207 Stirling Highway
Claremont WA 6010
Australia
t : +61 8 9340 6000
f : +61 8 9340 6060

PO Box 352
Nedlands WA 6909
Australia
e : info@gippslandltd.com
w : www.gippslandltd.com

GIPPSLAND LIMITED

ABN 31 004 766 376

QUARTERLY ACTIVITIES REPORT

Period: April - June 2008

HIGHLIGHTS

- ❖ ABU DABBAB
  - Resource Increase and Upgrade
  - Tantalum pentoxide grades increased from 243g/t to 250g/t
  - Ore Reserve upgrade
  - Feasibility study update
  - Successful Acid Mine Drainage testwork completed
  - Plant site and TSF areas - geotechnical survey completed
  - Environmental study update
  - Project funding progress
- ❖ ZEEHAN TIN PROJECT
  - Joint Venture – Stellar Resources Ltd
- ❖ CORPORATE
  - Appointment of Senior Project Co-ordinator
  - Fund raising completed

ABU DABBAB

RESOURCE INCREASE AND UPGRADE

During the quarter, Gippsland Limited ('Gippsland' of 'the Company') [ASX/AIM: GIP, DB: GIX] received all the outstanding tantalum and tin assays from the diamond drill holes completed as part of the infill drilling programme at Abu Dabbab. The programme was designed to allow an upgrade of the Inferred Resources to the higher Indicated and Measured categories. Success of the programme was shown initially with the upgrade made to resources based on the RC drill results received up to March.

The drilling programme was successful despite delays caused by the industry-wide problem of assay laboratory back-logs. It produced an 11% resource increase with 73% of the resource now categorised as Measured and Indicated, an increase from 40 million tonnes to 44.5 million tonnes, while the global tantalum pentoxide grade has increased from 243g/t to 250g/t.

The earlier resource update completed in March 2008 (Table 1) incorporated the results of the previous historical drilling plus a campaign of RC drilling by Gippsland. This confirmed the previous resource estimate of 40Mt. The March 2008 resource estimation was by the inverse distance squared block model method.

Table 1: Abu Dabbab Resources March 2008 (100g/t Ta_2O_5 cut-off)

Category	Million Tonnes	Ta_2O_5 grade	Sn grade
Measured	12.0	261g/t	0.136%
Indicated	13	248g/t	0.066%
Inferred	15	225g/t	0.063%
Total	**40**	**243g/t**	**0.09%**

A further update to the resource estimate resulting from the recently completed diamond drilling was produced in July 2008 using the more sophisticated ordinary kriging method. This is summarised in Table 2 below.

Table 2: Abu Dabbab Resources update July 2008 (100g/t Ta_2O_5 cut-off)

Category	Million Tonnes	Ta_2O_5 grade	Sn grade
Measured	15.2	290g/t	0.143%
Indicated	17.3	250g/t	0.078%
Inferred	12	200g/t	0.03%
Total	**44.5**	**250g/t**	**0.09%**

Note: Numbers in table may not correlate exactly due to rounding

The diamond drilling comprised 60-90m long tails to five of the RC holes drilled during late 2007. By providing data from greater vertical depth, the diamond tails have given greater confidence in the understanding of the ore body's grade distribution and geometry. The combined Measured and Indicated Resources of 32.5 million tonnes extend down to the 225 level with the Inferred Resources being confined to the lower part of the deposit below the 225 level.

ORE RESERVE UPGRADE

The Company's mining engineers are currently completing pit optimisation studies on the new resource model, and a new reserve update is expected to be completed in the near future. An increase in the total Ore Reserve inventory will strengthen the financial model and hence enhance the project's appeal to financiers and investors.

