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6 October 2008

SUCCESSFUL PLACING OF SHARES

Gippsland Limited, the dual ASX and AIM listed company (code "GIP") developing the 44.5 million tonne Abu Dabbab and the 98 million tonne Nuweibi tantalum projects, today announces that it has completed a placing of 17,080,000 fully paid ordinary shares ("Placing Shares") to UK institutional investors and Australian investors at a price of 2.5 pence (approximately 5.73 Australian cents) per ordinary share ("Placing"). The Placing, undertaken by the Company's UK broker Fox-Davies Capital Limited, raised the sum of UK£427,000 (approximately A\$978,500) before costs.

The Placing Shares will rank pari passu with all existing fully paid ordinary shares in the Company. Application has been made for the Placing Shares to be admitted to trading on AIM and the Australian Stock Exchange with trading expected to commence on 9 October 2008. The total number of ordinary shares on issue following admission will be 323,434,325.

The funds raised under the Placing will be used for working capital purposes and for the further development of the Company's 44.5 million tonne Abu Dabbab and the nearby 98 million tonne Nuweibi tantalum projects.

Gippsland has completed a definitive Feasibility Study for the Abu Dabbab project, having a design mill-feed rate of 2 million tonnes per annum. It is scheduled to produce 650,000 pounds of tantalum pentoxide (Ta₂O₅), plus 1,530 tonnes of LME grade tin metal per year commencing late 2010.

The Company has also concluded a 10-year tantalum off-take agreement with the German tantalum major HC Starck GmbH for the supply of 6 million pounds of tantalum pentoxide, representing more than 90% of the total initial tantalum production during this period. The Abu Dabbab project alone is expected to have a mine life of 20 years, however with Gippsland's total JORC Code Resources (see Appendix A) exceeding 140 million tonnes, the Company will look to increase tantalum and tin production substantially following commencement of operations. Recent enquiries from third party tantalum consumers indicate that an expansion of production would be well supported.

Gippsland Directors are presently in project finance negotiations with the German government owned KfW Bankengruppe and are targeting an attractive 80% debt 20% equity facility, which the Directors anticipate will be concluded successfully prior to the close of 2008.

RJ (Jack) Telford
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Appendix A

TOTAL MINERAL RESOURCES

Category	Measured	Indicated	Inferred	Total	Cut-off
Abu Dabbab					
Million tonnes	15.2	17.3	12	44.5	100g/t Ta ₂ O ₅
Ta ₂ O ₅ (g/t)	290	250	200	250	
Sn (%)	0.143	0.078	0.03	0.09	
Nuweibi					
Million tonnes	-	48	50	98	100g/t Ta ₂ O ₅
Ta ₂ O ₅ (g/t)	-	147	138	143	

TOTAL ORE RESERVES (inclusive of Mineral Resources)

Category	Proved	Probable	Total
Abu Dabbab			
Million tonnes	15.201	15.038	30.240
Ta ₂ O ₅ (g/t)	260	250	255
Sn (%)	0.133	0.084	0.109

Note: Numbers in table may not add correctly due to rounding

Note:

In accordance with Listing Rule 5.6 of the Australian Stock Exchange Limited and Part 2 of the AIM Guidance Notes for Mining, Oil and Gas Companies, the geological information in this report that relates to Exploration Results, Mineral Resources and Ore Reserves is based on data compiled by Dr John Chisholm, a Fellow of The Australasian Institute of Mining and Metallurgy and a Fellow of the Australian Institute of Geoscientists. Dr Chisholm who is an Executive Director of Gippsland Limited with over 25 years experience in the mineral industry including the evaluation of exploration data, mineral resources and ore reserves, has consented to the issue of the information in this report in the form and context in which it appears.