



GIPPSLAND LIMITED AND CONTROLLED ENTITIES
ABN 31 004 766 376

FINANCIAL REPORTS

FOR THE YEAR ENDED

30 JUNE 2007

CORPORATE GOVERNANCE STATEMENT

The directors of Gippsland Limited believe firmly that benefits will flow from the maintenance of the highest possible standards of corporate governance and strive for compliance with best corporate governance practice where practicable.

Trading Policy

The company's policy regarding directors and employees trading in its securities is set by the board. The policy restricts directors and employees from acting on material information until it has been released to the market and adequate time has been given for this to be reflected in the security's prices. Additionally directors and employees are restricted from trading in the Company's securities during close periods preceding periodic lodgement dates.

Website Disclosure of Corporate Governance Practices and Policies

Further information relating to the company's corporate governance practices and policies has been made publicly available on the company's web site at www.gippslandltd.com

Commentary on Departures from Best Practice Recommendations

During the financial year the company has complied with the majority of the ten essential corporate governance principles and the corresponding best practice recommendations as published by the ASX Corporate Governance Council except as detailed below:

Council Recommendation 2.1

A majority of the Board should be independent directors

The Board comprises two independent directors and three non-independent directors. Prior to the appointment of Mr J Starink as an executive director on 8 May 2007, the ratio was two independent directors to two non-independent directors. Therefore a majority of the Board is not independent.

While the Board strongly endorses the position that boards need to exercise independence of judgment, it also recognises that the need for independence is to be balanced with the need for skills, commitment and a workable board size. The Board believes it has recruited members with the skills, experience and character to discharge its duties and that any greater emphasis on independence would be at the expense of the Board's effectiveness.

Messrs Kenny and Dunlop are Non-Executive Directors of the Company. Both Non-Executive Directors are considered independent within the ASX Corporate Governance Council's guidelines.

Mr Dunlop is a principal at John Dunlop & Associates Pty Ltd, engineering service providers for the Company. Mr Dunlop has been directly involved in the provision of the engineering services by John Dunlop & Associates Pty Ltd, however the undertaking of this role does not constitute Mr Dunlop or John Dunlop & Associates Pty Ltd as being material service providers to the Company. Mr Dunlop does not participate in the discussions regarding the provision of engineering services.

At present the Company believes that the individuals on the Board can make, and do make, quality and independent judgments in the best interests of the Company on all relevant issues. Directors having a conflict of interest in relation to a particular item of business must absent themselves from the Board Meeting before commencement of discussion on the topic.

The Board considers that the Company is not currently of a size, nor are its affairs of such complexity to justify the expense of appointing additional independent Non-Executive Directors.

CORPORATE GOVERNANCE STATEMENT

Council Recommendation 2.2

The chairperson should be an independent director

The company's chairman, Mr Robert John Telford, is considered by the board not to be independent in terms of the ASX Corporate Governance Council's definition of independent director. However the board believes that the chairman is able and does bring quality and independent judgement to all relevant issues falling within the scope of the role of chairman.

The board considers that the company is not currently of a size, nor are its affairs of such complexity to necessitate the appointment of an independent non-executive chairperson.

Council Recommendation 2.3

The roles of chairperson and chief executive officer should not be exercised by the same individual.

The company's chairman Mr Robert John Telford currently holds the position of both chairperson and chief executive officer. The board recognises the importance of independence in decision-making, however believes that Mr Telford is the most appropriate person for the position due to his extensive industry experience and previous record as chairman. The board recognises that Mr Telford has been a major force in the company's success and that as the company enters its next growth stage, Mr Telford's industrial experience and strong and effective leadership will be beneficial.

Council Recommendation 2.4

The board should establish a nomination committee

The Board considers that the Company is not currently of a size to justify the formation of a nomination committee. The Board as a whole undertakes process of reviewing the skill base and experience of existing Directors to enable identification of attributes required in new Directors. Independent consultants are engaged to identify possible new candidates for the Board, when appropriate.

The Board acknowledges this does not comply with Recommendation 2.4 of the ASX Corporate Governance Guidelines. If the Company's activities increase in size, scope and nature, the appointment of a nomination committee will be reviewed by the Board and implemented if appropriate.

Council Recommendation 4.2

The board should establish an audit committee

The Board considers that the Company is not of a size, nor are its financial affairs of such complexity to justify the formation of an audit committee. The Board as a whole undertakes the selection and proper application of accounting policies, the identification and management of risk and the review of the operation of the internal control systems.

The Board acknowledges this does not comply with Recommendation 4.2. If the Company's activities increase in size, scope and nature, the appointment of an audit committee will be reviewed by the Board and implemented if appropriate.

Council Recommendation 4.3

Structure the audit committee so that it consists of:

- *only non-executive directors;*
- *a majority of independent directors;*
- *an independent chairperson, who is not chairperson of the board;*
- *at least three members.*

Refer comments on council recommendation 4.2

Council Recommendation 4.4

The audit committee should have a formal operating charter.

Refer comments on council recommendation 4.2

CORPORATE GOVERNANCE STATEMENT

Council Recommendation 9.2

The board should establish a remuneration committee.

The Board considers that the Company is not currently of a size, nor are its affairs of such complexity to justify the formation of a remuneration committee. The Board as a whole is responsible for the remuneration arrangements for Directors and executives of the Company.

The Board acknowledges this does not comply with Recommendation 9.2. If the Company's activities increase in size, scope and nature, the appointment of a remuneration committee will be reviewed by the Board and implemented if appropriate.

DIRECTOR'S REPORT

Your directors present their report on the company and its controlled entities for the financial year ended 30 June 2007.

Directors

The names of directors in office at any time during or since the end of the year are:

Mr Robert John Telford
Dr John Morrison Chisholm
Mr John Stuart Ferguson Dunlop
Mr John Damian Kenny
Mr Jon Starink (appointed 8 May 2007)

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Company Secretary

The following person held the position of company secretary at the end of the financial year:

Mr Rowan Caren - Bachelor of Commerce, Chartered Accountant. Mr Caren was employed by a first tier chartered accountancy firm in Australia and overseas for six years and has been directly involved in the minerals exploration industry for a further ten years. Mr Caren also provides company secretarial and corporate advisory services to several exploration companies and is a member of the Institute of Chartered Accountants in Australia.

Principal Activities

The principal activities of the economic entity during the financial year were:

- exploration and development of commercially and economically viable mineral resources.

There were no significant changes in the nature of the consolidated group's principal activity during the financial year.

Operating Results

The consolidated loss of the consolidated group after providing for income tax and eliminating minority equity interests amounted to \$4,191,218.

Dividends

No dividend was paid or declared during the financial year and the directors do not recommend the payment of a dividend for the financial year ended 30 June 2007.

Review of Operations

During the year the company continued to focus on the development of the Abu Dabbab tin/tantalum project in Egypt and the exploration for gold and base metals in the Wadi Allaqi region of Egypt. A detailed review of the company and the consolidated group's activities will be set out in the company's Annual Report.

Financial Position

The net assets of the consolidated group have decreased by \$1,378,737 to \$2,411,985 at 30 June 2007. This decrease has largely resulted from the following factors:

- proceeds from share issue raising \$2,751,505 offset by
- exploration expenditure of \$1,781,410
- project development expenditure of \$778,196 and
- administration expenditure of \$1,767,042.

DIRECTOR'S REPORT

The consolidated group's sound financial position has enabled the group to focus on:

- completing the bankable feasibility study for the Abu Dabbab tantalum project in Egypt; and continue with an active exploration strategy within the Wadi Allaqi region of Egypt.

The directors believe the company is in a strong and stable financial position to expand and grow its current operations.

Significant Changes in State of Affairs

The following significant changes in the state of affairs of the parent entity occurred during the financial year:

- a) On 1 May 2007 the company issued 26,666,666 ordinary shares at \$0.109 each, raising \$2,895,753.

After Balance Date Events

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the consolidated group, the results of those operations, or the state of affairs of the consolidated group in future financial years.

