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GIPPSLAND LIMITED

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ASX–LSE Announcement Media Release

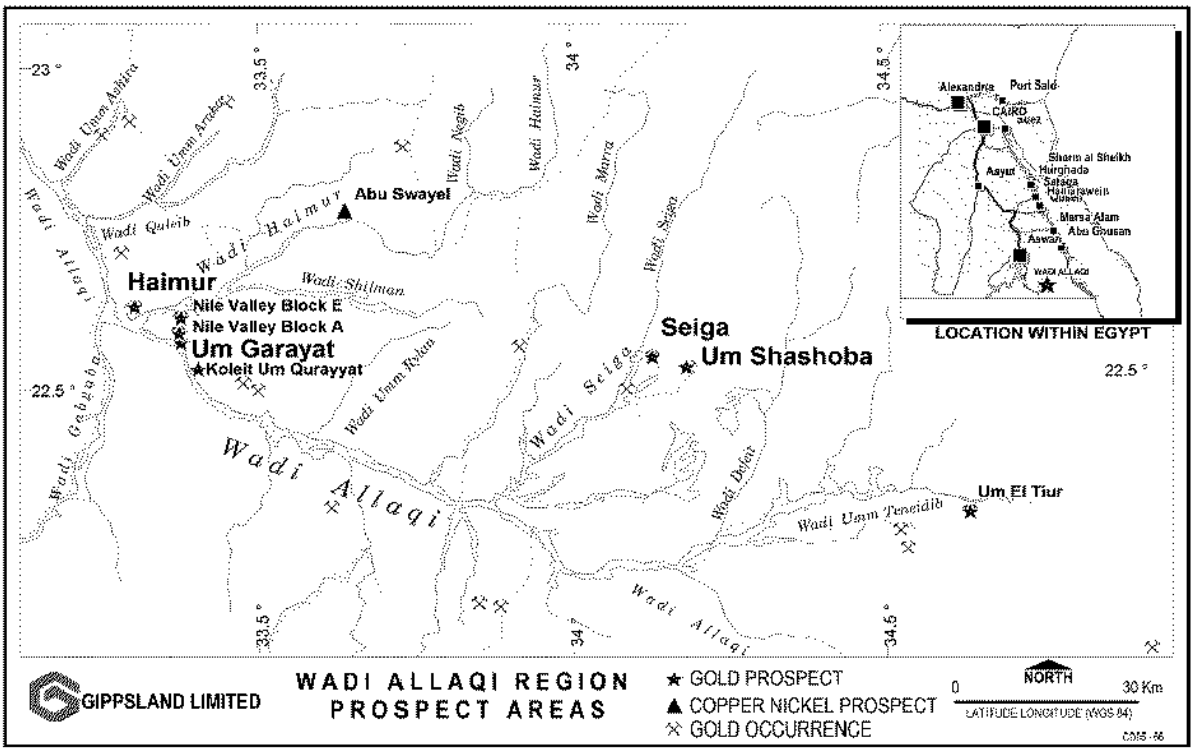
HIGHLY ENCOURAGING EXPLORATION RESULTS DELINEATE WADI ALLAQI DRILLING TARGETS

34.5 metres wide mineralised zone
20.3 metres @ 7.40g/t Au, including
4.0 metres @ 10.52g/t Au, and
4.3 metres @ 14.31g/t Au, plus
8.0 metres @ 7.77g/t Au

Trenching of anomalies Q3 for additional target delineation in preparation for drilling programme in Q4

The Directors are pleased to announce the results of geochemical sampling from the Company's Wadi Allaqi project areas in southern Egypt.

Highly anomalous gold results were obtained from three of the areas sampled. At the Seiga prospect rock chip sampling returned 20.3m at 7.40g/t Au including 4.3m at 14.31g/t Au and 4m at 10.52g/t Au within a 34.5m wide zone of mineralisation. At the Um Shashoba prospect sampling of wall rocks adjacent to ancient workings gave a best result of 11.9m at 2.22g/t Au including 2m at 4.19g/t Au. Rockchip sampling at Haimur returned 2m at 71.37g/t Au plus 2m at 11.31g/t Au while regolith sampling at Haimur and Um Shashoba returned anomalous samples of up to 2.42g/t Au and 6.27g/t Au respectively.

