

12 January 2004

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

Dear Sir/Madam

CANCELLATION OF UNLISTED OPTION CLASS

The Directors of Gippsland Limited ("Gippsland" or "Company") wish to advise that all of the holders of the Company's class of unlisted options each of which have an exercise price of 14 cents and an expiry date of 11 July 2004 have agreed to cancel for no consideration all of the unlisted options that they hold. Since there are 11,000,000 of such unlisted options on issue and agreement has been reached with all of these holders to extinguish all of these options, this class of unlisted options shall cease to exist.

The holders of these options have agreed to cancel their unlisted options in order to simplify Gippsland's capital structure so as to assist the Company's proposed AIM listing on the London Stock Exchange.

The Directors of Gippsland were also of the view that a more simplified capital structure will facilitate the attraction of substantial European investors to the Company's share register.

The 3 Directors of Gippsland each hold a number of these options (as stated below) and each of them have agreed to cancel their options for no consideration:

Holder	Number of Unlisted Options
RJ Telford	4,750,000
JM Chisholm	2,250,000
JD Kenny	2,250,000

Additionally the following persons agreed to cancel the following unlisted options for no consideration:

Holder	Number of Unlisted Options
GC Steinepreis	1,250,000
H Nemchin	500,000

These 5 parties held all 11,000,000 of these unlisted options.

The Company is well underway with all the preparatory work for listing on AIM and is seeking to be dual listed on ASX and AIM by the end of February 2004.

Yours sincerely



RJ (Jack) Telford
Executive Chairman