Future Developments, Prospects and Business Strategies

Information as to likely developments in the operations of the Company and the consolidated group and the expected results of those operations in future financial years has not been included in this report because, in the opinion of the Directors, it would prejudice the interests of the Company and the consolidated group.

Environmental Issues

The consolidated group's operations are not currently subject to any significant environmental regulations under either Australian or Egyptian legislation. However, the board is committed to achieving a high standard of environmental performance, and regular monitoring of potential environmental exposures is undertaken by management. The board considers that the consolidated group has adequate systems in place for the management of its environmental requirements and is not aware of any breach of those environmental requirements as they apply to the consolidated group.

An environmental and social impact assessment has been completed for the Abu Dabbab project in Egypt.

The consolidated group is required to carry out its activities in accordance with the Mining Laws and regulations in the areas in which it undertakes its exploration activities.

Information on Directors

Robert John Telford - Chairman (Executive)
AWAIT (Chem), M RACI

Mr Telford holds an Associate degree in Pure Chemistry (Organic and Inorganic) having graduated from the Institute of Technology of Western Australia (now Curtin University) in 1967.

Mr Telford has been a major shareholder in technology-based industries for some 30 years in the capacity of chief executive officer ("CEO"). He has been involved in the pharmaceutical industry having been a past chairman and major shareholder of the company Inovax Limited. Mr Telford has held the position of CEO in companies involved in inorganic and organic chemical manufacture for some 15 years. He has been involved in the international resource industry for some 15 years via private and public companies and in the main is responsible for securing the Company's interest in its Egyptian resource projects.

Interest in Shares and Options - 13,568,124 ordinary shares in Gippsland Limited and options to acquire a further 6,558,322 ordinary shares

DIRECTOR'S REPORT

John Morrison Chisholm - Director (Executive)
B Sc (Hons), PhD, F AusIMM, F AIG

Dr Chisholm is a consulting geologist with wide experience in exploration geology and exploration management having worked as a lecturer at the University of Western Australia and Curtin University prior to working for various international mining companies. He was formerly an adjunct associate professor in economic geology at Curtin University.

In 1984 he joined Western United Mining Services Pty Ltd during which time as managing director he managed a large group of geoscientists and was involved in the discovery of the Transvaal and Bounty mines.

He is a Fellow of both the Australian Institute of Geoscientists and the Australasian Institute of Mining and Metallurgy with Chartered Practising status in Geology. Dr Chisholm was one of the first geologists in Australia to have been awarded Practising Chartered Status in geology by the Australasian Institute of Mining and Metallurgy which is the highest level of recognition that can be attained by professional geologists.

Interest in Shares and Options - 150,000 ordinary shares and listed options to acquire a further 2,260,000 ordinary shares.

Jon Starink - Director (Executive)
BSC (Hon1), BChemE(Hon1), MAppSc, F AusIMM, FIEAust, FIChemE, MRACI, MTMS, CPEng, CChem, CSci

Mr Starink's qualifications include Bachelor of Science with First Class Honours (University of Sydney), a Bachelor of Chemical Engineering with First Class Honours (University of Sydney) and a Master of Applied Science (University of Sydney). His academic achievements include; Union Carbide Prize in Inorganic Chemistry, Western Mining Prize in Chemical Engineering and Beckman Coulter Postgraduate Prize for Best Overall Performance in Molecular Biotechnology. He held the position of Deputy Head Department of Chemical Engineering at Curtin University of Technology during 1984-85 & 1987.

Based in London, Jon Starink is a Chartered Professional Engineer, a Chartered Scientist and a Chartered Industrial Chemist, a Fellow of the Institution of Engineers Australia, a Fellow of the Australasian Institute of Mining and Metallurgy, a Fellow of the Institution of Chemical Engineers, a Member of The Metallurgical Society and a Member of the Royal Australian Chemical Institute.

He has 30 years experience in the mining industry in the role of both executive and non-executive director. His extensive practical and operational experience includes engineering design and project management; mining exploration management; science and engineering research & development and process innovation & development.

Of particular relevance, for ten years he served in senior technical and engineering roles with the Sons of Gwalia Ltd Greenbushes tantalum-tin project where he was directly responsible for process development, project design and construction management for the tin smelter and tantalum extraction projects.

Interest in Shares and Options - nil.

DIRECTOR'S REPORT

John Stuart Ferguson Dunlop - Director (Non-executive)
BE, M Eng Sc, P Cert Arb, CP, F AusIMM, F IMMM, M SME, M CIMM, M MICA

John Stuart Ferguson Dunlop holds Bachelors and Masters Degrees in Mining Engineering from the University of Melbourne. He is a certified Mine Manager having approximately 35 years of international surface and underground mining experience in a variety of base metal, industrial and precious metal production and management situations.

He is a former Director of the Australasian Institute of Mining and Metallurgy (AusIMM) and remains Chairman of its affiliate, the Mineral Industry Consultants Association (MICA). He is also Chairman of Alliance Resources Ltd and Alkane Resources Ltd.

Mr Dunlop is a highly experienced mining professional having been involved in the design, construction and on-going operation of a number of major resource projects throughout the world. He has a detailed knowledge of the Company's 40Mt Abu Dabbab tantalum project in Egypt having been involved in the initial preparation of the project's Bankable Feasibility Study in 2004.

He has operated his own mining consulting firm based in Perth since 1992 and was previously a senior executive with BHP's (now BHP Billiton) Minerals Division, before becoming General Manager Operations for Aztec Mining Co Ltd until this company's takeover by Normandy Mining Ltd.

Interest in Shares and Options - Unlisted options to acquire 2,250,000 ordinary shares.

John Damian Kenny - Director (Non-executive)
B Com (Hons), LLB

Mr Kenny a corporate and resources lawyer has a specialised interest in venture capital, initial public offerings and mergers and acquisitions. He has extensive experience in public equity fundraisings and the pricing of equity, debt and derivative securities.

Interest in Shares and Options - Listed options to acquire 2,250,000 ordinary shares.

REMUNERATION REPORT

This report details the nature and amount of remuneration for each director of Gippsland Limited, and for the executives receiving the highest remuneration.

Remuneration Policy

The remuneration policy of Gippsland Limited has been designed to align director and executive objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific long-term incentives. The board of Gippsland Limited believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best executives and directors to run and manage the consolidated group, as well as create goal congruence between directors, executives and shareholders.

The board's policy for determining the nature and amount of remuneration for board members and senior executives of the consolidated group is as follows:

- The remuneration policy, setting the terms and conditions for the executive directors and other senior executives, was developed and approved by the board after seeking professional advice from independent external consultants.
- All executives receive a base salary (which is based on factors such as length of service and experience) and options.
- The board reviews executive packages annually by reference to the consolidated group's performance, executive performance and comparable information from industry sectors.

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DIRECTOR'S REPORT

All remuneration paid to directors and executives is valued at the cost to the company and expensed. Options are valued using the Black-Scholes methodology.

The board policy is to remunerate non-executive directors at market rates for time, commitment and responsibilities. The board determines payments to the non-executive directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting. Fees for non-executive directors are not linked to the performance of the consolidated group. However, to align directors' interests with shareholder interests, the directors are encouraged to hold shares in the company and are able to participate in the option plan.

Company performance, shareholder wealth and director and executive remuneration

The remuneration policy has been tailored to increase goal congruence between shareholders, directors and executives. The achievement of this aim has been through the issue of options to the majority of directors and executives to encourage the alignment of personal and shareholder interests. The company believes this policy to have been effective in increasing shareholder wealth over the past four years.

The following table shows the share price at the end of the respective financial years. The improvement in the future outlook for the company is reflected in the share price which has increased over the period of the past four years with the exception of 2006, when the share price fell slightly. The board is of the opinion that these results can be attributed in part to the previously described remuneration policy.

	2003	2004	2005	2006	2007
Share Price at Year-end	\$0.045	\$0.076	\$0.11	\$0.10	\$0.12

Key Management Personnel Remuneration Policy

The board's policy for determining the nature and amount of remuneration of key management for the group is as follows:

The remuneration structure for key management personnel is based on a number of factors, including length of service, particular experience of the individual concerned, and overall performance of the company. The contracts of service between the company and key management personnel are on a continuing basis, the terms of which are not expected to change in the immediate future. Any options not exercised before or on the date of termination lapse.