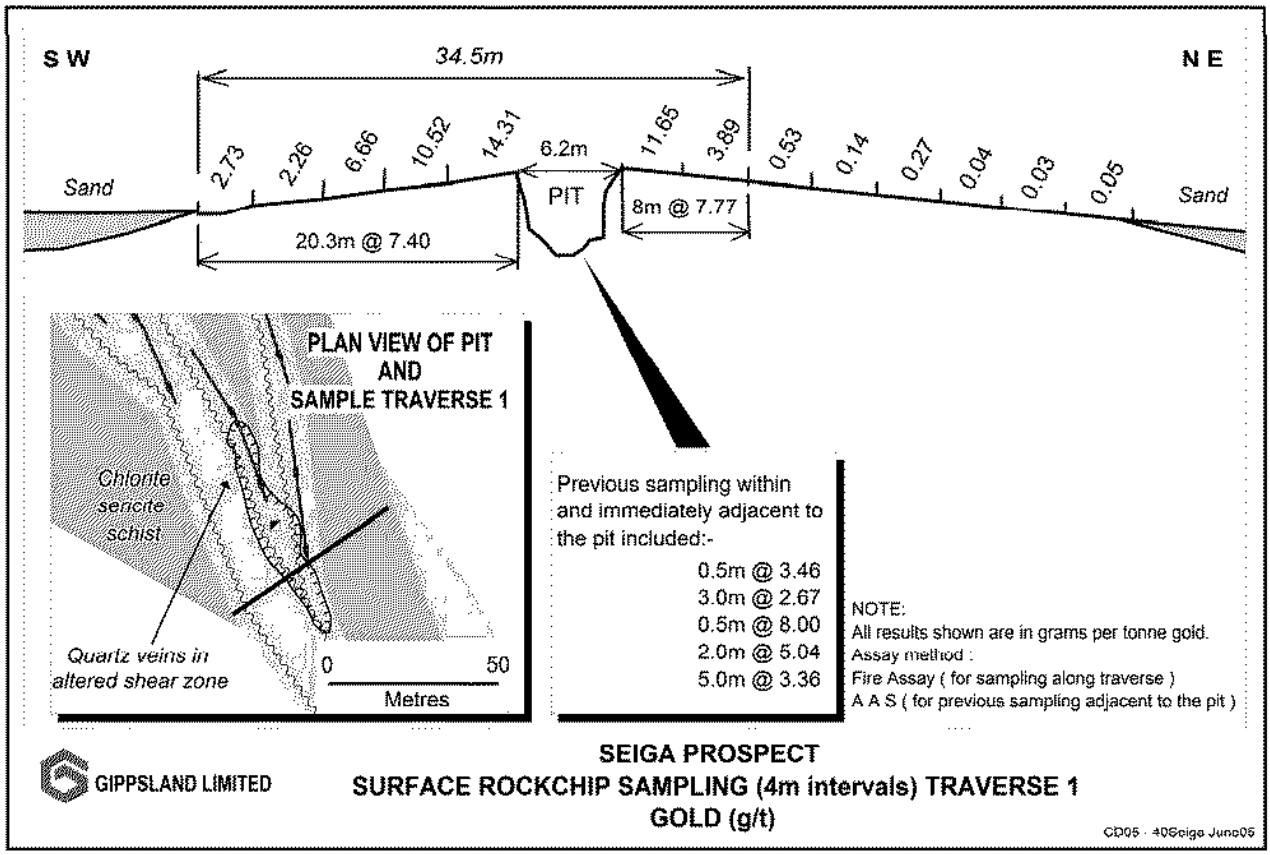


1. Seiga

A single profile of rock chip samples was collected across the strike of a zone of highly altered sericite-chlorite-carbonate schist. The sample profile crossed a shallow ancient pit. Samples were collected mostly at 4m intervals. The profile started at the base of the ridge where wadi sand covered the outcrop, and it is possible that the mineralisation continues beneath the alluvial cover to the southwest.

