

207 Stirling Highway
Claremont WA 6010
Australia

t : +61 8 9340 6000
f : +61 8 9340 6060

PO Box 352
Nedlands WA 6909
Australia

e : info@gippslandltd.com
w : www.gippslandltd.com



ABN 31 004 766 376

31 August 2010

HEEMSKIRK TIN PROJECT DRILLING UPDATE

Gippsland Limited [ASX: "GIP"; FRA: "GIX"] is pleased to provide the attached copy of a Stellar Resources Ltd [ASX: "SRZ"] announcement which refers to drilling at the Tasmanian Heemskirk Tin Project at Zeehan, in which Gippsland holds a 40% free-carried interest.

Drilling at the near surface Queen Hill deposit at Zeehan has confirmed continuity of high grade tin mineralisation over potentially mineable widths.

The best result to date yielded 21m grading 0.8% tin from 86m, including a high grade 3m zone of 1.9% tin from 90m.

The drilling also shows that high grade mineralization extends further west than was demonstrated by historical drilling and that the tin mineralisation is present as cassiterite.

Under the terms of the Joint Venture Agreement, which is subject to a number of conditions precedent, Stellar Resources has the right to increase its Heemskirk ownership from 60% to 70%. The conditions precedent include the requirement that Stellar Resources complete a comprehensive feasibility study containing a recommendation that commercial development be undertaken with a view to commence mining operations. The feasibility study must contain all necessary supporting reports and data including detailed geological and metallurgical, financing and marketing studies.

The Directors are most encouraged by Stellar Resources' results to date which have the potential to quantify Australia's largest known tin resource.

For further information, please contact:

Jack Telford
Director – Chief Executive Officer
Gippsland Limited
T: +61 8 9340 6000
E: jtelford@gippslandltd.com

DJ Carmichael & Co
Paul Covich / Rob Matthews
T: +61 8 9263 5271
E: pcovich@djcarmichael.com.au / rmatthews@djcarmichael.com.au

WH Ireland Limited (UK)
John Molyneux / James Hughes
T: +44 20 7220 1665 / +44 20 7220 1663
E: john.molyneux@wh-ireland.co.uk / james.hughes@wh-ireland.co.uk

Excellent Tin Results from Heemskirk Drilling

Highlights

- Drilling at the near surface Queen Hill deposit at Zeehan in Tasmania has confirmed continuity of high grade tin mineralization over potentially mineable widths.
- ZQ96 provided the best result to date with 21m grading 0.8% tin from 86m, including a high grade 3m zone grading 1.9% tin from 90m.
- ZQ93 and 94 show that high grade mineralization extends further west than was demonstrated by historic drilling.
- Assays indicate that mineralization is in the form of cassiterite.

Next Step

- Drilling and assaying completed in the next month.
- Metallurgical test work will be conducted on Queen Hill Tin Lode mineralization to determine process route options. This work should be completed by November.

30 August 2010



Core sample from interval 90-91m grading 3.5% tin – hole ZQ96

ASX Code: SRZ

ABN 96 108 758 961
Level 7 Exchange Tower
530 Little Collins Street
Melbourne Victoria 3000
Australia

Telephone +61 3 9909 7618
Facsimile +61 3 9909 7621

www.stellarresources.com.au
szinfo@stellarresources.com.au

About Stellar:

Stellar Resources (SRZ) is focusing on the development of its iron ore and tin projects and advancement of uranium and base metal exploration properties. The company holds a portfolio of tenements located in South Australia, Tasmania and New South Wales that have excellent development potential. Key projects include: Tarcoola Iron Ore located in central South Australia, Heemskirk Tin located near Zeehan in Tasmania, Pirie Basin Uranium located north of Cowell in South Australia and Warrior Uranium located west of Tarcoola in South Australia. The company aims to create shareholder value by identifying and developing mature exploration properties.

Introduction

The Heemskirk Tin Project is located north of Zeehan on Tasmania’s west coast. The location is ideal for mining given that the area is well serviced by power, water, transport infrastructure and mining services. Stellar holds a 60% interest in the Heemskirk Tin Project with joint venture partner Gippsland Limited and can increase its holding to 70% by completing a feasibility study.

Drilling during the early 1980s identified three tin deposits, Queen Hill, Severn and Montana. Queen Hill is the focus of the current phase of exploration as it crops out at the surface, has not been fully drilled out close to the surface nor has it been fully tested for metallurgical performance.

Drilling Update

The current program of six diamond core holes (ZQ93 to ZQ98) is well advanced with five holes completed and a sixth underway. ZQ94, 95 and 97 tested positions within 30m of the surface. ZQ96 and ZQ98 were designed to infill gaps in previous drilling at 80m below the surface.

