

5 October 2009

GRANTING OF ERITREAN TENEMENTS

The Directors of Gippsland Limited ("Company") [ASX: GIP, DB: GIX] are pleased to announce that the Company's 100% owned subsidiary Nubian Resources PLC has been granted three Prospecting Licences ("Licences") in the Adobha region of The State of Eritrea ("Eritrea").

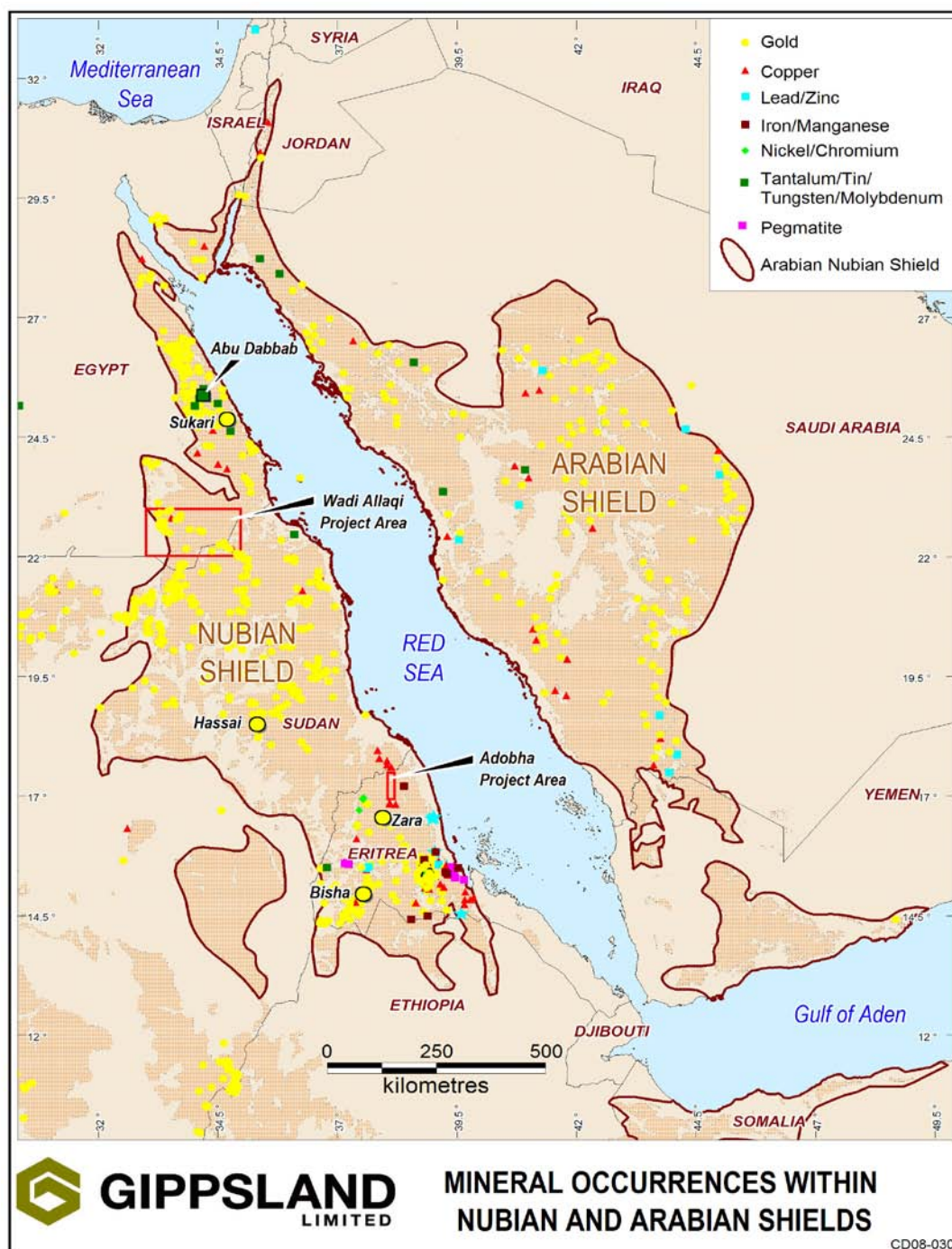


Figure 1: Adobha project location

The north-western part of Eritrea covers the highly mineral endowed, Precambrian Nubian-Arabian Shield that includes the 9.91 Moz Sukari gold deposit plus Gippsland's world class 138 Mt Abu Dabbab-Nuweibi tantalum-tin deposits.

In recent years there have been a number of significant gold and base metal discoveries in Eritrea that contain defined Mineral Resources and Ore Reserves such as at Bisha, Zara and around Asmara.

