovery

Kenya

Overview

Gippsland Offshore Petroleum farmed into Block L-6 in the offshore Lamu Basin, Kenya (see Fig 5) in January 2007 after spending USD2M on a seismic and FALCON® program in the block. The Company now operates the block and has 60% equity.

The L-6 block is approximately 40% onshore and FALCON® was key to the Company entering the block. The cost of exploring in the transition zone between the on and offshore is often prohibitively expensive as multiple seismic crews need to be mobilised with specialist equipment for the various terrain or offshore conditions. This has meant the L-6 block has been relatively ignored for exploration in the past. The wells in the area have strong gas shows and the focus of exploration in the past has also been oil so gas plays have been ignored.

Exploration

As with the Jamaica project, within one month of signing into the block with the Ministry of Energy in Kenya, the Company had mobilised a seismic boat and the FALCON® aircraft. The 1,200kms of 2D seismic and 5,000kms of FALCON® were completed within 3 months (as shown in Fig 6).



Fig 5 – Block L-6 location

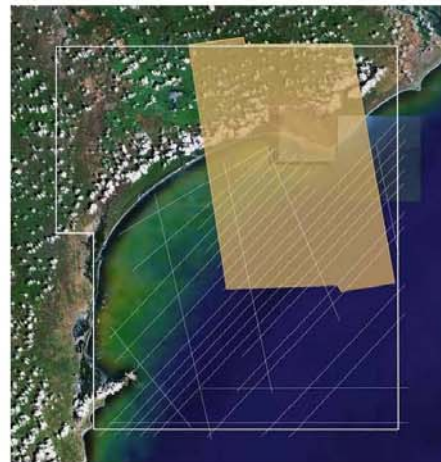
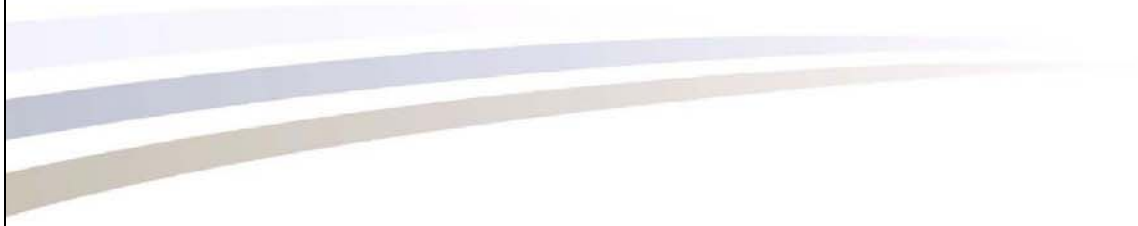


Fig 6 – Block 6 work program: shaded area as FALCON® area and white lines show the new seismic program

This fast tracking of the exploration was essential to have prospects mapped within eighteen months. The target was reached and the Company now has seven mapped prospects with both oil and gas prospectivity supported by seeps and DHI's (direct hydrocarbon indicators) on the seismic data. The FALCON® tool has proven an effective exploration method in this area, an image showing this data draped over the seismic at reservoir level is shown below (Fig 7).



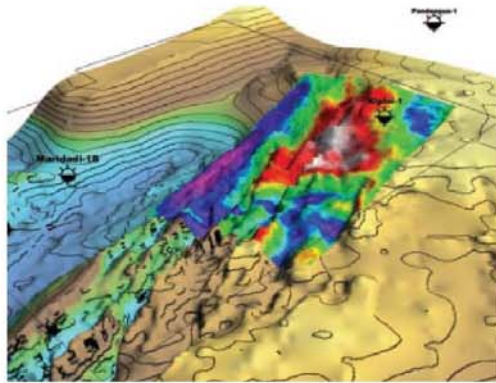


Fig 7 – AGG data draped on seismic horizon

The prospects mapped (as seen in Fig 8) have potential for recoverable reserves of 4TCF of gas and 1.7 billion bbls oil. The Company is now entering a new phase of the PSC in which two wells will be drilled in the block in the coming 4 years. The onshore Kudu prospect is to be tested first after some additional seismic to better define the extent of the prospect and optimum drill location.

