

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003, 24/10/2005.

Name of entity

GIPPSLAND LIMITED

ABN

31 004 766 376

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|--|--|
| 1 | +Class of +securities issued or to be issued | Fully paid ordinary shares. |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 121,029,937 ordinary shares (137,029,937 ordinary shares assuming all existing options are exercised). |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Fully paid ordinary shares pursuant to a Rights Issue to shareholders. |

+ See chapter 19 for defined terms.

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| <p>4 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment | <p>The new shares will rank equally with existing fully paid ordinary shares.</p> | | | | |
|--|--|--------|--------|-------------|--|
| <p>5 Issue price or consideration</p> | <p>\$0.032 per new share.</p> | | | | |
| <p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p> | <p>The purpose of the Rights Issue is, after meeting the expenses of the Rights Issue, to raise funds for the Company's Abu Dabbab tantalum/tin project in Egypt, specifically to complete the final bankable feasibility study, the costs of due diligence related to financing, working capital and business development, exploration of existing projects and repayment of Directors' loans to the Company.</p> | | | | |
| <p>7 Dates of entering +securities into uncertificated holdings or despatch of certificates</p> | <p>Despatch date of the uncertificated holdings will be on or about 7 October 2009.</p> | | | | |
| <p>8 Number and +class of all +securities quoted on ASX (<i>including</i> the securities in clause 2 if applicable)</p> | <table border="1"> <thead> <tr> <th data-bbox="686 1391 874 1429">Number</th> <th data-bbox="874 1391 1291 1429">+Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="686 1429 874 1615">544,634,716</td> <td data-bbox="874 1429 1291 1615">Fully paid ordinary shares assuming no existing options are exercised.</td> </tr> </tbody> </table> | Number | +Class | 544,634,716 | Fully paid ordinary shares assuming no existing options are exercised. |
| Number | +Class | | | | |
| 544,634,716 | Fully paid ordinary shares assuming no existing options are exercised. | | | | |

+ See chapter 19 for defined terms.

| | | | |
|----|---|---|---|
| 9 | Number and +class of all +securities not quoted on ASX (<i>including</i> the securities in clause 2 if applicable) | Number | +Class |
| | | 25,000,000 | Options (exercisable at 13.5 cents each on or before 26/05/12). |
| | | 4,000,000 | Options (exercisable at £0.07 each on or before 15/12/11). |
| | | 17,000,000 | Options (exercisable at \$0.15 each on or before 31/05/12). |
| | | 10,000,000 | Options (exercisable at \$0.087 each on or before 14/12/11). |
| 10 | Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests) | The Company currently has no dividend policy. | |

Part 2 - Bonus issue or pro rata issue

| | | |
|----|---|---|
| 11 | Is security holder approval required? | No. |
| 12 | Is the issue renounceable or non-renounceable? | Renounceable. |
| 13 | Ratio in which the +securities will be offered | Two new shares for every seven ordinary shares held on the record date. |
| 14 | +Class of +securities to which the offer relates | Fully paid ordinary shares. |
| 15 | +Record date to determine entitlements | 8 September 2009. |
| 16 | Will holdings on different registers (or subregisters) be aggregated for calculating entitlements? | N/A. |
| 17 | Policy for deciding entitlements in relation to fractions | Rounded up to nearest whole number. |
| 18 | Names of countries in which the entity has +security holders who will not be sent new issue documents <small>Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.</small> | UAE, Belgium, Bahrain, Canada, Switzerland, France, Guatemala, Hong Kong, Indonesia, Ireland, Isle of Man, Japan, Jordan, Kenya, Kuwait, Papua New Guinea, Portugal, Thailand, USA. |
| 19 | Closing date for receipt of acceptances or renunciations | 28 September 2009. |

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| 20 | Names of any underwriters | Gandel Metals Pty Ltd as trustee for the Gandel Metals Trust. |
| 21 | Amount of any underwriting fee or commission | 4% of the total amount to be raised under the Rights Issue, being approximately \$154,918. Further, the Company must reimburse the Underwriter for all out of pocket expenses and disbursements incurred by the Underwriter in connection with the Rights Issue. |
| 22 | Names of any brokers to the issue | N/A. |
| 23 | Fee or commission payable to the broker to the issue | N/A. |
| 24 | Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders | N/A. |
| 25 | If the issue is contingent on +security holders' approval, the date of the meeting | N/A. |
| 26 | Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled | 14 September 2009. |
| 27 | If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders | On 28 August 2009, the Company will send a notice to all holders of options to notify them of their right to participate in the Rights Issue upon exercise of their options. |
| 28 | Date rights trading will begin (if applicable) | 2 September 2009. |
| 29 | Date rights trading will end (if applicable) | 21 September 2009. |
| 30 | How do +security holders sell their entitlements <i>in full</i> through a broker? | By following the instructions set out on the reverse of the Entitlement and Acceptance Form under the section marked "Sale of your Entitlement by your stockbroker in full or in part" and liaising with your broker. |
| 31 | How do +security holders sell <i>part</i> of their entitlements through a broker and accept for the balance? | By following the instructions set out on the reverse of the Entitlement and Acceptance Form under the section marked "Sale of your Entitlement by your stockbroker in full or in part" and liaising with your broker. |
| 32 | How do +security holders dispose of | Standard Renunciation Form, Entitlement and |

+ See chapter 19 for defined terms.

their entitlements (except by sale through a broker)? Acceptance Form and transferee's cheque returned to the Company's share registry.

33 +Despatch date 7 October 2009.

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of securities
(*tick one*)

(a) Securities described in Part 1

(b) All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

36 If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over

37 A copy of any trust deed for the additional +securities

+ See chapter 19 for defined terms.

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Entities that have ticked box 34(b)

38 Number of securities for which
 +quotation is sought

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39 Class of +securities for which quotation
 is sought

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40 Do the +securities rank equally in all
 respects from the date of allotment with
 an existing +class of quoted +securities?

If the additional securities do not rank
 equally, please state:

- the date from which they do
- the extent to which they participate
 for the next dividend, (in the case of
 a trust, distribution) or interest
 payment
- the extent to which they do not rank
 equally, other than in relation to the
 next dividend, distribution or interest
 payment

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41 Reason for request for quotation now

Example: In the case of restricted securities, end of
 restriction period

(if issued upon conversion of another
 security, clearly identify that other
 security)

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| | Number | +Class |
|----|--|--------|
| 42 | Number and +class of all +securities quoted on ASX (<i>including</i> the securities in clause 38) | |

+ See chapter 19 for defined terms.

Quotation agreement

- 1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

- 2 We warrant the following to ASX.
 - The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
 - There is no reason why those +securities should not be granted +quotation.
 - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.
Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
 - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
 - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

- 4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here: 

Date: 28 August 2009
Director

Print name: ROBERT JOHN (JACK) TELFORD

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