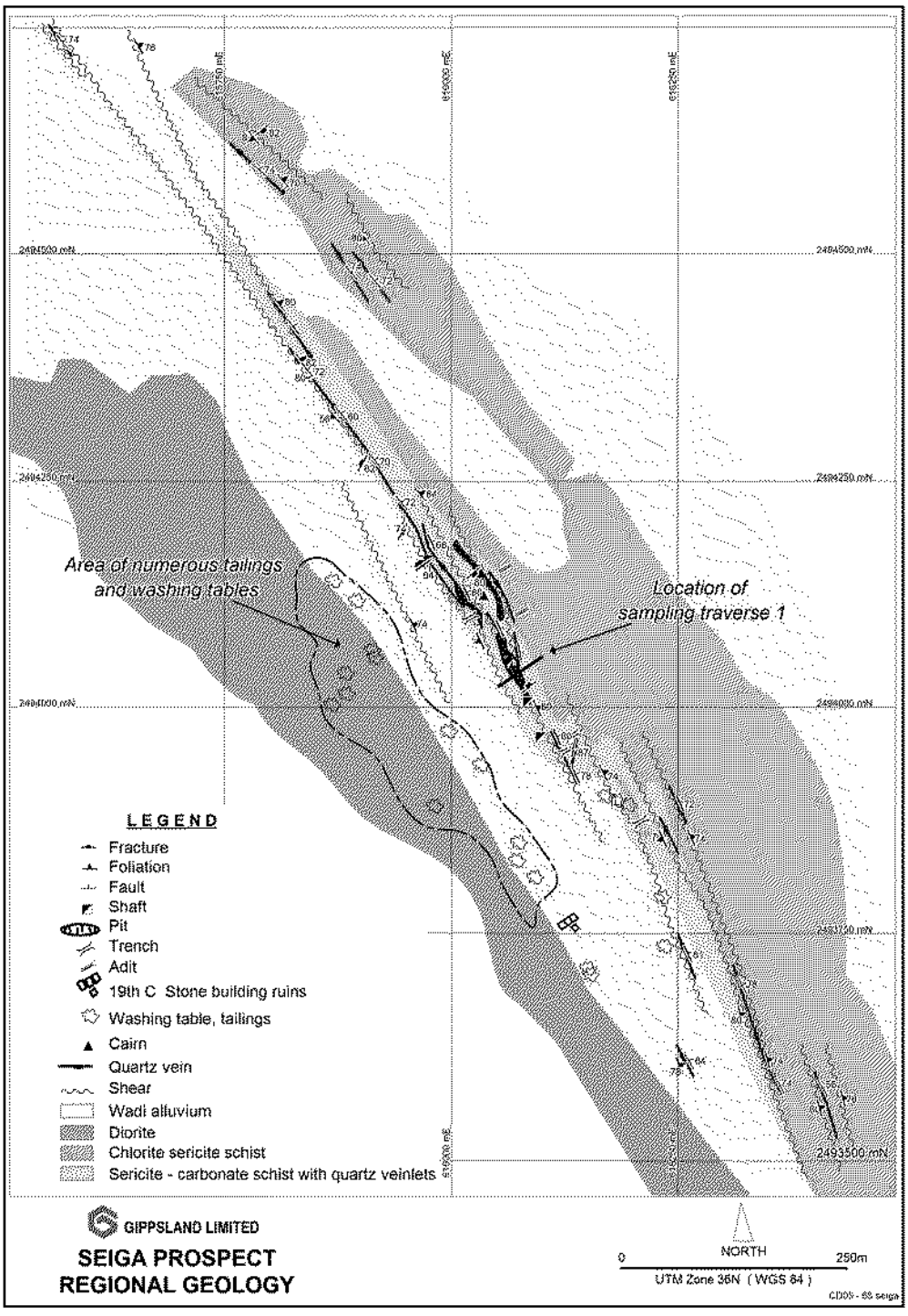
Table 1 Seiga prospect rock chip sample results