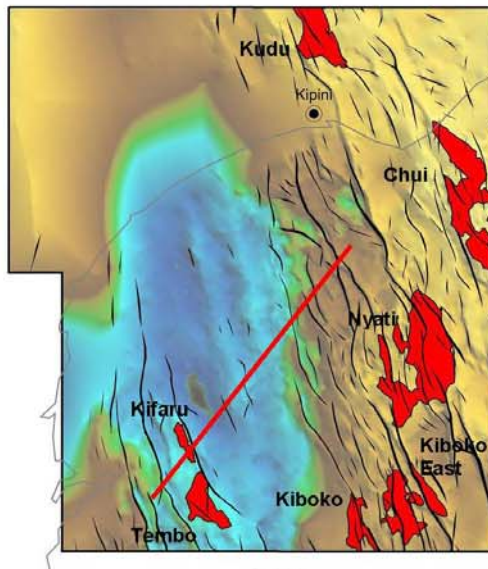


Fig 8 – Mapped prospects

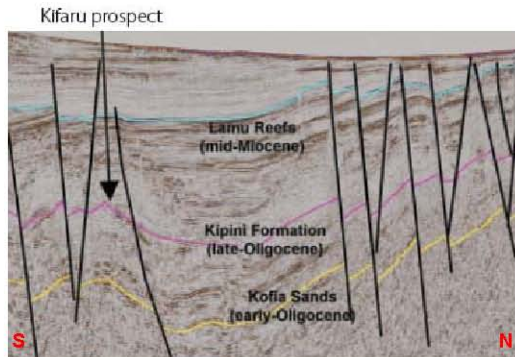


Fig 9 – Cross section through the basin

Farm-out progress

At the end of 2008, we were approached to bring in a partner to the L-6 project and we have been working during this quarter to complete a farm-out on the project. The potential partner will have expertise in gas development and will join us in the drilling phase of the project.

L-6 project fundamentals

- Good indications of hydrocarbons as 2 wells have flowed gas (Pate-1 and Pandangua-1) and numerous wells have gas shows
- A number prospects with potential greater than 2TCF gas and 200mmbbl oil
- Gas is most likely onshore and in the northern half of L-6
- Oil is possible in the south of L-6
- Prospect ranking favours onshore Kudu prospect – planning to test in the next 12-18 months
- Excellent onshore development terms (more favourable than onshore Australia)
- New, larger company entrants to Kenya in recent months – increased interest in the area
- Interest from potential partner companies in the area

France

Overview

In mid 2005, Gippsland Offshore and Sydney based Gas2Grid Limited (GGX) formed a study group to review the opportunities in the Aquitaine Basin in France given Exxon had retreated from oil and gas exploration in the country. There has been no active exploration in the basin since the mid-1980's even though there have been 13TCF of gas and 450mmbbls of oil discovered to date. Markets and infrastructure are well developed, and the commercialization of even small discoveries is unlikely to be problematic.

The withdrawal of Exxon left the opportunity to access prospective acreage between known producing fields. Coupled with this, the eastern flank of the basin is very poorly explored and offers considerable "upside" opportunity. We submitted a bid for exploration acreage in January 2006 and our application was formally granted May 2008.

The area is centred on the small town of St Griede to the northeast of the regional centre of Pau within the Mirande Sub-basin (see Fig 10). The use of Gippsland Offshore's technology in integrating the airborne gravity gradiometer (AGG) data with seismic will play an important role in exploration of the block. As the system is airborne, we will make minimal disturbance to the ground in our initial geological mapping and prospect identification phase. This involves reprocessing of the existing seismic data, integration with the

AGG and existing well data. The use of AGG in "near field" exploration to extrapolate knowledge from producing fields to neighbouring prospects we view as an important application of AGG, particularly in areas where ground access could be a problem.



Fig 10 – Location of permit

The St Griede block sits west of the oil and gas fields of Laq (9TCF gas, 31mmbbls oil), Meillon (2.3TCF gas), Vic Bilh (32mmbbls oil, 40bcf gas) and Pecorade (21mmbbls oil, 38bcf gas) as shown on Fig 11. Our exploration of the 1,300km² block will consist of new airborne gravity gradiometer data acquisition, seismic reprocessing and studies for the first three years and the drilling of two wells in the remaining two years. The joint venture will spend AUD6.5M in this five year period. The area has good seismic coverage and numerous wells as seen in Fig 12.

In our typical style, we will look to fast track the mapping of our drillable prospects with a view to bringing the wells forward in the program. Indeed this model for near-field exploration, when fully implemented, will open up many more opportunities in similar areas where acquiring new seismic data is difficult. We look forward to commencing our data acquisition program in the latter half of 2009.

