

16 April 2009

Company Announcements Office
ASX Limited
20 Bridge Street
SYDNEY NSW 2000

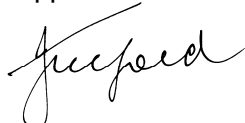
Dear Sir/Madam

GIPPSLAND OBTAINS \$800,000 FUNDING

Gippsland Limited ("**Company**") is pleased to announce that it has obtained a facility from Abbotsleigh Pty Ltd (a company associated with Melbourne businessman Ian Gandel) ("**Lender**") for an advance of AU\$800,000 to the Company for working capital purposes ("**Facility**"). The principal terms of the Facility are:

- The Facility will be made available in two tranches, the first being AU\$439,695 and the second, AU\$360,305.
- The term of the Facility is 12 months.
- The amounts owing under the Facility may at the election of the Lender be converted into fully paid ordinary shares ("**Shares**") in the Company at a conversion rate of one Share for every AU\$0.01 of the amount outstanding under the Facility. However, the Lender may not convert any portion of the amount outstanding that would result in the Lender breaching Chapter 6 of the Corporations Act.
- The Facility will accrue interest at 10% per annum.
- The Facility will be secured by a share mortgage granted by the Company over its shares in its subsidiary, Tantalum International Pty Ltd ("**TIPL**"). TIPL will also grant a fixed and floating charge to the Lender as security.
- The first tranche will be made available following the provision of the above securities; the delivery of an audit report on the Company's half yearly accounts for the 6 months ending 31 December 2008; compliance by the Company with its ASX lodgement requirements; the partial subordination of two loans (made by directors of the Company to the Company) and other customary conditions precedent for transactions of this nature.
- Provision of the second tranche is conditional upon prior shareholder approval by no later than 30 June 2009 to allow the conversion into Shares that is not currently within the Company's placement capacity should the Lender elect to convert the second tranche.
- If the Company merges with another company or disposes of its operations to another company, the Lender may elect to have the amount outstanding under the Facility paid in full prior to the merger or disposal or require its rights of conversion under the Facility to be transferred to equivalent rights of conversion in the other company.
- The events of default under the Facility are customary for transactions of this nature.
- The Lender is being granted a first and last right of refusal to tender for any further funding needs the Company may have, which right shall expire on the earlier of the date the Company completes a capital raising of AU\$40 million and two years after all Shares are issued pursuant to the Lender's conversion rights under the Facility.

Yours faithfully
Gippsland Limited



RJ (Jack) Telford
Executive Chairman