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DIRECTOR'S REPORT

Key Management Personnel Remuneration

2007

Key Management Person	Short-term Benefits Cash, salary and commissions \$	Share-based Payment Options \$	Post-employment Benefits Superannuation \$	Total \$
Mr RJ Telford	207,069	-	-	207,069
Dr JM Chisholm	177,917	-	-	177,917
Mr JSF Dunlop	44,648	-	-	44,648
Mr JD Kenny	38,333	-	-	38,333
Mr J Starink	17,742	-	-	17,742
Mr PR Sims	188,294	60,975	18,827	268,096
Mr RS Caren	52,500	-	-	52,500
Mr RS Middlemas	4,580	-	-	4,580
	<u>731,083</u>	<u>60,975</u>	<u>18,827</u>	<u>810,885</u>

2006

Key Management Person	Short-term Benefits Cash, salary and commissions \$	Share-based Payment Options \$	Total \$
Mr RJ Telford	174,960	-	174,960
Dr JM Chisholm	160,417	-	160,417
Mr JSF Dunlop	78,910	77,827	156,737
Mr JD Kenny	36,000	-	36,000
Mr RS Middlemas	43,400	-	43,400
	<u>493,687</u>	<u>77,827</u>	<u>571,514</u>

Options issued as part of remuneration for the year ended 30 June 2007

Options are issued to directors and executives as part of their remuneration. The options are not issued based on performance criteria, but are issued to the majority of directors and executives of Gippsland Limited and its subsidiaries to increase goal congruence between executives, directors and shareholders.

Options Granted As Remuneration

Key Management Personnel	Granted No.	Grant Date	Value per Option at Grant Date \$	Terms & Conditions for Each Grant	
				Exercise Price \$	Exercise Date
Mr PR Sims	2,250,000	15.9.2006	0.03	0.15	31.12.2007

All options were granted for nil consideration.

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DIRECTOR'S REPORT

Meetings of Directors

During the financial year, 10 meetings of directors were held. Attendances by each director during the year were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
RJ Telford	10	10
JM Chisholm	10	9
JSF Dunlop	10	9
JD Kenny	10	5
J Starink	1	1

Indemnifying Officers or Auditor

During or since the end of the financial year the company has given an indemnity or entered into an agreement to indemnify, or paid or agreed to pay an insurance premium as follows:

The company has paid premiums to ensure any director or officer of Gippsland Limited against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director or officer of the company, other than conduct involving a wilful breach of duty in relation to the company. The amount of the premium is \$9,500.

Options

At the date of this report, the unissued ordinary shares of Gippsland Limited under option are as follows:

Grant Date	Date of Expiry	Exercise Price	Number under Option
Jan 2003 - Mar 2004	31.12.2007	\$0.09	43,732,393
21.01.2005	31.12.2007	£0.04	10,000,000
15.02.2006	31.12.2007	\$0.15	2,250,000
15.09.2006	31.12.2007	\$0.15	2,250,000
16.05.2006	16.05.2012	\$0.135	25,000,000

During the year ended 30 June 2007, the following ordinary shares of Gippsland Limited were issued on the exercise of options granted. No further shares have been issued since that date. No amounts are unpaid on any of the shares.

Grant Date	Exercise Price	Number of Shares Issued
Jan 2003 - Mar 2004	\$0.09	6,000

No person entitled to exercise the option had or has any right by virtue of the option to participate in any share issue of any other body corporate.

Proceedings on Behalf of Company

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

The company was not a party to such proceedings during the year.

DIRECTOR'S REPORT

Non-audit Services

The board of directors is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The directors are satisfied that the services disclosed in Note 6 did not compromise the external auditor's independence for the following reasons:

- The nature of the services provided do not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

The following fees for non-audit services were paid / payable to the external auditors during the year ended 30 June 2007:

	\$
Taxation Services	9,000

Auditors Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2007 has been received and can be found on page 12 of the directors' report.

Signed in accordance with a resolution of the Board of Directors.



R J TELFORD, Director

Dated this 27th day of September 2007.

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**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE
CORPORATIONS ACT 2001
TO THE DIRECTORS OF GIPPSLAND LIMITED AND CONTROLLED ENTITIES**

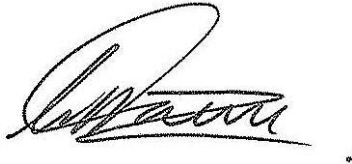
WHK HORWATH

AUDITOR'S INDEPENDENCE DECLARATION

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Gippsland Limited for the year ended 30 June 2007, I declare that, to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.

WHK HORWATH PERTH AUDIT PARTNERSHIP



CYRUS PATELL
Principal

Perth, WA

Dated this 27th day of September 2007

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INCOME STATEMENT
FOR YEAR ENDED 30 JUNE 2007

	Note	Consolidated Group		Parent Entity	
		2007	2006	2007	2006
		\$	\$	\$	\$
Revenue	2	135,430	30,345	127,161	30,345
Foreign exchange gains (losses)		(53,429)	43,441	(38,262)	43,441
Management and employee expenses		(671,932)	(469,752)	(579,374)	(469,752)
Exploration expenses		(287,516)	(15,407)	(34,061)	(15,407)
Project development expenses		(35,526)	-	-	-
Corporate office expenses		(85,459)	(88,045)	(85,287)	(88,045)
Depreciation expense		(41,119)	(20,496)	(23,536)	(20,496)
Impairment of non-current investments		(2,236,564)	(2,082,011)	(2,768,260)	(2,571,632)
Travel and accommodation expenses		(306,016)	(215,149)	(298,854)	(215,149)
AIM administration expenses		(209,387)	(163,527)	(209,387)	(163,527)
Administration expenses		(399,700)	(668,128)	(361,948)	(178,507)
Loss before income tax	3	(4,191,218)	(3,648,729)	(4,271,808)	(3,648,729)
Income tax expense	4	-	-	-	-
Net loss attributable to members of the parent entity		(4,191,218)	(3,648,729)	(4,271,808)	(3,648,729)
Adjustments recognised directly in equity.	17	(144,788)	(69,444)	(144,788)	(69,444)
Total Equity changes		(4,336,006)	(3,718,173)	(4,416,596)	(3,718,173)
Basic and diluted loss per share (cents per share)	7	(1.77)	(1.98)		

The income statements are to be read in conjunction with the accompanying notes to the financial statements.

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BALANCE SHEET AS AT 30 JUNE 2007

		Consolidated Group		Parent Entity	
		2007	2006	2007	2006
	Note	\$	\$	\$	\$
CURRENT ASSETS					
Cash and cash equivalents	8	2,611,219	3,937,943	2,315,359	3,934,620
Trade and other receivables	9	119,925	49,212	118,374	49,212
Other current assets	13	22,411	914	22,411	915
TOTAL CURRENT ASSETS		2,753,555	3,988,069	2,456,144	3,984,747
NON-CURRENT ASSETS					
Property, plant and equipment	12	154,908	35,685	88,136	35,685
Other non-current assets	13	-	-	305	3,522
TOTAL NON CURRENT ASSETS		154,908	35,685	88,441	39,207
TOTAL ASSETS		2,908,463	4,023,754	2,544,585	4,023,954
CURRENT LIABILITIES					
Trade and other payables	14	458,177	208,109	201,514	208,109
Short-term provisions	16	38,301	9,923	11,476	9,923
TOTAL CURRENT LIABILITIES		496,478	218,032	212,990	218,032
NON CURRENT LIABILITIES					
Other long-term provisions	16	-	15,000	-	15,000
TOTAL NON-CURRENT LIABILITIES		-	15,000	-	15,000
TOTAL LIABILITIES		496,478	233,032	212,990	233,032
NET ASSETS		2,411,985	3,790,722	2,331,595	3,790,922
EQUITY					
Issued capital	17	25,409,780	22,658,274	25,409,780	22,658,274
Reserves	18	138,802	77,827	138,802	77,827
Retained earnings		(23,136,597)	(18,945,379)	(23,216,987)	(18,945,179)
Parent interest		2,411,985	3,790,722	2,331,595	3,790,922
Minority equity interest		-	-	-	-
TOTAL EQUITY		2,411,985	3,790,722	2,331,595	3,790,922