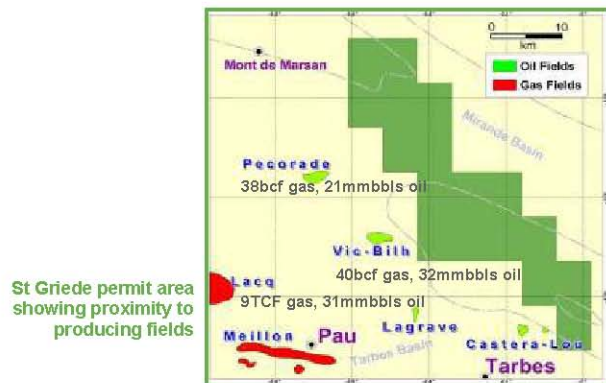
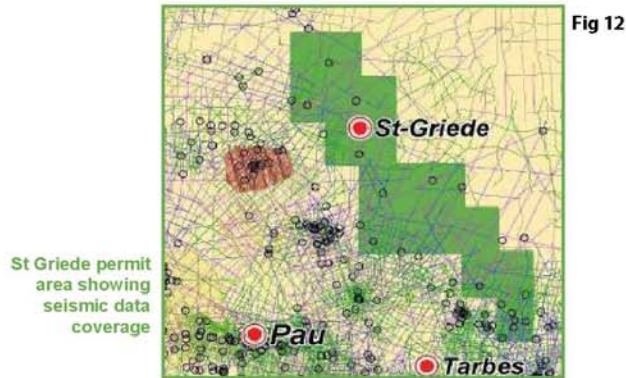


Fig 11



Madagascar

Overview

Gippsland Offshore and its joint venture partners applied for the Cap D'Ambre offshore exploration permit from the Government of Madagascar in December 2006. The Office for National Mining and Strategic Industries (OMNIS) have since offered the Production Sharing Contract for the Cap D'Ambre area to the joint venture.

Offshore Madagascar is part of the under-explored East African margin that is generating considerable interest in the oil exploration sector following recent discoveries in the region.

Since 2004, Madagascar petroleum exploration levels have increased with OMNIS having signed PSC's with ExxonMobil, Vanco Energy, Sterling Energy, Vuna Energy, Aminex and Tullow. Gippsland Offshore's expertise in the use of airborne technologies played an important role in winning the exploration acreage as it will be crucial to geologically mapping these large, frontier areas before acquiring seismic data.



Fig 13 – Location of Gippsland Offshore exploration permit offshore Madagascar



The Cap D'Ambre bid area encloses 16,000km² as seen in Fig 13. This large area was planned to be explored over an 8 year period with drill or drop well obligations in the final phase of exploration.

In line with our strategy to fast track the exploration and targeting process, the JV plans to commence both the airborne geophysical and seismic data acquisition as soon as practical after the signing of the PSC.

To date, there is an estimated 20 billion barrels of oil in the yet undeveloped tar sands and heavy oil accumulations on the island's west coast. With only 10 exploration wells having been drilled in the offshore basins, the area is truly underexplored. Early mapping of the two areas indicates excellent opportunity for oil and gas accumulations in the two areas.

At the end of 2008, Madagascar underwent an attempted coup to overthrow the then President. Over the past quarter, the President has been replaced after many troubles in country and the PSC negotiations that were ongoing in 2008 have been suspended. The outcome at this stage is unknown. Gippsland Offshore remains committed to the exploration project in Madagascar but will get a clearer picture of the status of the project in the coming months.

BHP Billiton FALCON® agreement

Gippsland Offshore and BHP Billiton shared a landmark agreement in which Gippsland Offshore had rights to use the BHP Billiton FALCON® airborne gravity gradiometry technology (AGG) on a global basis for oil and gas exploration over a 3 year period. The agreement expired in March leaving Gippsland Offshore free to use their in-house data integration and interpretation tools developed for the AGG technology unencumbered.

The AGG technology was key to successful bids in Jamaica, Kenya and most recently in France and Madagascar for Gippsland Offshore. Since 2006 when the agreement was signed, there are now two other commercially available AGG systems in addition to FALCON®.

Management review

Given the low market valuation of our company and the diminishing cash position, the management of Gippsland Offshore is currently carrying out a strategic review to decide how to move forward in the current economic climate. Costs have been kept under tight control during the last quarter and at the same time, we have been pursuing a farm-in partner for both the Jamaica and Kenya projects. It is not surprising that the appetite to invest in frontier exploration by larger companies is low. The recent high price of oil has meant that increasing and improving production and bringing developments on quickly has been the natural focus of these companies and more recently a global revaluation of projects is being undertaken with a renewed oil price. It has hence been a tough environment for getting investment via the traditional farm-out route in exploration plays.

