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RIGHTS ISSUE SHORTFALL NOTICE

Gippsland Limited ("Company") wishes to advise that its recent underwritten two for seven renounceable rights issue ("Offer") at \$0.032 per share to existing eligible shareholders closed on 6 October 2009.

Valid subscriptions were received for 113,657,234 million shares which equates to an uptake of 93.9%.

The shortfall under the Offer, being 7,372,703 shares, will be allocated to Gandel Metals Pty Ltd pursuant to the Company's underwriting arrangements with that party.

On receipt of the shortfall funds from Gandel Metals, a total of AU\$3.872 million will be have been raised pursuant to the Offer.

The Board is delighted with the level of participation in the renounceable rights issue and wishes to thank shareholders for their continued support of the Company.

For further information, please contact:

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