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STATEMENT OF CHANGES IN EQUITY
FOR YEAR ENDED 30 JUNE 2007

Consolidated Group

	<u>Share Capital</u>			
	Ordinary	Retained Earnings	Option Reserve	Total
Balance at 1 July 2005	15,868,236	(15,296,650)	-	571,586
Loss attributable to members of parent entity		(3,648,729)		(3,648,729)
Shares issued during the year	6,859,482			6,859,482
Transaction costs	(69,444)			(69,444)
Option reserve on recognition of bonus element of options			77,827	77,827
Sub-total	22,658,274	(18,945,379)	77,827	3,790,722
Balance at 30 June 2006	<u>22,658,274</u>	<u>(18,945,379)</u>	<u>77,827</u>	<u>3,790,722</u>
Loss attributable to members of parent entity		(4,191,218)		(4,191,218)
Shares issued during the year	2,896,294			2,896,294
Transaction costs	(144,788)			(144,788)
Option reserve on recognition of bonus element of options			60,975	60,975
Sub-total	25,409,780	(23,136,597)	138,802	2,411,985
Balance at 30 June 2007	<u>25,409,780</u>	<u>(23,136,597)</u>	<u>138,802</u>	<u>2,411,985</u>

Parent Entity

	<u>Share Capital</u>			
	Ordinary	Retained Earnings	Option Reserve	Total
Balance at 1 July 2005	15,868,236	(15,296,450)	-	571,786
Loss attributable to members of parent entity		(3,648,729)		(3,648,729)
Shares issued during the year	6,859,482			6,859,482
Transaction costs	(69,444)			(69,444)
Option reserve on recognition of bonus element of options			77,827	77,827
Sub-total	22,658,274	(18,945,179)	77,827	3,790,922
Balance at 30 June 2006	<u>22,658,274</u>	<u>(18,945,179)</u>	<u>77,827</u>	<u>3,790,922</u>
Loss attributable to members of parent entity		(4,271,808)		(4,271,808)
Shares issued during the year	2,896,294			2,896,294
Transaction costs	(144,788)			(144,788)
Option reserve on recognition of bonus element of options			60,975	60,975
Sub-total	25,409,780	(23,216,987)	138,802	2,331,595
Balance at 30 June 2007	<u>25,409,780</u>	<u>(23,216,987)</u>	<u>138,802</u>	<u>2,331,595</u>

The statements of changes in equity are to be read in conjunction with the accompanying notes to the financial statements.

GIPPSLAND LIMITED and CONTROLLED ENTITIES
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CASH FLOW STATEMENT FOR YEAR ENDED 30 JUNE 2007

		Consolidated Group		Parent Entity	
		2007	2006	2007	2006
	Note	\$	\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES					
Interest received		132,549	30,345	124,280	30,345
Payments to suppliers and employees		(1,559,832)	(1,419,153)	(1,615,754)	(929,532)
Net cash provided by (used in) operating activities	21	<u>(1,427,283)</u>	<u>(1,388,808)</u>	<u>(1,491,474)</u>	<u>(899,187)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Loans to subsidiaries		-	-	(2,773,570)	(2,566,322)
Payment for investment in subsidiary		-	-	-	(8,528)
Purchase of property, plant and equipment		(160,342)	(14,239)	(67,459)	(14,239)
Purchase of other assets		(2,437,175)	(2,082,011)	-	-
Net cash provided by (used in) investing activities		<u>(2,597,517)</u>	<u>(2,096,250)</u>	<u>(2,841,029)</u>	<u>(2,589,089)</u>
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from issue of shares		2,751,505	6,790,038	2,751,505	6,790,038
Net cash provided by (used in) financing activities		<u>2,751,505</u>	<u>6,790,038</u>	<u>2,751,505</u>	<u>6,790,038</u>
Net increase/(decrease) in cash held		(1,273,295)	3,304,980	(1,580,998)	3,301,762
Cash at beginning of the financial year		3,937,943	589,522	3,934,620	589,417
Effects of exchange rate changes on cash holdings in foreign currencies		(53,429)	43,441	(38,263)	43,441
Cash at end of the financial year	8	<u>2,611,219</u>	<u>3,937,943</u>	<u>2,315,359</u>	<u>3,934,620</u>

The cash flow statements are to be read in conjunction with the accompanying notes to the financial statements.

GIPPSLAND LIMITED and CONTROLLED ENTITIES
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

Note 1: Statement of Significant Accounting Policies

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

The financial report covers the consolidated group of Gippsland Limited and controlled entities, and Gippsland Limited as an individual parent entity. Gippsland Limited is a listed public company, incorporated and domiciled in Australia.

This financial report of Gippsland Limited and controlled entities, and Gippsland Limited as an individual parent entity comply with all International Financial Reporting Standards (IFRS) in their entirety.

The following is a summary of the material accounting policies adopted by the consolidated group in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

Basis of Preparation

The accounting policies set out below have been consistently applied to all years presented.

Reporting Basis and Conventions

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

Accounting Policies

a. Principles of Consolidation

A controlled entity is any entity Gippsland Limited has the power to control the financial and operating policies of so as to obtain benefits from its activities.

All inter-company balances and transactions between entities in the consolidated group, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistencies with those policies applied by the parent entity.

Where controlled entities have entered or left the consolidated group during the year, their operating results have been included/excluded from the date control was obtained or until the date control ceased.

Minority equity interests in the equity and results of the entities that are controlled are shown as a separate item in the consolidated financial report.

b. Income Tax

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the balance sheet date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

Note 1: Statement of Significant Accounting Policies (continued)

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the consolidated group will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

c. Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Plant and Equipment

Plant and equipment are measured on the cost basis.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

The cost of fixed assets constructed within the consolidated group includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial year in which they are incurred.

Depreciation

The depreciable amount of all fixed assets including building and capitalised leased assets, but excluding freehold land, is depreciated on a straight-line basis over their useful lives to the consolidated group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Plant and Equipment	20 - 33%
Leasehold Improvements	20 - 50%

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

Note 1: Statement of Significant Accounting Policies (continued)

d. Exploration and Development Expenditure

Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest. Refer to Note 25 for further details on changes in accounting policy.

e. Leases

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

f. Financial Instruments

Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Impairment

At each reporting date, the group assess whether there is objective evidence that a financial instrument has been impaired. Impairment losses are recognised in the income statement.

g. Impairment of Assets

At each reporting date, the group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

Note 1: Statement of Significant Accounting Policies (continued)

h. Interests in Joint Ventures

The consolidated group's share of the assets, liabilities, revenue and expenses of joint venture operations are included in the appropriate items of the consolidated financial statements. Details of the consolidated group's interests are shown at Note 10.

i. Foreign Currency Transactions and Balances

Functional and presentation currency

The functional currency of each of the group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

Transaction and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the income statement, except where deferred in equity as a qualifying cash flow or investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity, otherwise the exchange difference is recognised in the income statement.

Group Companies

The financial results and position of foreign operations whose functional currency is different from the group's presentation currency are translated as follows:

- assets and liabilities are translated at year-end exchange rates prevailing at the reporting date;
- income and expenses are translated at average exchange rates for the period; and
- retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations are transferred directly to the group's foreign currency translation reserve in the balance sheet. These differences are recognised in the income statement in the period in which the operation is disposed.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

Note 1: Statement of Significant Accounting Policies (continued)

j. Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Equity-settled compensation

The group operates a share option arrangement. The bonus elements over the exercise price of the employee services rendered in exchange for the grant of options is recognised as an expense in the income statement. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted.

k. Provisions

Provisions are recognised when the group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

l. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts.

m. Revenue

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

All revenue is stated net of the amount of goods and services tax (GST).

n. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are included in the cash flow statement on a gross basis, except for the GST component of investing and financing activities which are disclosed as operating cash flows.

o. Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

GIPPSLAND LIMITED and CONTROLLED ENTITIES
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

Note 1: Statement of Significant Accounting Policies (continued)

Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the group.