Carrying a calculated geological risk of about 12% of success, our Jamaica project is considered frontier with most large companies presently not looking at opportunities with risks below 10% (or one in ten chance). Hence, we are borderline at the risk level. But on the flip side, we have a very large EMV (Estimated Monetary Value : after AMOG Consulting Economics Report), due to the large potential size of the pools of oil and gas in our mapped prospects. The prospects are drill ready and we continue to seek a partner to join the drilling with us.

Our Kenya project is also very exciting with large targets being mapped that in total have the potential to hold 3TCF of recoverable gas. The calculated geological chance of success is 20% for this project and as



the targets are onshore and in shallow water, the calculated EMV (after AMOG Consulting Economics Report) is almost US\$500 million. The development terms in our Kenyan PSC are some of the best in the world and more favourable than onshore oil and gas development in Australia. After being approached at the end of 2008, we have been following up with potential partners for this project and the process is continuing.

Both of these projects have been fast tracked in their exploration process to reach prospect mapping stage within two years and largely on budget which is very efficient by frontier project terms and particularly in the volatile cost environment in which we have been operating. The Company's ability to achieve this is a credit to our exploration team, our good contacts and relationships with our contractors and Government partners and the use of innovative technologies such as the FALCON® airborne gravity gradiometer system under licence from BHP Billiton.

Both projects are "drill ready" and Gippsland Offshore is reviewing the best way to see these projects drilled and value unlocked as soon as possible.

Over the last quarter the Company has been continuing to look for new opportunities and in addition, are awaiting payment from Pancontinental Oil & Gas of exploration costs for the L6 project of A\$250,000 which will bolster our cash position.

For further details please contact:

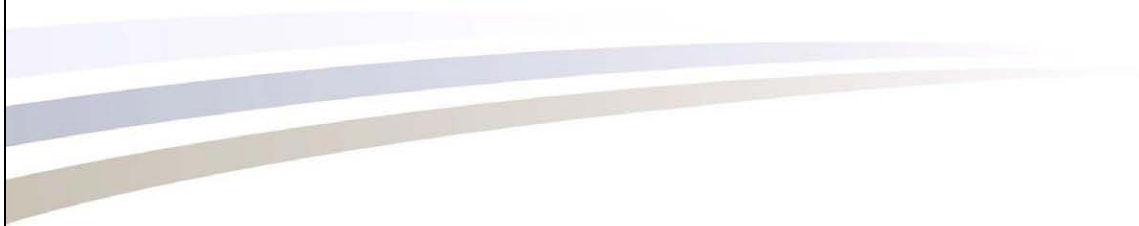
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Appendix 5B
Mining exploration entity quarterly report

Rule 5.3

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

GIPPSLAND OFFSHORE PETROLEUM LIMITED

ABN

51 111 418 270

Quarter ended ("current quarter")

31 MARCH 2009

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (9 months) \$A'000
1.1 Receipts from product sales and related debtors	—	—
1.2 Payments for (a) exploration and evaluation	(326)	(1,309)
(b) development	—	—
(c) production	—	—
(d) administration	(235)	(902)
1.3 Dividends received	—	—
1.4 Interest and other items of a similar nature received	27	104
1.5 Interest and other costs of finance paid	—	—
1.6 Income taxes paid	—	—
1.7 Other – Drilling Advances	—	—
Net Operating Cash Flows	(534)	(2,107)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects	—	—
(b) investments	—	—
(c) other fixed assets	—	(3)
1.9 Proceeds from sale of: (a) prospects	—	—
(b) investments	—	—
(c) other fixed assets	—	—
1.10 Loans to other entities	—	—
1.11 Loans repaid by other entities	—	—
1.12 Other:		
—		
Net investing cash flows	—	(3)
1.13 Total operating and investing cash flows (carried forward)	(534)	(2,110)

+ See chapter 19 for defined terms.

