

11 December 2008

ABU DABBAB ALLUVIAL TIN RESOURCE

Highlights

- Inferred Resource of 438,000m³ containing 760 tonnes of recoverable tin metal
- Potential for additional revenue of US\$8.7 million
- Net cash bonus of US\$5.1 million during the first year of operation

Directors of Gippsland Limited ('Gippsland' or 'the Company') [ASX, AIM: GIP, Deutsche Börse: GIX] announce today that the Company has completed a scoping study ('study') in relation to an extensive alluvial tin deposit contained within the 20km² Exploitation Licences covering the 44.5 million tonne Abu Dabbab tantalum-tin-feldspar project in Egypt.

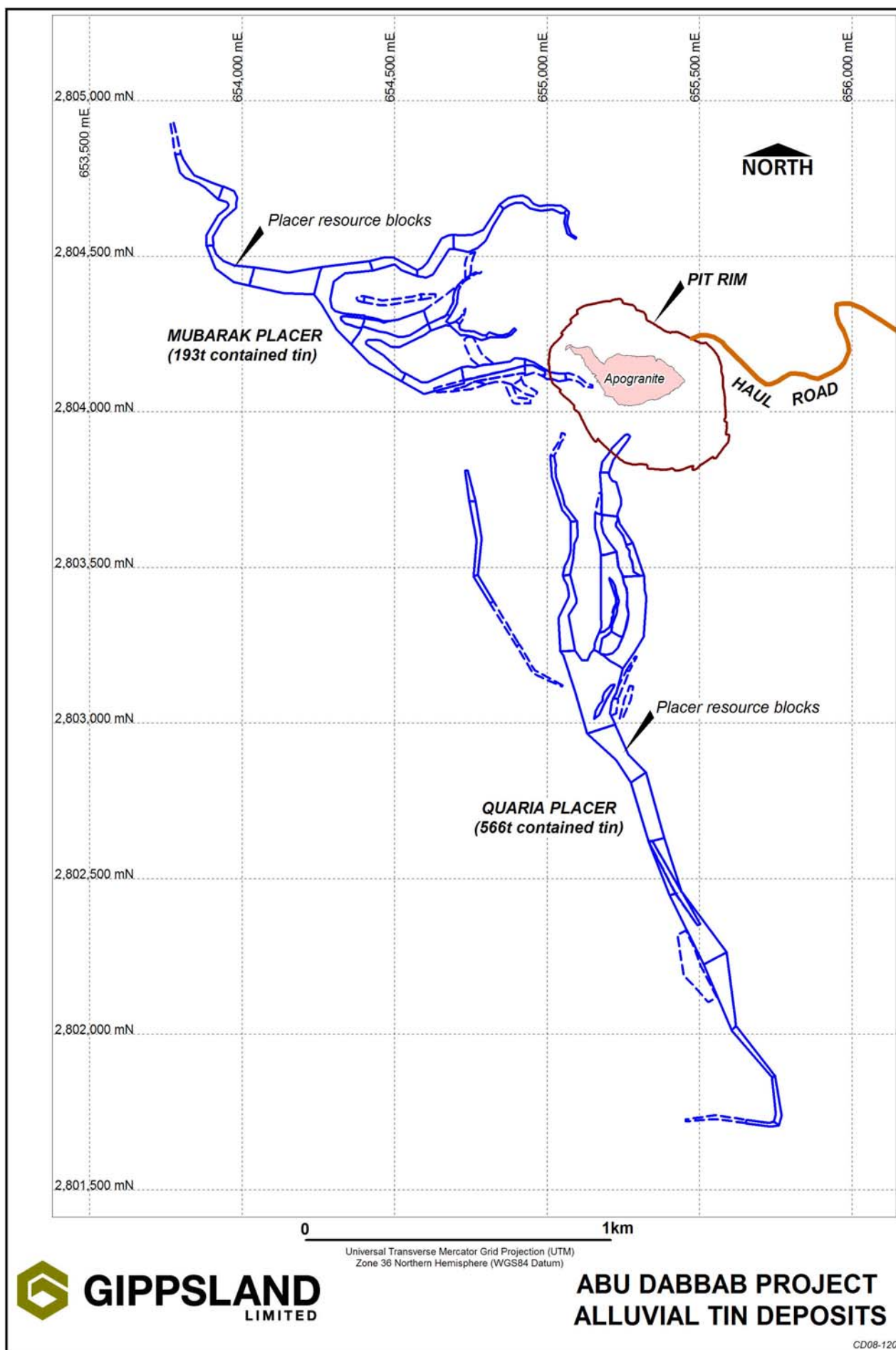
Based on exploration data gathered during the early 1970s and using a high tin cut off grade of 1.2kg/m³, the Company has estimated an Inferred Resource of 438,000m³ of alluvium containing in excess of 760 tonnes of recoverable tin metal within the alluvial tin deposits explored.

Given that the current Inferred Resources only includes the higher-grade basal parts of the channels, the Directors are confident that additional resources of alluvial tin will be delineated within the Exploitation Licences as the previous exploration work utilised the same high tin cut-off grade, effectively excluding large quantities of the overlying tin-bearing alluvium. These areas are currently being evaluated as part of the Company's continuing tin exploration programme within the region. The overlying tin-bearing alluvium is being re-assessed and additional sampling has been completed which is expected to support the promotion of a large proportion of the presently defined Inferred Resource to the higher Indicated Resource classification.

The study indicated that the recovery of the alluvial tin can be efficiently recovered by screening the alluvium following which the fines will be delivered to the gravity circuit of the main Abu Dabbab tantalum-tin production facility. Accordingly, minimal additional plant and equipment will be required to process and recover the alluvial tin, making it an extremely cost effective process. The alluvial tin concentrate will be smelted in the Abu Dabbab submerged arc electric furnace to produce London Metal Exchange grade tin metal.

Based upon the present tin price of US\$11,500 per tonne, the scoping study indicated that the alluvial tin has the potential to generate an additional US\$8.7 million revenue during the one year it will take to process the material and in doing so will generate a net cash bonus for the overall Abu Dabbab project of approximately US\$5.1 million during the first year of operation.

For further information on the Abu Dabbab tantalum-tin-feldspar project, please visit the Company's website www.gippslandltd.com



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Note:

In accordance with Listing Rule 5.6 of the Australian Stock Exchange Limited and Part 2 of the AIM Guidance Notes for Mining, Oil and Gas Companies, 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 who is an Executive Director of Gippsland Limited with over 25 years experience in the mineral industry including the evaluation of exploration data, mineral resources and ore reserves, has consented to the issue of the information in this report in the form and context in which it appears.