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**GIPPSLAND
LIMITED**

Tuesday 5 August 2003

Company Announcements Office
Australian Stock Exchange Limited
20 Bond Street
SYDNEY NSW 2000

Dear Sir/Madam

FUNDRAISING - PLACEMENT PROSPECTUS

The Directors of Gippsland Limited ("Gippsland or "the Company") hereby announce the withdrawal of the Placement Prospectus that Gippsland lodged with the ASX on 10 July 2003. All monies received by the Company pursuant to this Prospectus will be refunded in accordance with the provisions of the Corporations Act and the ASX's Listing Rules to the applicants who forwarded such monies to the Company.

Subsequent to such withdrawal, the Directors announce, for the purpose of raising up to \$560,000, that they have lodged today at the ASIC and the ASX a placement prospectus dated 5 August 2003 for the issue of up to 14,000,000 fully paid ordinary New Shares in the Company, each at an issue price of 4 cents per New Share, with each New Share subscribed for also receiving an attaching New Option for no consideration with each New Option having an exercise price of 9 cents and a term expiring on 31 December 2007.

The monies to be raised are to fund the ongoing bankable feasibility study currently being conducted upon the Abu Dabbab tantalite, feldspar, niobium and tin deposit located in Egypt, in which Gippsland has a 50% economic interest by way of an incorporated joint venture with the Egyptian Government.

At present the issue is not underwritten. There is no minimum level of subscription pursuant to the issue. No oversubscriptions will be accepted. In respect of the placement of these 14,000,000 shares and 14,000,000 options, Gippsland will pay a placement fee of 7% (plus GST) of the amount subscribed (and accepted by Gippsland) to any holders of dealers licences in respect of application forms bearing the stamp of such dealers. No brokerage or stamp duty will be payable by those persons subscribing for these shares and options.

These 14,000,000 shares if issued will constitute 14.81% of the presently issued share capital which currently totals 94,528,359 shares. The new ordinary shares will rank equally with other ordinary shares on issue and will participate fully in any dividends announced after the date of allotment. The shares and options offered under this Prospectus carry no guarantee whatsoever with respect to return on capital investment, payment of dividends, or the future value of the shares or options.



The timetable for this placement issue is as follows:

Summary of Important Dates

Offer Opens	5 August 2003
Offer Closes	25 August 2003
Allotment of New Shares and New Options	27 August 2003
Dispatch of Holding Statements	29 August 2003

This timetable is indicative only. The directors of Gippsland reserve the right to vary the key dates outlined above pertaining to this placement issue in accordance with the Corporations Act and the ASX's Listing Rules.

Yours sincerely

RJ (Jack) Telford
Executive Chairman
Gippsland Limited