Key Estimates – Impairment

The group assesses impairment at each reporting date by evaluating conditions specific to the group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

GIPPSLAND LIMITED and CONTROLLED ENTITIES
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

	Note	Consolidated Group		Parent Entity	
		2007	2006	2007	2006
		\$	\$	\$	\$
Note 2	Revenue				
	Sales Revenue				
	- interest received	2a 125,262	30,345	125,226	30,345
	- other revenue	10,168	-	1,935	-
	Total Revenue	<u>135,430</u>	<u>30,345</u>	<u>127,161</u>	<u>30,345</u>
a	Interest revenue from:				
	- other persons	125,262	30,345	125,226	30,345
Note 3	Loss for the Year				
	Expenses				
	Impairment of non-current investments	2,236,564	2,082,011	2,768,260	2,571,632
	Foreign currency translation losses / (gains)	53,429	(43,441)	38,262	(43,441)
	Rental expense on operating leases				
	- minimum lease payments	63,449	32,966	55,425	32,966
	Exploration expenditure	<u>287,516</u>	<u>15,407</u>	<u>34,061</u>	<u>15,407</u>
Note 4	Income Tax Expense				
	The prima facie tax on loss before income tax is reconciled to the income tax as follows:				
	Prima facie tax on loss before income tax at 30% (2006: 30%)				
	- economic entity	(1,257,366)	(1,094,619)	(1,281,542)	(1,094,619)
	Add:				
	Tax effect of:				
	- provision for non recovery of loans	832,071	146,886	832,071	146,886
	- exploration expenditure incurred in relation to a foreign permanent establishment	10,218	627,632	10,218	627,632
	- non-deductible expenses	73,918	62,008	73,918	62,008
	Temporary differences not brought to account	<u>341,159</u>	<u>258,093</u>	<u>365,335</u>	<u>258,093</u>
	Income tax expense	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

GIPPSLAND LIMITED and CONTROLLED ENTITIES
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

NOTE 5 Key Management Personnel Compensation

- a** Names and positions held of economic and parent entity key management personnel in office at any time during the financial year are:

Key Management Person	Position
Mr RJ Telford	Chairman – Executive
Dr JM Chisholm	Director – Executive
Mr JSF Dunlop	Director – Non-executive
Mr JD Kenny	Director – Non-executive
Mr J Starink	Director – Executive
Mr PR Sims	Chief Financial Officer

Key management personnel remuneration has been included in the Remuneration Report section of the Directors Report.

b Options and Rights Holdings

Number of Options held by Key Management Personnel

	Balance 1.7.2006	Granted as Compensation	Options Exercised	Balance 30.6.2007
Mr RJ Telford	6,558,322	-	-	6,558,322
Dr JM Chisholm	2,260,000	-	-	2,260,000
Mr JSF Dunlop	2,250,000	-	-	2,250,000
Mr JD Kenny	2,250,000	-	-	2,250,000
Mr J Starink	-	-	-	-
Mr PR Sims	-	2,250,000	-	2,250,000
Total	13,318,322	2,250,000	-	15,568,322

c. Shareholdings

Number of Shares held by Key Management Personnel

	Balance 1.7.2006	Received as Compensation	Options Exercised	Net Change Other*	Balance 30.6.2007
Mr RJ Telford	13,568,124	-	-	-	13,568,124
Dr JM Chisholm	50,000	-	-	100,000	150,000
Mr JSF Dunlop	-	-	-	-	-
Mr JD Kenny	-	-	-	-	-
Mr J Starink	-	-	-	-	-
Mr PR Sims	-	-	-	-	-
Total	13,618,124	-	-	100,000	13,718,124

* Net Change Other refers to shares purchased or sold during the financial year.

GIPPSLAND LIMITED and CONTROLLED ENTITIES
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

		Consolidated Group		Parent Entity	
		2007	2006	2007	2006
		\$	\$	\$	\$
Note 6	Auditors' Remuneration				
	Remuneration of the auditor of the parent entity for:				
	- auditing or reviewing the financial report	29,670	14,500	29,670	14,500
	- taxation services	9,000	-	9,000	-
Note 7	Earnings per Share				
a	Loss	(4,191,218)	(3,648,729)		
	Earnings used to calculate basic and dilutive EPS	(4,191,218)	(3,648,729)		
b	Weighted average number of ordinary shares outstanding during the year used in calculating basic and dilutive EPS	237,310,914	184,346,151		
		Consolidated Group		Parent Entity	
		2007	2006	2007	2006
		\$	\$	\$	\$
Note 8	Cash and Cash Equivalents				
	Cash at bank and in hand	338,362	3,937,943	42,502	3,934,620
	Short-term bank deposits	2,272,857	-	2,272,857	-
	Cash at bank and on hand	2,611,219	3,937,943	2,315,359	3,934,620
	The effective interest rate on short-term bank deposits was 4.97% (2006: 4.7%); these deposits have an average maturity of 30 days.				
	Reconciliation of Cash				
	Cash at the end of the financial year as shown in the cash flow statement is reconciled to items in the balance sheet as follows:				
	Cash and cash equivalents	2,611,219	3,937,943	2,315,359	3,934,620
Note 9	Trade and Other Receivables				
	CURRENT				
	Other receivables	119,925	49,212	118,374	49,212
	NON-CURRENT				
	Amounts receivable from:				
	Wholly-owned entities (a)	-	-	10,322,679	7,599,109
	Provision for impairment of receivables - wholly-owned subsidiaries	-	-	(10,322,679)	(7,599,109)
		-	-	-	-
a	The loans to controlled entities are advanced interest free, are unsecured and will be repaid when the respective subsidiary is generating sufficient funds and has the financial capacity to meet the loan commitment.				

GIPPSLAND LIMITED and CONTROLLED ENTITIES
ABN 31 004 766 376

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

Note 10 Joint Venture

At 30 June 2007, the Company has interests in the following joint ventures whose principal activities are the exploration for gold, precious metals and base metals.

Name of Project	% Interests		Other Parties
	2007	2006	
Zeehan Tin Deposit – Tasmania	40%	40%	Western Metals Ltd 60%
Seiga – Wadi Allaqi, Egypt	50%	50%	Egyptian Mineral Resources Authority – 50%
Um Shashoba – Wadi Allaqi, Egypt	50%	50%	Egyptian Mineral Resources Authority – 50%
Haimur – Wadi Allaqi, Egypt	50%	50%	Egyptian Mineral Resources Authority – 50%
Nile Valley Block E – Wadi Allaqi, Egypt	50%	50%	Egyptian Mineral Resources Authority – 50%
Nile Valley Block A – Wadi Allaqi, Egypt	50%	50%	Egyptian Mineral Resources Authority – 50%
Um Garayat – Wadi Allaqi, Egypt	50%	50%	Egyptian Mineral Resources Authority – 50%
Koleit – Wadi Allaqi, Egypt	50%	50%	Egyptian Mineral Resources Authority – 50%
Um Tiur – Wadi Allaqi, Egypt	50%	50%	Egyptian Mineral Resources Authority – 50%
Abu Swayel – Wadi Allaqi, Egypt	50%	50%	Egyptian Mineral Resources Authority – 50%

The Joint Ventures are of the type where initially one party contributes tenements with the other party earning a specified percentage by funding exploration activities. The Joint Venture does not hold any assets and accordingly the Company's share of exploration expenditure is accounted for in accordance with the policy set out in Note 1(h).

NOTE 11 Controlled Entities

Controlled Entities Consolidated	Country of Incorporation	Percentage Owned (%)	
		2007	2006
Parent Entity: Gippsland Ltd	Aust		
Subsidiaries of Gippsland Ltd:			
Abutan Pty Ltd	Aust	100	100
Tantalum International Pty Ltd	Aust	100	100
Here2Win.com Pty Ltd	Aust	100	100
Nubian Resources plc	UK	100	100
Tantalum Egypt LLC	Egypt	50	50

Controlled Entities with Ownership Interest of 50% or Less

The parent entity holds 50% of the ordinary shares of Tantalum Egypt LLC. Under the Articles of Association, Tantalum International Pty Ltd has the sole right to nominate the Chairman of the Board of Directors and the Chief Executive Officer and has the casting vote at Board meetings.