Sample interval in metres	Au - AAS (g/t)	Au - fire assay (g/t)
0 to 4	2.55	2.73
4 to 8	1.86	2.26
8 to 12	6.85	6.66
12 to 16	10.31	10.52
16 to 20.3	14.12	14.31
20.3 to 26.5	No sample taken from shallow pit	
26.5 to 30.5	11.4	11.65
30.5 to 34.5	3.7	3.89
34.5 to 38.5	0.476	0.53
38.5 to 42.5	0.140	
42.5 to 46.5	0.267	
46.5 to 50.5	0.040	
50.5 to 54.5	0.030	
54.5 to 58.5	0.047	



To the southwest of an ancient shallow pit the sampling returned 20.3m at an average of 7.40g/t Au with a further 8m at 7.77g/t Au on the eastern side of the pit. Assuming that the material removed by the ancient miners was of a similar grade, the mineralisation has a minimum width of 34.5m at around 7g/t Au. The zone immediately along strike to the south of the ancient workings is covered by wadi sands of unknown thickness. The host structure to the mineralisation has been identified by geological mapping over a strike length of 1.75km and is open at either end. The entire zone has only been sampled with a single profile to date.

The prospect has been the site of mining activity dating back to the ancient times, but this activity was restricted to high grade lodes and did not proceed to any great depth. Apart from some exploratory shaft sinking by a South African syndicate in the early 1900s, there has been no recent exploration of any consequence.



2. Um Shashoba

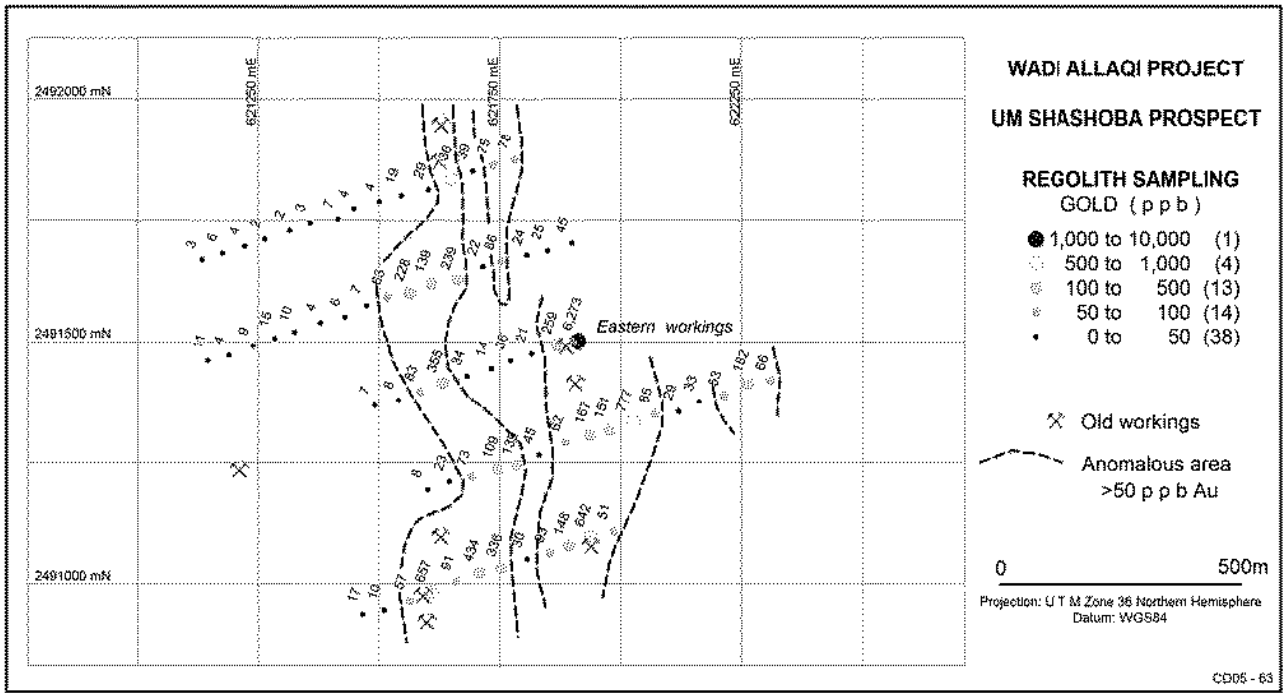
At Um Shashoba a single profile of channel sampling was conducted across part of ancient workings in the eastern part of the prospect. The work produced reasonable results with an average of 11.9m at 2.22g/t Au. The profile did not sample 1.6m across the ancient workings.

