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ABN 31 004 766 376

27 March 2012

SALE OF UNMARKETABLE PARCELS OF SHARES

The Board of Gippsland Limited (**Gippsland** or **Company**) (**ASX: GIP**) is pleased to announce that, as part of a capital management program, it has established a sale facility for unmarketable parcels of Gippsland shares (**Unmarketable Parcel Facility**).

An unmarketable parcel is a parcel of shares valued at less than \$500 as at the close of trade on 26 March 2012 (based on a share price of \$0.017 as at the close of trade on 26 March 2012) (**Unmarketable Parcel**).

The Company currently has 1,666 shareholders of which 811 hold less than a marketable parcel. Those holdings, which total 8,551,126 shares, represent 0.88% of the Company's total issued shares.

Those shareholders which hold an Unmarketable Parcel of shares will be sent a notice advising them of this fact (**Notice**). Unless those shareholders who receive a Notice advise the Company's share registry by 5:00pm (Perth time) on 11 May 2012 that they want to retain their shares, their shares will be sold and they will be sent the sale proceeds.

The price that those shareholders receive for their shares under the Facility will be determined by when and how the shares are sold. The shares will be sold as soon as practicable after 5.00pm (Perth time) on 11 May 2012. The Gippsland directors may sell the shares on market or in any other way they consider fair and reasonable in the circumstances. If the shares are sold on market the Company will use its best endeavours to obtain the highest available price for the shares, but given the sale of the shares is subject to market conditions, no guarantee as to the price can be given by the Company and the price will depend on a number of factors. If the Gippsland directors sell the shares other than on market, the price will be the price that the Gippsland directors have been able to negotiate with the acquirer or acquirers.

The Unmarketable Parcel Facility is being established in accordance with the Company's Constitution and the ASX Listing Rules.

If you receive a Notice and want to sell your shares under the Unmarketable Parcel Facility – you do not need to do anything. Your shares will be sold on your behalf by Gippsland after 11 May 2012. You will not need to appoint a broker or pay the brokerage and handling costs associated with the sale of shares under the Unmarketable Parcel Facility. Any tax consequences from the sale of your shares will be your responsibility.

If you receive a Notice and you wish to retain your shares - you must return the Notice of Retention Form which will be enclosed with the Notice. The Notice of Retention Form must be returned so that it is received by 5:00pm (Perth time) on 11 May 2012. The Unmarketable Parcel Facility will be open until this date.

After 11 May 2012, the Company will arrange for the sale of all Unmarketable Parcels in respect of which a Notice of Retention Form has not been received.

Please contact the Company on +61 8 9340 6000 or the Company's share registry on (08) 9315 2333 (inside Australia) or on +61 8 9315 2333 (outside Australia) if you have any queries about lodging the Notice of Retention Form or the practical operation of the Unmarketable Parcel Facility.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Rowan Caren', written over a circular scribble.

Rowan Caren
Company Secretary