GIPPSLAND LIMITED and CONTROLLED ENTITIES
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

Note 12 Property, Plant and Equipment	Consolidated Group		Parent Entity	
	2007	2006	2007	2006
	\$	\$	\$	\$
PLANT AND EQUIPMENT				
Plant and equipment:				
At cost	225,696	195,502	143,379	195,502
Accumulated depreciation	(101,843)	(159,817)	(71,795)	(159,817)
Total Plant and equipment	123,853	35,685	71,584	35,685
 Leasehold improvements:				
At cost	33,385	-	18,251	-
Accumulated amortisation	(2,330)	-	(1,699)	-
Total Leasehold improvements	31,055	-	16,552	-
 Total Property, Plant and Equipment	154,908	35,685	88,136	35,685

a Movements in Carrying Amounts

Movement in the carrying amounts of each class of property, plant and equipment between the beginning and the end of the current financial year

Consolidated Group	Plant and Equipment	Leasehold Improvements	Total
Balance at 1 July 2005	41,942	-	41,942
Additions	14,239	-	14,239
Depreciation Expense	(20,496)	-	(20,496)
Balance at 30 June 2006	35,685	-	35,685
Additions	126,957	33,385	160,342
Depreciation Expense	(38,789)	(2,330)	(41,119)
Balance at 30 June 2007	123,853	31,055	154,908

Parent Entity	Plant and Equipment	Leasehold Improvements	Total
Balance at 1 July 2005	41,942	-	41,942
Additions	14,239	-	14,239
Depreciation Expense	(20,496)	-	(20,496)
Balance at 30 June 2006	35,685	-	35,685
Additions	75,456	18,251	93,707
Transfer to Subsidiary	(17,720)	-	(17,720)
Depreciation Expense	(21,837)	(1,699)	(23,536)
Balance at 30 June 2007	71,584	16,552	88,136

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007**

	Consolidated Group		Parent Entity	
	2007	2006	2007	2006
	\$	\$	\$	\$
Note 13				
Other Assets				
CURRENT				
Prepayments	19,530	914	19,530	915
Accrued revenue	2,881	-	2,881	-
	22,411	914	22,411	915
NON CURRENT				
Investment in Subsidiaries	-	-	305	3,522
Exploration expenditure capitalised				
- exploration and evaluation phases	2,809,451	1,315,557	-	-
- provision for impairment	(2,809,451)	(1,315,557)	-	-
	-	-	-	-
Project development expenditure capitalised				
- development phase	3,784,660	3,041,990	-	-
- provision for impairment	(3,784,660)	(3,041,990)	-	-
	-	-	-	-

a Movements in Carrying Amounts

Movement in the carrying amounts of exploration expenditure and project development expenditure between the beginning and the end of the current financial year

	Consolidated Group	Exploration Expenditure	Project Development Expenditure
Expenditure			
Balance at 1 July 2006		1,315,557	3,041,990
Additions		1,493,894	742,670
Balance at 30 June 2007		2,809,451	3,784,660
Impairment			
Balance at 1 July 2006		(1,315,557)	(3,041,990)
Impairment		(1,493,894)	(742,670)
Balance at 30 June 2007		(2,809,451)	(3,784,660)

Note 14 Trade and Other Payables

	Consolidated Group		Parent Entity	
	2007	2006	2007	2006
	\$	\$	\$	\$
CURRENT				
Sundry payables and accrued expenses	396,193	190,529	139,530	190,529
Amounts payable to:				
- key management personnel related entities	61,984	17,580	61,984	17,580
	458,177	208,109	201,514	208,109

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

Note 15	Tax	Consolidated Group		Parent Entity	
		2007	2006	2007	2006
		\$	\$	\$	\$
	Assets				
	Deferred tax assets not brought to account, the benefits of which will only be realised if the conditions of deductibility set out in Note 1b occur				
	Prior year tax losses brought forward	1,661,650	1,393,412	1,661,650	1,393,412
	Additional tax losses	391,762	268,238	391,762	268,238
	Tax losses carried forward	2,053,412	1,661,650	2,053,412	1,661,650
	The company continues to comply with the condition for deductibility imposed by tax legislation; and no changes to tax legislation adversely affected the Company in realising the benefit from the deductions for the losses. The economic entity has not entered into a tax consolidated group.				
Note 16	Provisions	Long-term Employee Benefits		Total	
	Consolidated Group				
	Opening balance at 1 July 2006	24,923	24,923		
	Additional provisions	42,724	42,724		
	Amounts used	(29,346)	(29,346)		
	Balance at 30 June 2007	38,301	38,301		
	Parent Entity				
	Opening balance at 1 July 2006	24,923	24,923		
	Additional provisions	15,899	15,899		
	Amounts used	(29,346)	(29,346)		
	Balance at 30 June 2007	11,476	11,476		
		Consolidated Group		Parent Entity	
		2007	2006	2007	2006
		\$	\$	\$	\$
	Analysis of Total Provisions				
	Current	38,301	9,923	11,476	9,923
	Non-current	-	15,000	-	15,000
		38,301	24,923	11,476	24,923

Provision for Long-term Employee Benefits

A provision has been recognised for employee entitlements relating to long service leave. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on historical data. The measurement and recognition criteria relating to employee benefits has been included in Note 1 to this report.

GIPPSLAND LIMITED and CONTROLLED ENTITIES
ABN 31 004 766 376

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

		Consolidated Group		Parent Entity	
		2007	2006	2007	2006
		\$	\$	\$	\$
Note 17	Issued Capital				
	259,524,592 (2006: 232,851,926) ordinary shares	25,409,780	22,658,274	25,409,780	22,658,274

The company has no maximum authorised share capital.

a	Ordinary Shares				
	At the beginning of reporting period	22,658,274	15,868,236	22,658,274	15,868,236
	Shares issued during the year				
	• On 10 October 2005 the Company issued 15,000,000 ordinary shares at 9.3 cents each	-	1,388,889	-	1,388,889
	• On 17 January and 21 April 2006 the Company issued 1,000 & 32,000 ordinary shares respectively following an option conversion at 9 cents each	-	2,970	-	2,970
	• On 17 March 2006 the Company issued 24,000,000 ordinary shares at 11.5 cents each	-	2,767,623	-	2,767,623
	• On 27 March 2006 the Company issued 6,000,000 ordinary shares as settlement of a dispute for nil	-	-	-	-
	• On 31 May 2006 the Company issued 25,000,000 ordinary shares at 10.8 cents each	-	2,700,000	-	2,700,000
	• On 7 February 2007 the company issued 6,000 ordinary shares following an option conversion at 9 cents each	540	-	540	-
	• On 1 May 2007 the Company issued 26,666,666 ordinary shares at 10.9 cents each	2,895,754	-	2,895,754	-
	• Less: Issue costs associated with capital raisings	(144,788)	(69,444)	(144,788)	(69,444)
	At reporting date	25,409,780	22,658,274	25,409,780	22,658,274

		Consolidated Group	
		2007	2006
		\$	\$
b	Options	Number of Options	Number of Options
	The following options over ordinary shares are on issue:		
	Options exercisable at 9 cents on or before 31/12/2007 (listed)	43,732,393	43,738,393
	Options exercisable at 4 UK pence on or before 31/12/2007 (unlisted))	10,000,000	10,000,000
	Options exercisable at 15 cents on or before 31/12/2007 (unlisted))	4,500,000	2,250,000
	Options exercisable at 13.5 cents on or before 16/05/2012 (unlisted))	25,000,000	25,000,000
		83,232,393	80,988,393

Note 18 Reserves

Option Reserve

The option reserve records items recognised as expenses on valuation of employee share options.