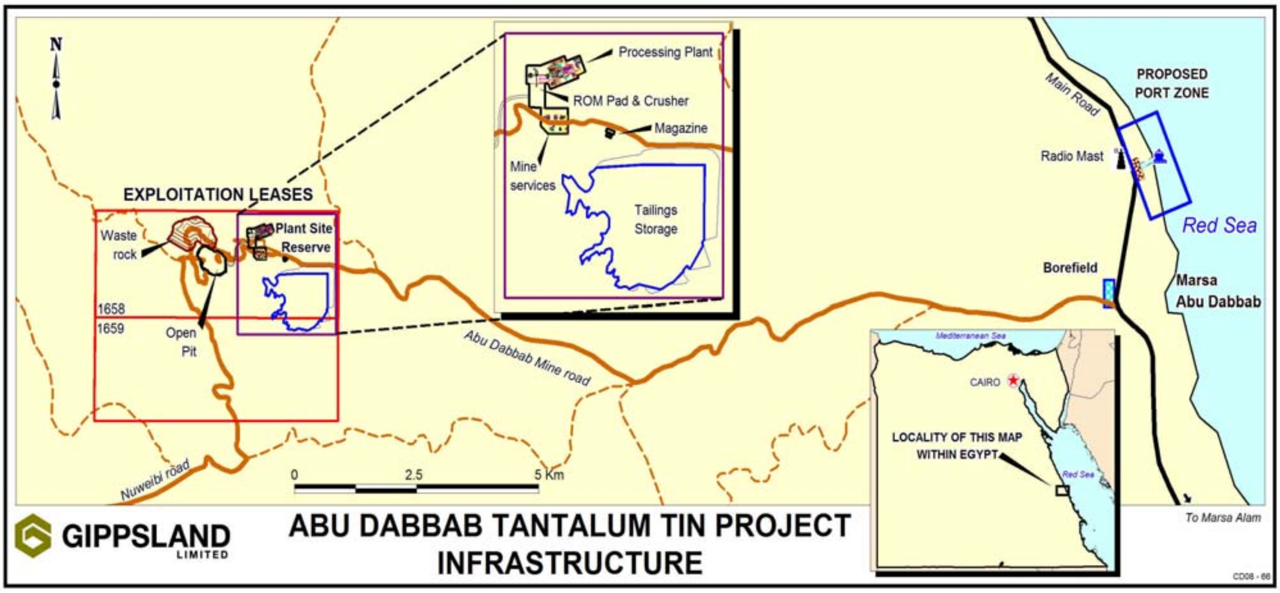
FEASIBILITY STUDY UPDATE

In the original design, the Abu Dabbab plantsite was situated 5km from the Red Sea coast and 20km from the minesite. This design entailed the installation of a large seawater desalination plant from which waste brine was to be injected into saline coastal aquifers at a depth of approximately 200m. The Company's on-going technical review process has resulted in a number of significant benefits to the project, including the use of raw seawater for the majority of the process flowsheet. Desalinated water will now only be required for the final stages of the process.

The use of seawater will result in a capital cost saving of approximately US$4 million and an operating cost saving in the order of US$900,000 per year or US$18 million over the likely 20 year Abu Dabbab mine life.

As a result of the recent decision to utilise seawater for the process plant, the injection of waste desalination brine becomes unnecessary which in turn enables the plantsite to be relocated within 1km of the open pit mine. This change will reduce the 2 million tonne per year ore haulage distance by some 19km, thereby eliminating the need for a heavy haulage road fleet whilst reducing haulage costs by approximately US$4 million per year. The road between the mine and the Red Sea coast will now become an access road that does not need to cater for use by heavy ore haulage vehicles.

The new plant site will also shorten the mill feed distance from the Company's 98Mt Nuweibi tantalum deposit located some 16km to the south of the Abu Dabbab plantsite. As Abu Dabbab will have a mine life of approximately 20 years Nuweibi will be utilised when the Abu Dabbab project expands beyond the start-up mill-feed rate of 2 million tonne per year. The relocation of the Abu Dabbab plantsite will not adversely affect the scheduled 2010 commencement of tantalum and tin production.



PLANTSITE AND MINESITE GEOTECHNICAL TESTWORK

During late May, Knight Piesold successfully completed a programme of geotechnical testing over the plantsite which was shown to be structurally suitable for the construction of the plant. Similar testwork undertaken with the Tailings Storage facility (TSF) demonstrated the suitability of this area for tailings storage.

ENVIRONMENTAL

The results of rock samples submitted for acid mine drainage (AMD) testing were received during the quarter. The results indicate that the waste dump will pose a very low and environmentally acceptable risk of developing AMD during the life of the mine and in the future. All of the samples contained low sulphur values with a high neutralising capacity indicating that the waste dump material will not be acid generating.

During the quarter, an environmental survey was carried out over the new plant site and TSF areas by the Company's environmental consultants Environics. The results of this work are being included in an addendum to the original Environmental & Social Impact Assessment (ESIA) which was completed to World Bank standards and approved by the Egyptian Environmental Affairs Agency (EEAA).

The Company expects to take delivery of the updated ESIA during early August 2008 at which time it will be delivered to the EEAA for approval. The preparation and approval of the updated ESIA is not expected to impinge on the securing of project finance.

PERMITTING

Negotiations continued throughout the quarter regarding the finalisation of all permits relating to the project. During June, the Company took delivery of the Licence for the new plantsite which incorporates the new Tailings Storage Facility (TSF).

