

6 July 2009

## Letter to Shareholders from the new Chairman

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Dear Shareholders

I am particularly excited to have taken a significant interest in Gippsland Limited through my investment vehicle, Abbotsleigh Pty Ltd, and to be working with the Board to see value created for all Shareholders. The Board has elected me as Non-Executive Chairman, and I have gladly accepted this responsibility.

I would like to thank Jack Telford, the retiring Executive Chairman, for his considerable efforts in bringing the Company's Abu Dabbab tantalum-tin-feldspar project to its present advanced stage of development. I look forward to working closely with Jack in his on-going role as Gippsland's Chief Executive Officer.

Our company Gippsland, has a world scale tantalum resource in Egypt and capable management teams in Australia and in Egypt with a focus on bringing the project to market. The global financial crisis has impacted consumer markets, and this has in turn put pressure on the price of commodities. How long this will continue no-one knows, but in the case of the metal tantalum I see opportunity as users deplete existing stockpiles and several existing non-conflict competitor operations have closed.

As a source of non-conflict tantalum, Gippsland is well placed to fill a looming supply shortfall. One major supplier, Cabot Corporation, has already released a policy statement that it will not acquire any material containing tantalum from the Republic of Congo; Democratic Republic of Congo; Republic of Zambia; Republic of Burundi or the Republic of Rwanda.

Focussing on Abu Dabbab, tantalum revenue will be significantly boosted by the co-production of tin metal. Additionally, feldspar production, scheduled to commence after both tantalum & tin production starts, will add substantially to the Company's bottom line return.

The entire Board and Management team has a big job to do over the coming months and are highly focussed on delivering value to you.

I was most disappointed not to be able to be present at the recent General Meeting, however I was engaged in Gippsland business overseas.

I look forward to meeting our Shareholders at or before the AGM in November of this year.

Kind regards



Ian J Gandel  
Chairman

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