GIPPSLAND LIMITED and CONTROLLED ENTITIES
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

		Consolidated Group		Parent Entity	
		2007	2006	2007	2006
		\$	\$	\$	\$
Note 19	Capital and Leasing Commitments				
a	Operating Lease Commitments				
	Non-cancellable operating leases contracted but not capitalised in the financial statements				
	Payable – minimum lease payments				
	- not later than 12 months	114,612	73,662	96,000	73,662
	- between 12 months and 5 years	328,282	306,600	314,323	306,600
	- greater than 5 years	-	6,388	-	6,388
		442,894	386,650	410,323	386,650

Perth Office Lease

The property lease is a non-cancellable lease with a five year term, with rent payable monthly in advance. Contingent rental provisions within the lease agreement require the minimum lease payments shall be increased by the lower of CPI or 5% per annum. An option exists to renew the lease at the end of the five-year term for an additional term of five years.

Cairo Office Lease

The property lease is a non-cancellable lease with a two year term, with rent payable monthly in advance.

b Capital Expenditure Commitments

There were no capital commitments at reporting date

Note 20 Segment Reporting

Segment Reporting – Geographical Segments

	Segment Revenues from External Customers		Carrying Amount of Segment Assets	
	2007 \$	2006 \$	2007 \$	2006 \$
Geographical Location:				
Australia	127,161	30,345	2,544,282	4,020,531
Egypt	8,269	-	364,181	3,223
	135,430	30,345	2,908,463	4,023,754

Business Segments

The economic entity only operates in the mining and exploration segment.

GIPPSLAND LIMITED and CONTROLLED ENTITIES
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

		Consolidated Group		Parent Entity	
		2007		2007	2006
		\$	\$	\$	\$
Note 21	Cash Flow Information				
a	Reconciliation of cash flow from operations with loss after income tax				
	Loss after income tax	(4,191,218)	(3,648,729)	(4,271,808)	(3,648,729)
	Non cash flows in loss				
	Depreciation	41,119	20,496	23,536	20,496
	Provision for impairment of non-current investments	2,236,564	2,082,011	2,768,260	2,571,632
	Foreign exchange loss (gain)	53,429	(43,441)	38,262	(43,441)
	Issue of options – non cash	60,975	77,827	60,975	77,827
	<i>Changes in assets and liabilities:</i>				
	- (increase) decrease in sundry debtors	(73,594)	(16,134)	(72,042)	(16,134)
	- (increase) decrease in prepayments	(18,614)	14,355	(18,615)	14,355
	- increase (decrease) in payables	450,678	108,884	(6,595)	108,884
	- increase (decrease) in provisions	13,378	15,923	(13,447)	15,923
	Cash flow from operations	(1,427,283)	(1,388,808)	(1,491,474)	(899,187)

There were no material non cash items during the financial year.

Note 22 Subsequent Events

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

Note 23 Related Party Transactions

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Transactions with related parties:

		Consolidated Group		Parent Entity	
		2007	2006	2007	2006
		\$	\$	\$	\$
a)	A company controlled by Mr RJ Telford, Eco International Pty Ltd, received management fees.	207,069	174,960	207,069	174,960
b)	A company controlled by Dr JM Chisholm, Mandu Pty Ltd, received geological consulting fees.	211,054	160,417	211,054	160,417
c)	A company controlled by Mr JSF Dunlop, John S Dunlop & Associates Pty Ltd, received directors and mining consulting fees.	45,640	78,910	45,640	78,910
d)	A company controlled by Mr JD Kenny, Ventureworks Pty Ltd, received director's fees.	38,333	36,000	38,333	36,000
e)	The parent entity, Gippsland Limited, has made loans to its controlled entities. These loans are interest free, unsecured and at call.	-	-	7,054,347	3,227,981

GIPPSLAND LIMITED and CONTROLLED ENTITIES
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

Note 24 Financial Instruments

a Financial Risk Management

The group's financial instruments consist mainly of deposits with banks, short-term investments, accounts receivable and payable, loans to and from subsidiaries and leases.

The main purpose of non-derivative financial instruments is to raise finance for group operations. The group does not speculate in the trading of derivative instruments.

Financial Risks

The main risks the group is exposed to through its financial instruments are foreign currency risk, liquidity risk and credit risk.

Foreign currency risk

The group is exposed to fluctuations in foreign currencies arising from the purchase of goods and services in currencies other than the group's measurement currency.

Liquidity risk

The group manages liquidity risk by monitoring forecast cash flows and ensuring that adequate funds are maintained.

Credit risk

The consolidated group does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the consolidated group.

b Financial Instruments

Interest Rate Risk

The consolidated group exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets is as follows:

	Weighted Average Effective Interest Rate		Floating Interest Rate		Non Interest Bearing		Total	
	2007	2006	2007	2006	2007	2006	2007	2006
Financial assets								
Cash assets	4.97%	4.70%	2,611,219	3,937,943	-	-	2,611,219	3,937,943
Receivables			-	-	119,925	49,212	119,925	49,212
Total financial assets			2,611,219	3,937,943	119,925	49,212	2,731,144	3,987,155
Financial liabilities:								
Payables			-	-	458,177	208,109	458,177	208,109
Total financial liabilities			-	-	458,177	208,109	458,177	208,109

GIPPSLAND LIMITED and CONTROLLED ENTITIES
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

Note 25 Changes in Accounting Policy

- a.** The consolidated group changed its accounting policy for the financial year ending 30 June 2007 relating to the capitalisation of exploration and project development expenditure. Exploration and project development expenditure was previously expensed by the parent entity in the year it was incurred. The group has now elected to capitalise exploration and project development expenditure in the appropriate subsidiary company. This change has been implemented as the directors believe it will provide more relevant information and ensure that the free carried share of the joint venture partner in the exploration and development of the projects is recovered from the cash flow of the project when it reaches the production stage.

The aggregate effect of the change in accounting policy on the annual financial statements for the year ended 30 June 2007 is as follows:

	Previously Stated 2007	Adjustment 2007	Restated 2007	Previously Stated 2006	Adjustment 2006	Restated 2006
Consolidated Group						
Income Statement						
Exploration	(1,781,410)	1,493,894	(287,516)	(1,294,545)	1,279,138	(15,407)
Project Development	(778,196)	742,670	(35,526)	(797,563)	797,563	-
Impairment	-	(2,236,564)	(2,236,564)	(5,310)	(2,076,701)	(2,082,011)
Loss before income tax	(4,191,218)	-	(4,191,218)	(3,648,729)	-	(3,648,729)
Basic and diluted loss per share	(1.77)	-	(1.77)	(1.98)	-	(1.98)
Balance Sheet						
Exploration	36,419	2,773,032	2,809,451	36,419	1,279,138	1,315,557
Project Development	-	3,784,660	3,784,660	-	3,041,990	3,041,990
Provision for Impairment	(36,419)	(6,557,692)	(6,594,111)	(36,419)	(4,321,128)	(4,357,547)
Parent Entity						
Income Statement						
Exploration	(1,527,955)	1,493,894	(34,061)	(1,294,545)	1,279,138	(15,407)
Project Development	(742,670)	742,670	-	(797,563)	797,563	-
Impairment	(531,696)	(2,236,564)	(2,768,260)	(494,931)	(2,076,701)	(2,571,632)
Loss before income tax	(4,271,808)	-	(4,271,808)	(3,648,729)	-	(3,648,729)
Balance Sheet						
Intercompany Loans	3,764,987	6,557,692	10,322,679	3,277,981	4,321,128	7,599,109
Provision for Impairment	(3,764,987)	(6,557,692)	(10,322,679)	(3,277,981)	(4,321,128)	(7,599,109)

GIPPSLAND LIMITED and CONTROLLED ENTITIES
ABN 31 004 766 376

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

Note 25 Changes in Accounting Policy (continued)

- b.** The following Australian Accounting Standards have been issued or amended and are applicable to the parent and consolidated group but are not yet effective. They have not been adopted in preparation of the financial statements at reporting date.