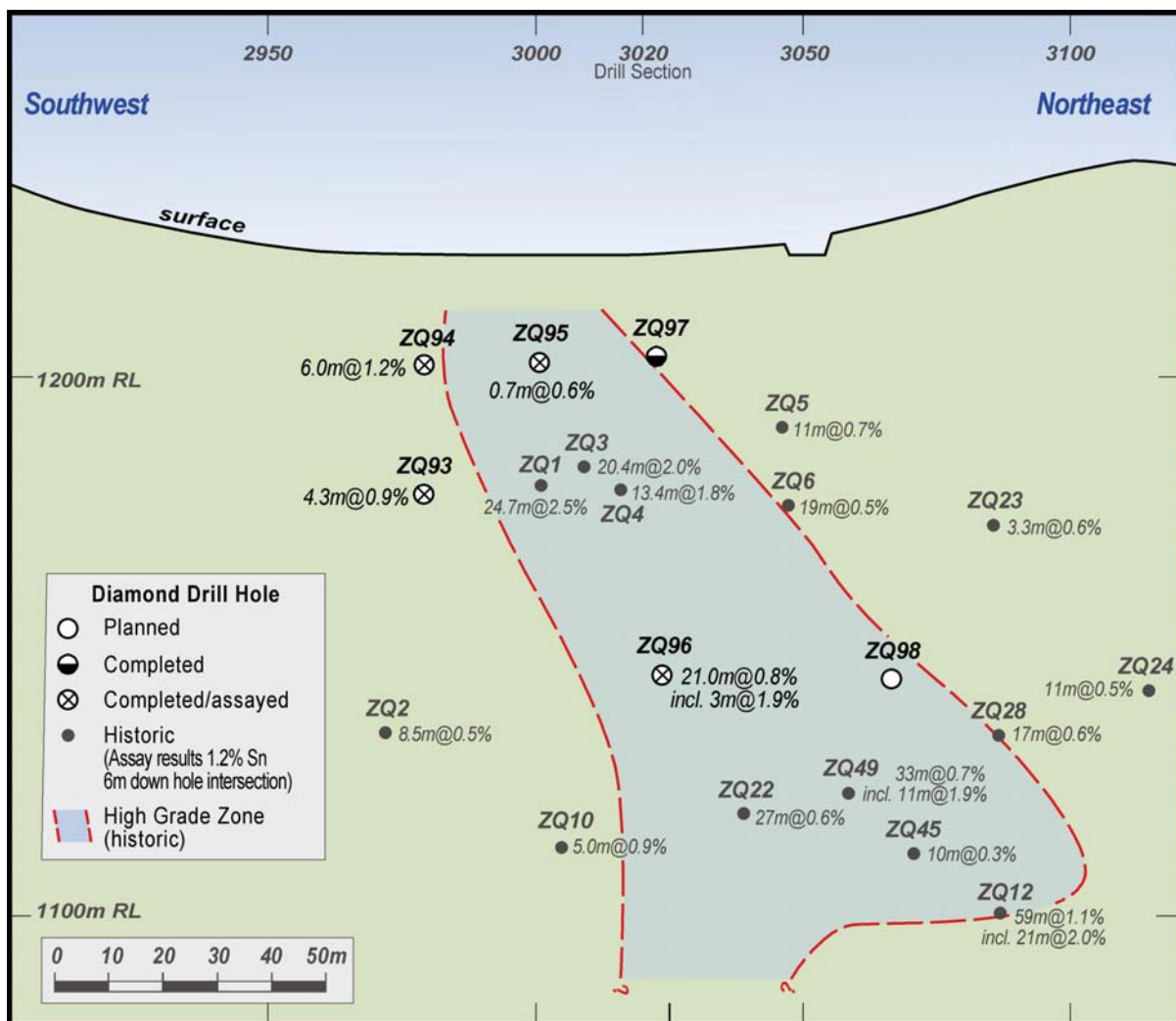


Figure 1. Long-Section Showing Mineralised Drill Hole Pierce Points and High Grade Zone

Assay Results

Figure 1 compares historic assay results with down-hole tin assays (above a 0.5% cut-off) for the four diamond core holes assayed to date.

- All holes apart from ZQ95, intersected high grade mineralisation over potentially mineable widths.
- ZQ94 and 93 show that the near-surface high grade mineralisation extends further west than indicated by historic drilling.
- ZQ96 confirmed the down-dip extension of the high grade mineralisation identified by historic drill holes ZQ1, 3 and 4.
- A significant result is that acid soluble tin content is low in the Tin Lode implying that tin is in the form of cassiterite rather than the more difficult to treat stannite.

