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## ALLOCATION OF FELDSPAR PORTSITE

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### **Egyptian National Centre for Planning and Usage of State Land has permitted the use of the Port Turumbi portsite for the Abu Dabbab project**

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On 20 November the Directors of Gippsland Limited ('Gippsland' or 'the Company') [ASX, AIM: GIP, Deutsche Börse: GIX] announced that the Company's joint venture vehicle Tantalum Egypt JSC had made application to acquire the Port Turumbi portsite for the export of approximately 1.5 million tonnes per year of ceramic grade feldspar produced as a by-product from the 44.5 million tonne Abu Dabbab tantalum-tin project. The application was supported by the office of His Excellency Eng Samey Fahmy, Minister for Petroleum and Mineral Resources.

The Directors announce today that the Egyptian National Centre for Planning and Usage of State Land has approved the use of the Port Turumbi portsite for the Abu Dabbab project.

The Egyptian National Centre for Planning and Usage of State Land, the principal Egyptian Authority that answers directly to His Excellency Prime Minister Dr Ahmed Nazif, has issued instructions for the land covered by the application to be released to the Egyptian Mineral Resources Authority, which is part of the Ministry of Petroleum and Mineral Resources. Following the transfer, it is anticipated that the portsite will be allocated to Tantalum Egypt JSC. Terms of the transfer are presently being negotiated however, the parties involved recognise that the allocation will be based upon a long-term peppercorn lease arrangement.

The 44.5 million tonne Abu Dabbab project is scheduled to produce in excess of 650,000 pounds of tantalum pentoxide per year over a projected mine life of 20 years. The project, which will also produce approximately 1,530 tonnes of LME grade tin per year, is likely to become the world's largest supplier of tantalum feedstock.

Gravity separation techniques will be employed to extract the tantalum and tin from the Abu Dabbab mineralisation. Testwork commissioned by Gippsland in Australia and Italy has demonstrated that the resulting waste (or tailings) can be utilised to produce up to 1.5 million tonnes per year of premium grade feldspar suitable for the manufacture of ceramic tiles and sanitary wear. The production of feldspar will result in the Abu Dabbab project having a waste stream consisting of only 20% of all ore mined. At full production, the net revenue from feldspar is expected to exceed US\$20 million dollars per year.

Gippsland Executive Chairman said today: "The support for the project being provided by the highest levels of the Egyptian Government is most encouraging and bodes well for the successful implementation of the Abu Dabbab project which we are confident will become the prime focus of global tantalum production. We are also pleased by the attention being paid to the project by the KfW Bankengruppe, which is owned by the German Government and the German Federal States. This is of particular relevance when one considers that Egypt is a major recipient of German foreign aid.

Following the recently announced closure of Wodgina, which was the world's largest tantalum mine, Abu Dabbab is set to fill the expected void in the supply of this strategic metal. The project's resource base is unrivalled and capable of supplying a major portion of the world's tantalum requirement for several decades", said Mr Telford.

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