AASB Amendment	Standards Affected		Outline of Amendment	Application Date of Standard	Application Date for Group
AASB 2005-10 Amendments to Australian Accounting Standards	AASB 1	First time adoption of AIFRS	The disclosure requirements of AASB 132:	1 Jan 2007	1 July 2007
	AASB 4	Insurance Contracts	Financial Instruments:		
	AASB 101	Presentation of Financial Statements	Disclosure and Presentation have been replaced due to the issuing of AASB 7:		
	AASB 114	Segment Reporting	Financial Instruments:		
	AASB 117	Leases	Disclosures in August 2005.		
	AASB 133	Earnings per Share	These amendments will		
	AASB 1023	General Insurance Contracts	involve changes to financial instrument disclosures		
	AASB 1038	Life Insurance Contracts	within the financial report.		
	AASB 139	Financial Instruments: Recognition and Measurement	However, there will be no direct impact on amounts included in the financial report as it is a disclosure standard.		
AASB 7 Financial Instruments: Disclosures	AASB 132	Financial Instruments: Disclosure and Presentation	As above.	1 Jan 2007	1 July 2007

Note 26 Company Details

The registered office of the company is:

Gippsland Limited
Suite 4, 207 Stirling Highway
Claremont WA 6010

GIPPSLAND LIMITED and CONTROLLED ENTITIES
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DIRECTORS' DECLARATION

The directors of Gippsland Limited declare that:

1. the financial statements and notes are in accordance with the Corporations Act 2001 and:
 - (a) comply with Accounting Standards and Corporations Regulations 2001; and
 - (b) give a true and fair view of the financial position as at 30 June 2007 and of the performance for the year ended on that date of the Company and economic entity;
2. the Chief Executive Officer and Chief Finance Officer have declared that:
 - (a) the financial records of the company for the financial year have been properly maintained in accordance with section 286 of the Corporation Act 2001; and
 - (b) the financial statements and notes for the financial year comply with Accounting Standards; and
 - (c) the financial statements and notes for the financial year give a true and fair view.
3. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors dated this 27th day of September 2007.

A handwritten signature in black ink, appearing to read 'R J Telford', with a stylized, cursive script.

R J TELFORD
DIRECTOR

GIPPSLAND LIMITED and CONTROLLED ENTITIES
ABN 31 004 766 376

**INDEPENDENT AUDIT REPORT TO THE MEMBERS OF
GIPPSLAND LIMITED**

WHK HORWATH

INDEPENDENT AUDIT REPORT TO MEMBERS OF GIPPSLAND LIMITED

We have audited the accompanying financial report of Gippsland Limited (the company) and Gippsland Limited and Controlled Entities (the consolidated entity), which comprises the balance sheet as at 30 June 2007, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

As permitted by the Corporations Regulations 2001, the company has disclosed information about the remuneration of directors and executives (remuneration disclosures), required by Accounting Standard AASB 124: Related Party Disclosures, under the heading 'Remuneration Report' in pages 7 to 9 of the directors' report and not in the financial report.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note1, the directors also state, in accordance with Accounting Standard AASB 101: Presentation of Financial Statements, that compliance with the Australian equivalents to International Financial Reporting Standards (IFRS) ensures that the financial report, comprising the financial statements and notes, complies with IFRS.

The directors also are responsible for preparation and presentation of the remuneration disclosures contained in the directors' report in accordance with the Corporations Regulations 2001.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement and that the remuneration disclosures in the directors' report comply with Accounting Standard AASB 124.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, provided to the directors of Gippsland Limited on 26 September 2007 would be in the same terms if provided to the directors as at the date of this auditor's report.

GIPPSLAND LIMITED and CONTROLLED ENTITIES
ABN 31 004 766 376

Auditor's Opinion

In our opinion, the financial report of Gippsland Limited is in accordance with the Corporations Act 2001 including:

- (a) (i) giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2007 and of their performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards (including Australian Accounting Interpretations) and the Corporations Regulations 2001.
- (b) the remuneration disclosures that are contained in pages 7 to 9 of the directors' report comply with Accounting Standard AASB 124.
- (c) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

WHK HORWATH PERTH AUDIT PARTNERSHIP



CYRUS PATELL
Principal

Perth, WA

Dated this 27th day of September 2007

GIPPSLAND LIMITED and CONTROLLED ENTITIES
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ASX ADDITIONAL INFORMATION

Pursuant to the Listing Requirements of the Australian Stock Exchange Limited, the shareholder information set out below was applicable as at 21 September 2007.

A. Distribution of Equity Securities

Analysis of numbers of shareholders and option holders by size of holding:

Spread of Holdings	Number of Holders	
	Ordinary Shares	Listed Options
1 - 1,000	59	53
1,001 – 5,000	159	43
5001 – 10,000	217	20
10,001 – 100,000	630	81
100,001 and over	228	67
TOTAL	1,293	264
The total number of securities on issue	259,524,592	43,732,393
The number of holders holding less than a marketable parcel of securities	224	

B. Twenty Largest Shareholders

Name	Number of Shares	%
International Finance Corporation	25,000,000	9.63%
Euroclear Nominees Limited	19,328,333	7.45%
Taveroam Pty Ltd	15,500,000	5.97%
Smith & Williamson Nominees Limited	12,450,000	4.80%
ANZ Nominees Limited	10,935,138	4.21%
Situate Pty Ltd	10,200,000	3.93%
King Town Holdings Pty Ltd	9,525,000	3.67%
Eco International Pty Ltd	6,997,235	2.70%
J M Finn Nominees Limited	5,579,000	2.15%
Sunvest Corporation Limited	5,166,665	1.99%
Starvest PLC	4,500,000	1.73%
Barclayshare Nominees Limited	4,107,490	1.58%
Teawood Nominees Limited	3,750,000	1.44%
L R Nominees Limited	3,415,016	1.32%
Mr Robert John Telford & Robin K Telford	3,336,429	1.29%
RJ & RK Telford	3,234,460	1.25%
Alsanto Nominees Pty Ltd	3,100,000	1.19%
Pershing Keen Nominees Limited	3,021,332	1.16%
HSBC Custody Nominees	2,637,600	1.02%
Giltspur Nominees Limited	2,531,691	0.98%
	154,315,389	59.46%

GIPPSLAND LIMITED and CONTROLLED ENTITIES
ABN 31 004 766 376

ASX ADDITIONAL INFORMATION

C. Twenty Largest Listed Option Holders

Name	Number of Options	%
Eco International Pty Ltd	6,259,750	14.31%
King Town Holdings Pty Ltd	3,350,000	7.66%
Situate Pty Ltd	3,070,000	7.02%
Mandu Superannuation Fund	2,260,000	5.17%
Ventureworks JDK Pty Ltd	2,250,000	5.14%
David James Gray	2,050,000	4.69%
Alsanto Nominees Pty Ltd	2,000,000	4.57%
Averon Holdings Limited	1,000,000	2.29%
Edgewater Estates Limited	1,000,000	2.29%
Windowland Pty Ltd	1,000,000	2.29%
Anthony John Vetter	1,000,000	2.29%
SH & PA Hellsing (Hellsing Super Fund Account)	880,000	2.01%
Broko Investments Pty Ltd	645,000	1.47%
David Christopher Kemp	601,683	1.38%
John Langley Webb	571,140	1.31%
Jacquou Investments Pty Ltd	509,412	1.16%
Cumbak Pty Ltd	500,000	1.14%
Peter John Baker	488,000	1.12%
David Christopher Kemp	452,634	1.04%
Robert Anthony Healy & Helen Healy	430,361	0.98%
	30,317,980	69.33%

D. Unlisted Option Holders

Name	Number of Options	%
International Finance Corporation	25,000,000	63%
Credit Suisse First Boston Client Nominees Ltd	10,000,000	25%
JSF Dunlop	2,250,000	6%
PR Sims	2,250,000	6%
	39,500,000	100%

E. Substantial Shareholders

	Number of Ordinary Shares in which interests held	%
Situate Pty Ltd and Taverroam Pty Ltd	25,700,000	9.90%
International Finance Corporation	25,000,000	9.63%
Eco International Pty Ltd and RJ & RK Telford	13,568,124	5.23%