Table 2 Um Shashoba prospect channel sample results

Sample interval in metres	Au (ppb)	Au (g/t)
0 to 2	1,965	1.83
2 to 4	984	0.88
4 to 5.6	No sample taken from ancient stope	
5.6 to 7.6	3,153	2.94
7.6 to 9.6	4,610	4.19
9.6 to 11.9	1,381	1.24

Seventy regolith samples were collected over an area between the two lines of historical workings. They were collected at 50m spacing along lines 200m apart. The best result was 6.27g/t Au at the end of one of the sample lines adjacent to the eastern ancient workings. Eight samples returned assays greater than 0.1g/t Au.

The sampling identified an anomalous gold zone coincident with a shear that is associated with a north-south line of ancient workings.



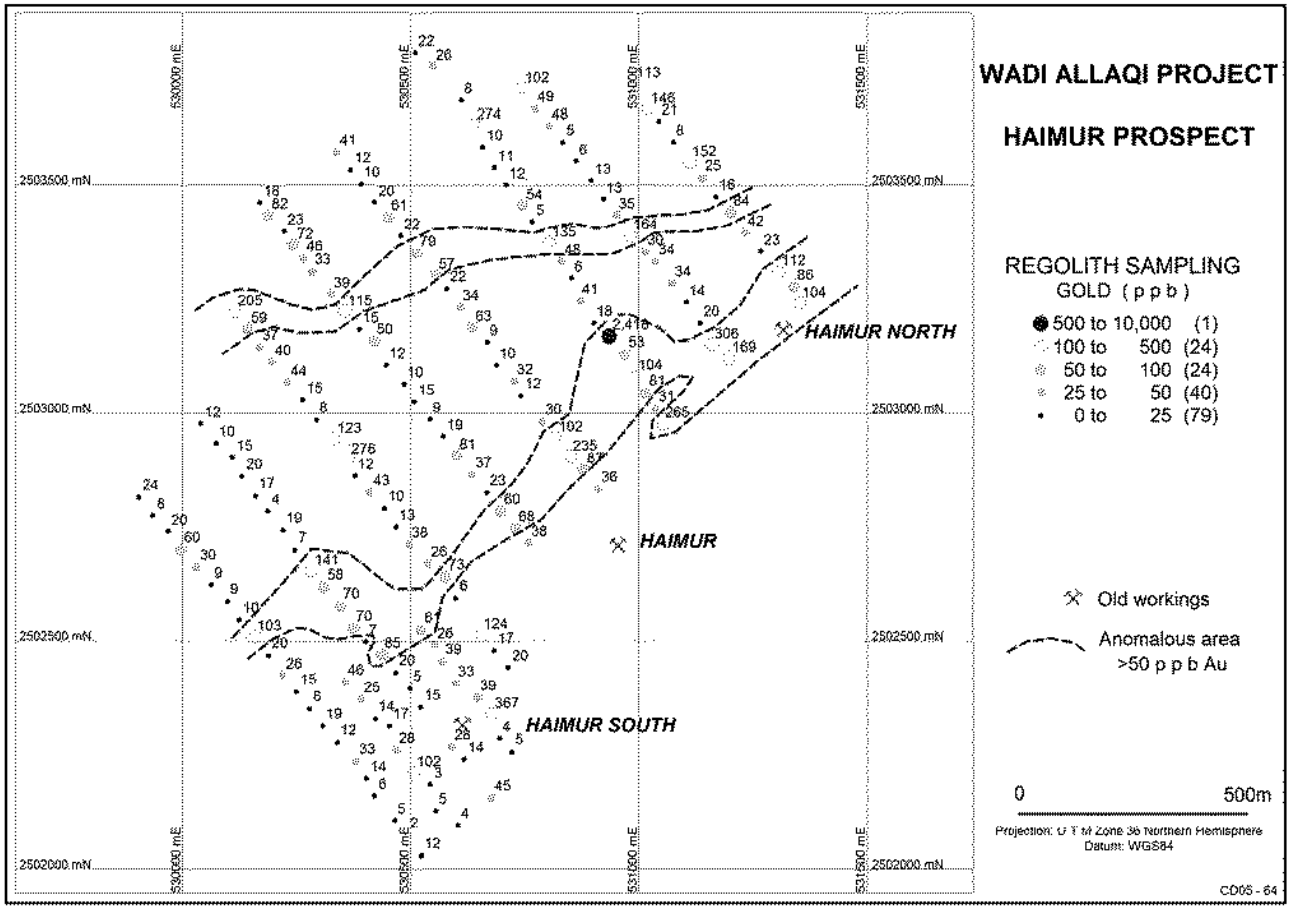
3. Haimur

Discontinuous rock chip sampling was completed along the walls of two of the five adits constructed during the early 1900s. The sampling confirmed the presence of high-grade gold values associated with the lodes. Further exploration will focus on identification of high-grade gold shoots along strike from the historical workings.

Table 3 Haimur adit sampling - best results

	Sample interval in metres	Au (g/t)
Adit 1	12 to 14	71.37
Adit 1	44 to 46	2.04
Adit 1	48 to 50	11.31
Adit 2	4 to 6	1.11

Regolith sampling was conducted over a large area covered by alluvial and wadi sediments located to the northwest of the old workings. The sampling was designed to target extensions to some mineralised shears identified from geological mapping and some earlier wadi bank sampling. The results show a number of linear anomalies that reflect the position of shears. The best result of 2.42g/t Au is located adjacent to a shear that is known to be mineralised. Some highly anomalous regolith samples containing up to 276ppb Au are located along strike to the southwest from this shear. Eight samples returned assay values greater than 200ppb Au.