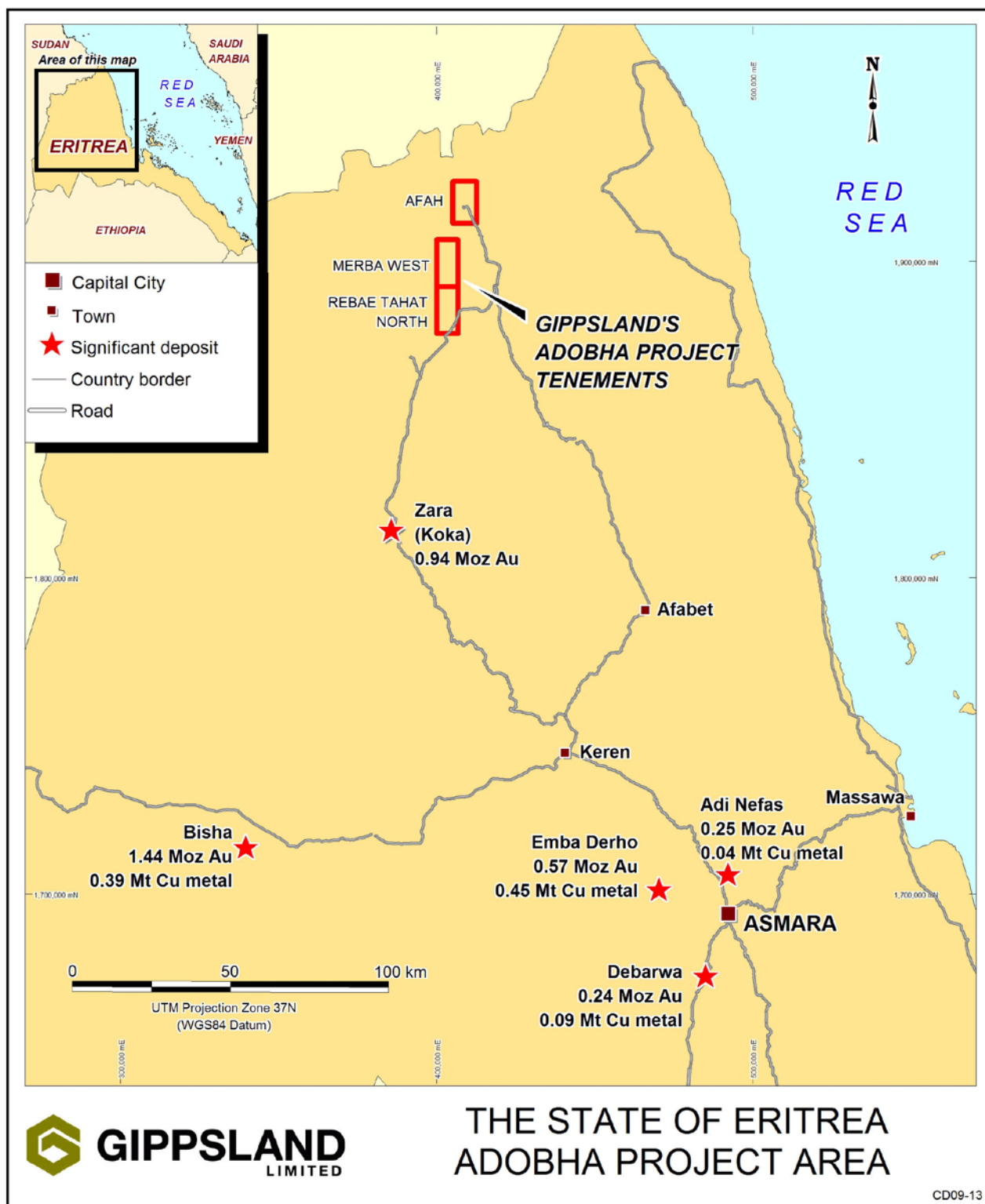


Figure 2: Adobha Project location

The three Licences cover 300 km² of ground that is prospective for volcanogenic massive sulphide (VMS) mineralisation and structurally controlled gold mineralisation. The area was selected following an interpretation of Thematic Mapper (TM) satellite data of a large part of northern Eritrea. During this study, the Bisha and Zara (Koka) mineral deposit areas were used as type examples. The Bisha deposit was selected as it represents a VMS deposit of the type that can be expected to occur in the area of interest. Koka was selected as it represents a structurally controlled gold deposit located in the southern part of the area of interest.

The Licences of 100 km² each, are located between 203 km and 247 km north of the Eritrean capital Asmara in a geological setting similar to the Bisha gold-base metal deposit located some 174 km to the south that contains 1.44 Moz Au and 0.39 Mt Cu. The structural setting of the area covered by the Licences is also similar to that found at the 0.94 Moz Zara gold project located some 65 km to the south.

The Eritrean Department of Mines granted the Licences on 16th September 2009, however due to delays associated with Ramadan celebrations, the Company received confirmation of the granting on 4th October 2009.

Geochemical Sampling Programme

An initial geological sampling program will be undertaken during October-November involving the collection of drainage channel samples within the project area, a technique which is known to be effective in the exploration of both gold and base metal deposits in Eritrea.

The drainage sampling will focus on eleven target anomalies that were identified during the TM interpretation study. Drainage samples will be collected from pre-determined sites designed to test the TM targets within the three Licences. All samples will be analysed for Cu, Pb, Zn and Au.

Logistics

Road access into the area is available, enabling most of the sampling programme to be completed using two sampling teams in 4WD vehicles. A helicopter will be used for the initial reconnaissance of the TM anomalies and collecting samples from the more inaccessible areas.

Personnel

Gippsland personnel will include Gippsland's Chief Geologist Dr John Chisholm, two of the Company's Egyptian geologists along with two Eritrean geologists and support personnel.

Potential

As a result of these successful applications, the Company now holds Licences totalling 300 km² in a region that has had minimal previous exploration but has the potential to host high grade gold and base metal deposits, similar to recent substantial discoveries immediately to the south.

For further information, please contact:

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Note:

In accordance with Listing Rule 5.6 of the Australian Stock Exchange Limited, the geological information in this report that relates to Exploration Results, Mineral Resources and Ore Reserves is based on data compiled by Dr John Chisholm, a Fellow of The Australasian Institute of Mining and Metallurgy. Dr Chisholm has sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Dr Chisholm consents to the inclusion in the report of the matters based on his information in the form and context in which it appears"