PROJECT FINANCE DUE DILLEGENCE

During March 2008, Gippsland hosted representatives of the German banks KfW IPEX-Bank GmbH ("KfW") and DEG-Deutsche Investitions und Entwicklungsgesellschaft mbH ("DEG") in a due diligence trip to Egypt where they visited the Abu Dabbab and Nuweibi deposits with the bank appointed independent engineers. As a result of the due diligence work undertaken to date, the Directors believe that KfW, DEG and Coffey have a positive attitude towards the Project. The bank's due diligence process has been delayed as a result of the delays in receipt of laboratory assay results, however the banks' evaluation is progressing in a positive manner and is expected to be completed by October 2008.

Abu Dabbab site visit – KfW Bankengruppe

WADI ALLAQI

No work was undertaken on the Wadi Allaqi tenements due to the technical team focussing on the Abu Dabbab project.

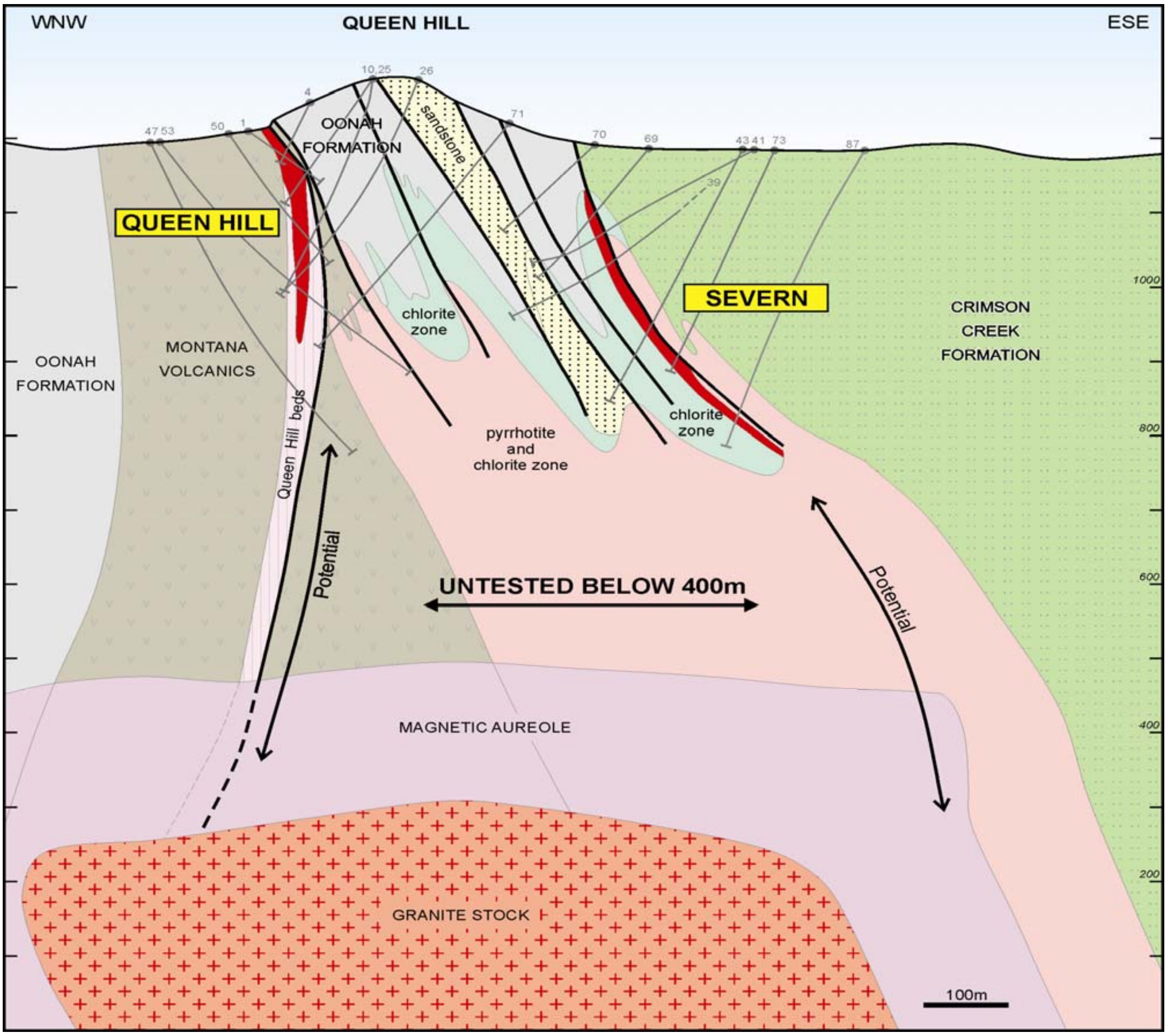
ZEEHAN

In March Stellar Resources Limited (ASX "SRZ") signed an agreement with Western Metals Limited for the purchase of Western Metal's 60% interest in the Zeehan tin deposit located in western Tasmania. The balance of 40% is held by Gippsland Limited.