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30/9/2001

Appendix 5B Page 1

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(534)	(2,110)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	—	—
1.15	Proceeds from sale of forfeited shares	—	—
1.16	Proceeds from borrowings	—	—
1.17	Repayment of borrowings	—	—
1.18	Dividends paid	—	—
1.19	Other – cost of issue	—	(1)
	Net financing cash flows	—	(1)
	Net increase (decrease) in cash held	(534)	(2,111)
1.20	Cash at beginning of quarter/year to date	1,207	2,784
1.21	Exchange rate adjustments to item 1.20	—	—
1.22	Cash at end of quarter	673	673

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

	Current quarter \$A'000
1.23 Aggregate amount of payments to the parties included in item 1.2	100
1.24 Aggregate amount of loans to the parties included in item 1.10	—

1.25 Explanation necessary for an understanding of the transactions

Directors fees \$80k, rent/office support paid to MDL \$20k

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	–	–
3.2 Credit standby arrangements	–	–

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	300
4.2 Development	–
Total	300

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	38	72
5.2 Deposits at call	635	1,135
5.3 Bank overdraft	–	–
5.4 Other	–	–
Total: cash at end of quarter (item 1.22)	673	1,207

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed			
6.2	Interests in mining tenements acquired or increased			

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	144,982,380	144,982,380		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 +Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options			<i>Exercise Price</i>	<i>Expiry date</i>
Lakes Oil/Rilo	20,000,000	—	20 cents	30/11/2009
Director	6,000,000	—	20 cents	30/11/2009
Executive	1,250,000	—	20 cents	23/05/2010
Executive	250,000	—	20 cents	09/03/2011
Executive	1,000,000	—	15 cents	16/03/2011
Executive	300,000	—	20 cents	07/05/2012
Director	5,000,000	—	40 cents	03/12/2012
Executive	150,000	—	20 cents	20/05/2013
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 Debentures <i>(totals only)</i>				
7.12 Unsecured notes <i>(totals only)</i>				

+ See chapter 19 for defined terms.

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Appendix 5B
Mining exploration entity quarterly report

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Law or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:



(Company Secretary)

Date: 10 April 2009

Print name: Bill Michaelidis

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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+ See chapter 19 for defined terms.

APPENDIX B : COMPANY BALANCE SHEET AS AT 31 MARCH 2009 (UNAUDITED)

**GIPPSLAND OFFSHORE PETROLEUM LIMITED AND CONTROLLED ENTITIES
CONDENSED CONSOLIDATED BALANCE SHEET - UNAUDITED
AS AT 31 MARCH 2009**

	31 Mar 2009 \$'000	31 Dec 2008 \$'000
CURRENT ASSETS		
Cash and cash equivalents	673	1,207
Receivables	353	237
Other current assets	13	27
TOTAL CURRENT ASSETS	1,039	1,471
NON-CURRENT ASSETS		
Plant and equipment	25	33
Exploration expenditure	9,949	9,730
TOTAL NON-CURRENT ASSETS	9,974	9,763
TOTAL ASSETS	11,013	11,234
CURRENT LIABILITIES		
Payables	187	174
Short-term provisions	85	88
TOTAL CURRENT LIABILITIES	272	262
NON CURRENT LIABILITIES		
Provisions	57	55
TOTAL NON CURRENT LIABILITIES	57	55
TOTAL LIABILITIES	329	317
NET ASSETS	10,684	10,917
EQUITY		
Share capital	21,784	21,784
Other reserves	832	809
Accumulated losses	(11,932)	(11,676)
TOTAL EQUITY	10,684	10,917

APPENDIX C: ASX DECISION ON DELISTING



ASX Limited
ABN 98 008 624 691
Level 45
South Tower
Stock Exchange Centre
525 Collins Street
Melbourne VIC 3000

GPO Box 1784Q
Melbourne
VIC 3001

Telephone 61 (03) 9617 8711
Facsimile 61 03 9614 0303
Internet <http://www.asx.com.au>

5 May 2009

Cathy Norman
Managing Director
Gippsland Offshore Petroleum Limited
Level 7 Exchange Tower
530 Little Collins Street
Melbourne Victoria 3000 Australia

By email only

Dear Cathy

Gippsland Offshore Petroleum limited

I refer to your letter dated 24 April 2009.

I advise the following decision.

DECISION

1. Based solely on the information provided, ASX Limited ("ASX") resolves to remove Gippsland Offshore Petroleum Limited (the "Company") from the official list at the request of the Company pursuant to listing rule 17.11, on a date to be decided by ASX, subject to compliance with the following conditions.
 - 1.1. The request for removal of the Company from the official list of ASX be approved by an ordinary resolution of ordinary shareholders of the Company.
 - 1.2. The Notice of General Meeting seeking shareholder approval to request the removal of the Company from the official list must include a statement to the effect that the removal will take place no later than 30 June 2009.
 - 1.3. The Company release the full terms of this decision to the market immediately.
2. ASX has considered listing rule 17.11 only and makes no statement as to the Company's compliance with other listing rules.

Yours sincerely,



Gonzalo Valencia
Senior Adviser, Issuers