4. Um Garayat

Twenty-nine trenches along strike to the south of the historical workings were cleared and re-sampled. The trenches were previously excavated over shears and veins identified by geological mapping. Overall the results were relatively low with the best being 3m at 0.436g/t Au. The more prospective area located to the north of the old workings has yet to be tested.

EXPLORATION PROGRAMME

The Gippsland Directors consider the above results to be highly encouraging as a number of drilling targets have been clearly delineated. The Company has entered into negotiation with two drilling contractors with the aim of undertaking an extensive rotary air blast ("RAB") and reverse circulation ("RC") drilling programme at the earliest possible opportunity.

The drilling rigs will need to be sourced from outside of Egypt and whilst mobilising the drilling rigs the Company plans to undertake an extensive trenching programme over the extensions of the known mineralised zone at Seiga. Trenching is also planned to test the geochemical anomalies identified at Haimur and Um Shashoba.

While the excavator is on site trenching will be completed at Um Garayat and Abu Swayel to obtain geological and geochemical samples from beneath the wadi sediments. It is anticipated that the trenching work will enable the RC and RAB drilling rigs to expand the programme whilst on site.

Yours sincerely

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Note: In accordance with Listing Rule 5.6 of the Australian Stock Exchange Limited, 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. Dr Chisholm who is a Director of Gippsland Limited and a principal of Continental Resource Management Pty Ltd has over 25 years experience in the mineral industry including the evaluation of exploration data, mineral resources and ore reserves.