

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003, 24/10/2005.

Name of entity

GIPPSLAND LIMITED

ABN

31 004 766 376

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|--|--|
| 1 | +Class of +securities issued or to be issued | Fully paid ordinary shares. |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 162,535,026 ordinary shares (171,175,026 ordinary shares if all existing options are exercised). |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Fully paid ordinary shares pursuant to a Rights Issue to shareholders. |

+ See chapter 19 for defined terms.

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<p>4 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>The new shares will rank equally with existing fully paid ordinary shares.</p>				
<p>5 Issue price or consideration</p>	<p>\$0.015 per new share.</p>				
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>The purpose of the Rights Issue is, after meeting the expenses of the Rights Issue, to raise funds for the exploration programs in Eritrea which are anticipated to include Reverse Circulation Drilling, working capital for Abu Dabbab alluvial operation, costs associated with seeking a financing of the Abu Dabbab tin tantalum project and working capital.</p>				
<p>7 Dates of entering +securities into uncertificated holdings or despatch of certificates</p>	<p>20 March 2012.</p>				
<p>8 Number and +class of all +securities quoted on ASX (including the securities in clause 2 if applicable)</p>	<table border="1"> <thead> <tr> <th data-bbox="711 1335 870 1377">Number</th> <th data-bbox="870 1335 1258 1377">+Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="711 1377 870 1547">975,210,157</td> <td data-bbox="870 1377 1258 1547">Fully paid ordinary shares assuming no existing options are exercised.</td> </tr> </tbody> </table>	Number	+Class	975,210,157	Fully paid ordinary shares assuming no existing options are exercised.
Number	+Class				
975,210,157	Fully paid ordinary shares assuming no existing options are exercised.				

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		Number	+Class
9	Number and +class of all +securities not quoted on ASX (including the securities in clause 2 if applicable)	25,000,000	Options (exercisable at 13.5 cents each on or before 26/05/12).
		17,000,000	Options (exercisable at \$0.15 each on or before 31/05/12).
		600,000	Options (exercisable at \$0.04 each on or before 31/12/12).
		600,000	Options (exercisable at \$0.06 each on or before 31/12/13).
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	The Company currently has no dividend policy.	

Part 2 - Bonus issue or pro rata issue

11	Is security holder approval required?	No.
12	Is the issue renounceable or non-renounceable?	Renounceable.
13	Ratio in which the +securities will be offered	One new share for every five ordinary shares held on the record date.
14	+Class of +securities to which the offer relates	Fully paid ordinary shares.
15	+Record date to determine entitlements	16 February 2012
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	N/A.
17	Policy for deciding entitlements in relation to fractions	Rounded up to nearest whole number.
18	Names of countries in which the entity has +security holders who will not be sent new issue documents <small>Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.</small>	Belgium, Bahrain, Canada, Switzerland, France, Germany, Hong Kong, Indonesia, Ireland, Isle of Man, Japan, Jordan, Kenya, Kuwait, Netherlands, Papua New Guinea, Philippines, Portugal, Singapore, Thailand, USA, South Africa.
19	Closing date for receipt of acceptances or renunciations	9 March 2012.

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20	Names of any underwriters	Fully underwritten by Patersons Securities Limited (Patersons).
21	Amount of any underwriting fee or commission	5% of the total amount to be raised under the Rights Issue, less the amount of Abbotsleigh Pty Limited's entitlement, being approximately \$85,000 plus a lead manager fee of \$20,000.
22	Names of any brokers to the issue	N/A.
23	Fee or commission payable to the broker to the issue	N/A.
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders	N/A.
25	If the issue is contingent on +security holders' approval, the date of the meeting	N/A.
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	22 February 2012.
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	7 February 2012.
28	Date rights trading will begin (if applicable)	10 February 2012.
29	Date rights trading will end (if applicable)	2 March 2012.
30	How do +security holders sell their entitlements <i>in full</i> through a broker?	By completing the accompanying Entitlement and Acceptance Form in accordance with the instructions set out on the reverse of the Entitlement and Acceptance Form and liaise with your stockbroker.
31	How do +security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	By completing the accompanying Entitlement and Acceptance Form in accordance with the instructions set out on the reverse of the Entitlement and Acceptance Form and liaise with your stockbroker

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32 How do +security holders dispose of their entitlements (except by sale through a broker)? Standard Renunciation Form, Entitlement and Acceptance Form and transferee's cheque returned to the Company's share registry.

33 +Despatch date 20 March 2012.

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of securities
(tick one)

(a) Securities described in Part 1

(b) All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

36 If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over

37 A copy of any trust deed for the additional +securities

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Entities that have ticked box 34(b)

38 Number of securities for which
 +quotation is sought

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39 Class of +securities for which
 quotation is sought

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40 Do the +securities rank equally in all
 respects from the date of allotment
 with an existing +class of quoted
 +securities?

If the additional securities do not
 rank equally, please state:

- the date from which they do
- the extent to which they
 participate for the next dividend,
 (in the case of a trust,
 distribution) or interest payment
- the extent to which they do not
 rank equally, other than in
 relation to the next dividend,
 distribution or interest payment

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41 Reason for request for quotation
 now

Example: In the case of restricted securities, end of
 restriction period

(if issued upon conversion of
 another security, clearly identify that
 other security)

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	Number	+Class
42	Number and +class of all +securities quoted on ASX (<i>including</i> the securities in clause 38)	

+ See chapter 19 for defined terms.

Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:



Secretary

Date: 7 February 2012

Print name: ROWAN CAREN

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