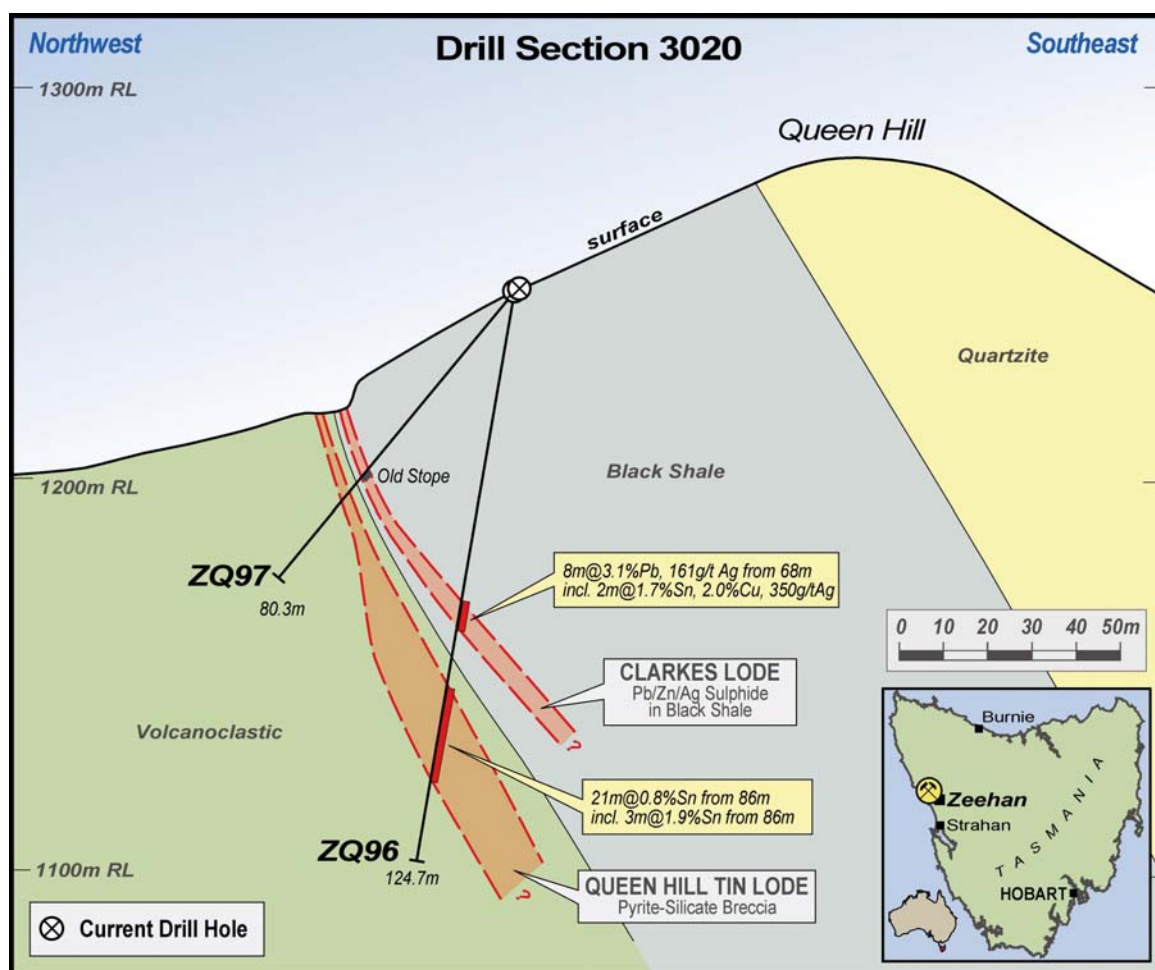


Figure 2. Queen Hill Interpretative Geology

Geology

Figure 2 shows interpretative geology for drill section 3025 (also identified in Figure 1). ZQ96 has returned the best assay results to date with a 21m down-hole intersection grading 0.8% tin from 86m. The Queen Hill Tin Lode also contains high grade zones with 3m at 1.9% tin from 90m being the best. Assays for ZQ97 are pending.

Mineralisation in the Queen Hill Tin Lode occurs as a fracture zone filling of pyrite and silica with fine grained cassiterite contained within the sulphides and silicates. The fracture zone occurs within a volcanoclastic unit, close to the contact with the overlying black shale unit.

Sulphide mineralogy suggests that there were several pulses of mineralisation with Clarkes Lode representing a late stage emplacement of sulphides within the black shale unit. Historic mining near the surface targeted Clarkes Lode but did not follow it down at depth. However, ZQ97 shows that the mineralisation at this level can be quite rich with an 8m down-hole intersection assaying 3.1% lead and 161g/t silver within which occurs a 2m zone of 1.7% tin, 2.0% copper and 350g/t silver.

Historic drilling focused on tin and did not report intersections within Clarkes Lode. Given the results of ZQ97, more work is required to understand why Clarkes Lode did not become an exploration target.

Next Step

Drilling should be complete within two weeks and all assays reported within four weeks. Collar locations and hole orientation data will be published at this time.

The fresh samples obtained from drilling will be used in a metallurgical test program to determine process route options. This work should be complete by November 2010.

Once the metallurgical program is complete, Stellar will carry out a detailed review of the project along with an updated resource estimate.

The drill and exploration results reported herein, insofar as they relate to mineralisation, are based on information compiled by Mr R K Hazeldene (Member of the Australasian Institute of Mining and Metallurgy and Member of the Australian Institute of Geoscientists) who is a Consultant of the Company. Mr Hazeldene has sufficient experience relevant to the style of mineralisation and type of deposits being considered to qualify as a Competent Person as defined by the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code, 2004 Edition). Mr Hazeldene consents to the inclusion in the report of the matters based on his information in the form and context in which it appears. It should be noted that the abovementioned exploration results are preliminary.

For further details please contact:

Peter Blight

CEO

Tel: 03 9909 7618

Email: peter.blight@stellarresources.com.au

or visit our Website at: <http://www.stellarresources.com.au>