Stellar Resources has the right to increase its equity from 60% to 70% by completing a banked feasibility study, at which time Gippsland's interest will reduce to 30%. Gippsland enjoys a free-carried interest in the project until the point at which Stellar Resources completes a banked feasibility study.

There has been no drilling on the project over the last 25 years due mainly to low tin prices. However, the recent recovery in the tin price to near record levels and the lack of exploration at depth provide the opportunity to confirm and expand the historical mineral resources.

As the price of tin is now in excess of US$23,000 per tonne the Company anticipates that Stellar, the operator, will instigate a comprehensive exploration programme at the Zeehan tin deposit which includes a combined Indicated and Inferred Resource of 7 million tonnes at a grade of 0.69% tin. Stellar is also focussing on the St Dizier and Dundas tin exploration projects in Tasmania.



CORPORATE

APPOINTMENT OF ABU DABBAB PROJECT CO-ORDINATOR

On 27 June Mr Steven JM Chadwick was appointed as Gippsland's Senior Project Co-ordinator to oversee the detailed engineering, construction and commissioning phases of the Company's 40 million tonne Abu Dabbab tantalum-tin project.

Mr Chadwick, a graduate of the Kalgoorlie School of Mines, has more than 30 years of hands-on experience in the mining industry, having filled senior management and technical roles with a number of major resource companies including Teck Cominco, Normandy, Noranda Australia and Mount Isa Mines.

Mr Chadwick has represented resource project owners in the development of a number of gold and base metals projects starting from the initial metallurgical testwork and process design through to project construction and implementation.

The Company considers that his practical experience will be most valuable in ensuring that Abu Dabbab moves quickly towards production in the most cost effective manner. Mr Chadwick will be joined by additional high-calibre personnel during the months ahead.

SHARE PLACEMENT

During June the Company announced that it had completed a placing of 12,655,553 fully paid ordinary shares to UK institutional investors at a price of 4.5 pence (approximately 9.35 Australian cents) per ordinary share to raise the sum of UK£569,500 (approximately A$1,172,515) before costs and expenses. The placing was undertaken by the Company's joint UK brokers Seymour Pierce Limited and Fox-Davies Capital Limited.

The funds raised under the placing will be used for working capital purposes and for the further development of the Company's 40 million tonne Abu Dabbab tantalum-tin project.

RJ (Jack) Telford
Executive Chairman
Gippsland Limited
www.gippslandltd.com

For further information please contact:

Jack Telford
Gippsland Limited
T: +61 8 9340 6000
E: jtelford@gippslandltd.com

Richard Hail
Fox-Davies Capital Ltd
T: +44 20 7936 5200
E: richard.hail@fdcap.com

Alexandra Carse
Fox-Davies Capital Ltd
T: +44 20 7936 5200
E: alexandra.carse@fdcap.com

John Gilbert
Fox-Davies Capital Ltd
T: +44 20 7936 5200
E: john.gilbert@fdcap.com

Nandita Sahgal
Seymour Pierce Limited
T: +44 20 7107 8000
E: nanditasahgal@seymourpierce.com

Matthew Thomas
Seymour Pierce Limited
T: +44 20 7107 8000
E: matthewthomas@seymourpierce.com

Jane Stacey
Investor Relations
M: +44 20 79292 6606 / +44 972 292 3306
E: jane@conduitpr.com

Ed Portman
Investor Relations
M: +44 792 292 3307 / +44 792 292 3307
E: ed@conduitpr.com

Note:
In accordance with Listing Rule 5.6 of the Australian Stock Exchange Limited and Part 2 of the AIM Guidance Notes for Mining, Oil and Gas Companies, 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 and a Fellow of the Australian Institute of Geoscientists. Dr Chisholm who is an Executive Director of Gippsland Limited with over 25 years experience in the mineral industry including the evaluation of exploration data, mineral resources and ore reserves, has consented to the issue of the information in this report in the form and context in which it appears.