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28 May 2004

Company Announcements Office
Australian Stock Exchange Limited
20 Bridge Street
SYDNEY NSW 2000

Regulatory News Service
London Stock Exchange Limited
London EC2 1HP
United Kingdom

Dear Sir/Madam

DOUBLING OF TANTALUM PRODUCTION

The Directors of Gippsland Limited ("Gippsland" or "the Company") advise that the Company's consultant engineers have determined that the initial production rate for the Company's 40Mt Abu Dabbab tantalum project can be increased by approximately 26% by over-sizing the primary SAG mill and ball mill. This change will augment the ability to subsequently double the project's production rate to 2Mtpa.

The initial 1Mtpa process plant design allowed for the employment of a 1.6MW SAG mill operating in series with a 1.15MW ball mill. These two mills are now to be replaced with a 2MW SAG mill and a 1.4MW ball mill which has been calculated to expand the mill feed-rate to 1.26Mtpa.

The installation of the over-sized 2MW SAG mill and 1.4MW ball mill will enable subsequent project expansion to be undertaken quickly and at relatively minimal cost. This will be achieved by the installation of a second 1.4MW ball mill which is calculated to expand the mill feed-rate to 2Mtpa.

The expansion to 2Mtpa can be achieved with minimal alteration to the process plant design which will make allowance for the retro fitting of the second 1.4MW ball mill. The 2Mtpa production can be achieved without increasing the size of the mining equipment.

The Directors have previously stated their intention to expand the Abu Dabbab project not long after the planned December 2005 start-up and see that the initial installation of the two over-size mills will ensure that the project quickly reaches its full potential in the most cost effective manner.

"Studies undertaken to date by the Company's consultant engineers indicate that based upon a mill feed-rate of 1Mtpa, the Abu Dabbab project will produce approximately 420,000 pounds of tantalum per year, which equates to the tantalum off-take agreements the Company currently has in place. The mill feed-rate expansions to 1.26Mtpa and 2Mtpa are expected to result in a proportionate increase in tantalum production" said Jack Telford, Executive Chairman".

The Abu Dabbab bankable feasibility study is progressing to plan and is expected to be completed as scheduled by mid-July 2004.

The Directors are of the opinion that the Abu Dabbab mine has the potential to become the world's largest and lowest cost tantalum producer.

Yours sincerely

RJ (Jack) Telford
Executive Chairman



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