

207 Stirling Highway
Claremont WA 6010
Australia

t : +61 8 9340 6000
f : +61 8 9340 6060

PO Box 352
Nedlands WA 6909
Australia

e : info@gippslandltd.com
w : www.gippslandltd.com



ABN 31 004 766 376

28 August 2009

LOAN CONVERSION

On 16 April 2009 Gippsland Limited [ASX: GIP, DB: GIX] ("Company") announced that Abbotsleigh Pty Ltd a company associated with Melbourne businessman Mr Ian Gandel ("Lender") had provided the Company with the sum of AU\$800,000 for working capital ("Loan").

Pursuant to the agreement, the Lender was provided with the option to convert the Loan 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 Loan.

The Directors announce that the Lender has today elected to convert the Loan and a total of 80 million Shares have been issued to Abbotsleigh Pty Ltd. Abbotsleigh's shareholding equates to 18.89% of the Company's fully paid ordinary shares on issue.

A handwritten signature in black ink, appearing to read 'Jack Telford', written in a cursive style.

RJ (Jack) Telford
Director, Chief Executive Officer

For further information, please contact

Jack Telford
Gippsland Limited
Tel: +61 8 9340 6000
Email: info@gippslandltd.com
Web: www.gippslandltd.com

DJ Carmichael & Co
Paul Covich / Rob Matthews
Tel: +61 8 9263 5271
Email: pcovich@djcarmichael.com.au / rmatthews@djcarmichael.com.au
Web: www.djcarmichael.com.au

WH Ireland Limited (UK)
John Molyneux / James Hughes
Tel: +44 20 7220 1665 / +4420 7220 1663
Email: john.molyneux@wh-ireland.co.uk / james.hughes@wh-ireland.co.uk
Web: www.wh-ireland.co.uk