

15 April 2011

## ERITREA EXPLORATION UPDATE

---

### Highlights

- Field work commences
- Key Eritrean staff appointments
- Eritrean business licence granted
- Subsidiary name change
- Eritrean office established

Gippsland Limited ('Gippsland' or the 'Company') [ASX: GIP, FRA: GIX] provides the following update for the Adobha Project in Eritrea.

### Exploration Update

Geological interpretation of the tenements was completed at 1:25,000 (23 map sheets) and 250,000 scales. A colour 1:100,000 compilation has also been completed.

Based on this work, high priority target areas for geochemical sampling have been outlined. Individual sample location sites for the southern-most areas have been identified.

A helicopter survey for comprehensive drainage sampling and mapping of the Exploration Licence is expected to commence in late April. The survey will be conducted using 4 teams of two and will be managed by Eyob Fisseha.

A helicopter based field survey of the two western Prospecting Licences using a military M1 17 helicopter will take place next week. The survey will focus on collecting rock samples to confirm satellite imagery based geological interpretation, locating artisanal & historic workings and collecting reconnaissance drainage samples.

Commencing next week, a two week vehicle based survey with similar objectives will be conducted on the southern prospecting licence.

The work will be conducted by Gippsland consultant geologist Dr Chisholm, Dr Atef of Gippsland's Cairo office and Eritrea Country Manager and exploration geologist Eyob Fisseha Andemeskel, of whom further details are provided below, supported by seconded geologists and field assistants.

This work is expected to be followed-up immediately by ground geophysical surveys of target areas.

### Corporate

#### *Change of name of Subsidiary*

All of the company's tenements are held by a wholly owned, Australian domiciled subsidiary. This subsidiary is now known as Adobha Resources (Eritrea) Pty Ltd (formerly Nubian Resources Pty Ltd) following a change of name on 16 February 2011.

The change of name is presently being registered in Eritrea.

For personal use only

### *Key Eritrean Staff Appointments*

ARE has appointed country manager and exploration geologist Eyob Fisseha Andemeskel (effective 1 March 2011) and office manager Martha Abrahalei (effective 15 March 2011).

Eyob graduated with a B.Sc. majoring in Geology in 2000. Prior to joining ARE, Eyob spent 10 years with the Department of Mines Eritrea, assigned to Geological Survey mainly engaged regional mapping, prospecting and exploration for industrial and base metals throughout Eritrea.

During this time Eyob was seconded from the Department of Mines to a number of exploration companies carrying out exploration in Eritrea including Sanu Resources; Sub-Sahara Resources (Zara project); Sunridge and Nevsun Resources (Bisha project) and was involved in every aspect of exploration activity including stream sediment and soil sampling; detailed mapping; core geotechnical, mineral logging and drilling supervision, geophysical and geochemical interpretation and project management.

ARE is presently finalising contracts for the secondment of two geologists from the Department of Mines Eritrea. In addition ARE is presently securing the services of field assistants and other support personnel.

### *Granting of Business Licence*

In order to lease premises and appoint Eritrean personnel, it was necessary for ARE to obtain an Eritrean business licence. This licence was granted on 27 January 2011.

### *Lease of Offices*

Following the granting of a business licence, ARE leased offices in Asmara, Eritrea's capital. Office and Field equipment, including vehicles, have been purchased and are expected to arrive in Asmara on 23 April.

Ian Gandel  
Chairman

### **For further information please contact**

Geoff Hawkins  
Gippsland Limited

T: +61 8 9340 6000

E: [info@gippslandltd.com.au](mailto:info@gippslandltd.com.au)

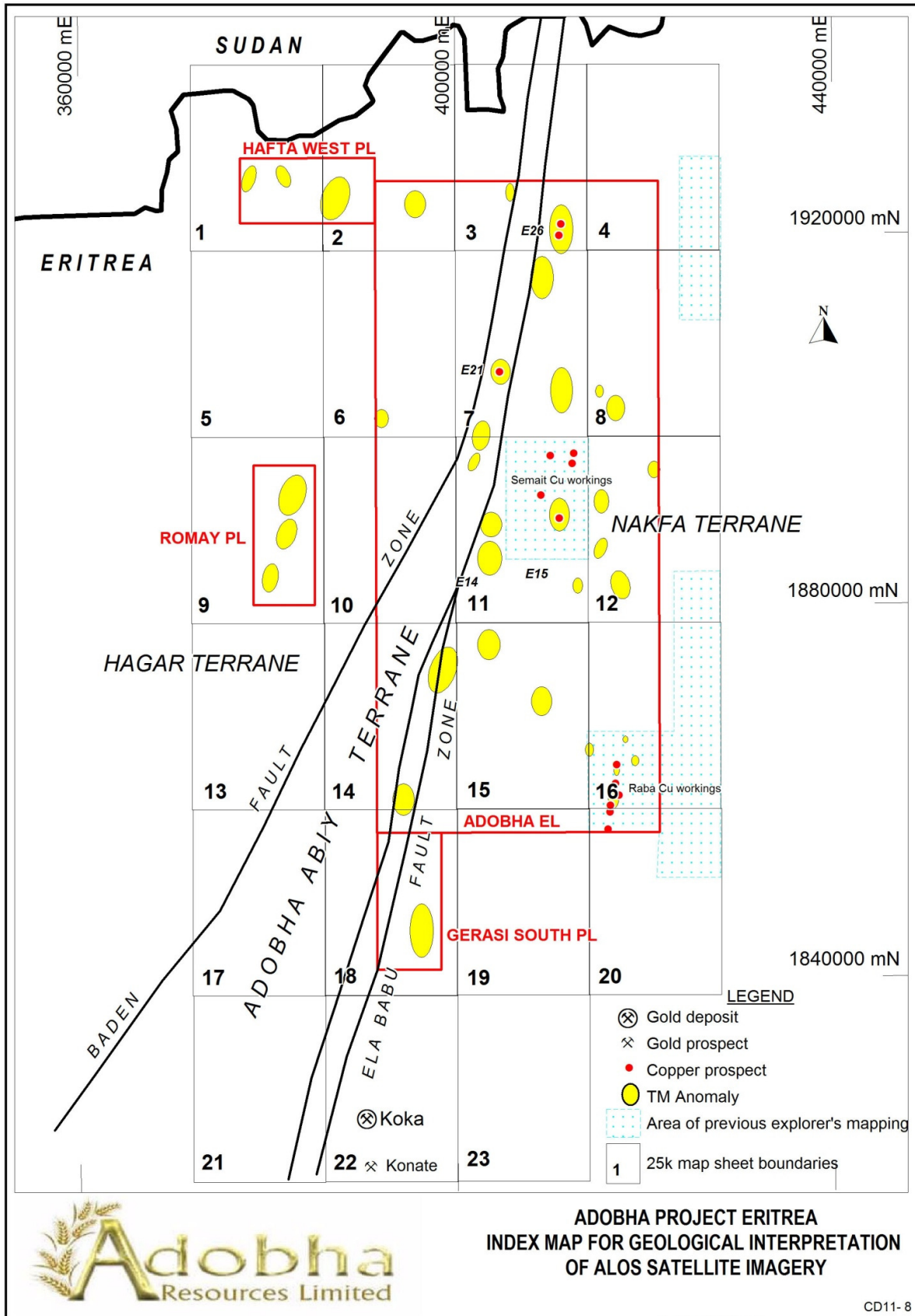


Figure 1 Adobha Project - geological map sheet index showing TM anomalies