



®

METAL STORM LIMITED

A.C.N. 064 270 006

METAL STORM LIMITED – RESOLUTIONS PASSED AT EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS

BRISBANE, AUSTRALIA - 19 August 2010 – Metal Storm Limited (ASX trading code: **MST**, OTC symbol **MTSXY**) announces the resolutions passed at the company's Extraordinary General Meeting of Shareholders, held in Brisbane today.

SPECIAL BUSINESS

1 Approval of issue of Shares to Dutchess under Line Agreement

That for the purposes of ASX Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of the following Shares to Dutchess or its nominee in accordance with the terms of the Line Agreement, details of which are set out in the Explanatory Statement:

- (a) up to 260,000,000 Shares at an issue price determined in the manner set out in the Explanatory Statement; and
- (b) Shares in connection with payment of the Second Tranche Commitment Fee at an issue price determined in the manner set out in the Explanatory Statement.

Proxies to vote for 111,971,302

Proxies to vote against 2,885,732

Proxies to abstain 456,892

Proxies to vote at the proxy's discretion 8,269,954

This resolution was decided by a show of hands.

2 Approval of previous issue of Shares to Dutchess under Line Agreement

That for the purposes of ASX Listing Rule 7.4 and for all other purposes, the previous issue of the following Shares to Dutchess, in accordance with the terms of the Line Agreement, details of which are set out in the Explanatory Statement, be authorised and approved:

- (a) 20,636,715 Shares in connection with payment of the First Tranche Commitment Fee; and
- (b) 10,989,011 Shares at an issue price of \$0.0091 in connection with the first Investment Notice issued to Dutchess under the Line Agreement.

Proxies to vote for 112,702,958

Proxies to vote against 2,071,607

Proxies to abstain 506,892

Proxies to vote at the proxy's discretion 8,302,423

This resolution was decided by a show of hands.

3. Approval of issue of shares to Empire Equity

That for the purposes of ASX Listing Rule 7.4 and for all other purposes, the previous issue of 33,333,333 Shares to Empire Equity at an issue price of \$0.0081, details of which are set out in the Explanatory Statement, be authorised and approved

Proxies to vote for 112,722,208

Proxies to vote against 2,100,857

Proxies to abstain 476,892

Proxies to vote at the proxy's discretion 8,283,923

This resolution was decided by a show of hands.

4. Approval of issue of securities to Andrew Doyle

That for the purposes of ASX Listing Rule 7.4 and for all other purposes, the previous issue of 29,591,836 Shares at the issue prices set out in the Explanatory Statement and 6,632,652 Unquoted Options for nil consideration to Andrew Doyle, details of which are set out in the Explanatory Statement, be authorised and approved.

Proxies to vote for 85,486,802

Proxies to vote against 5,945,233

Proxies to abstain 516,892,

Proxies to vote at the proxy's discretion 8,269,954

This resolution was decided by a show of hands.

5. Approval of previous issue of securities to Malco (PNG) Limited

That for the purposes of ASX Listing Rule 7.4 and for all other purposes, the previous issue of 10,204,122 Shares at an issue price of \$0.0098 and 2,040,816 Unquoted Options for nil consideration to Malco (PNG) Limited, details of which are set out in the Explanatory Statement, be authorised and approved.

Proxies to vote for 109,477,030

Proxies to vote against 5,536,415

Proxies to abstain 300,481

Proxies to vote at the proxy's discretion 8,269,954

This resolution was decided by a show of hands.

6. Approval of issue of Doyle Options to Andrew Doyle

That for the purposes of ASX Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of 101,062,425 Doyle Options for nil consideration to Andrew Doyle, details of which are set out in the Explanatory Statement.

Proxies to vote for 82,275,449

Proxies to vote against 9,057,779

Proxies to abstain 615,699

Proxies to vote at the proxy's discretion 8,269,954

This resolution was decided by a show of hands.

-Ends-

Company Contact:**Australia & USA**

Dr Lee Finniear - Chief Executive Officer, Metal Storm Limited - Ph: +61 7 3123 4700

About Metal Storm

Metal Storm Limited is a defence technology company, employing 60 staff, headquartered in Brisbane, Australia and incorporated in the US, with offices in Washington DC and a defence engineering capability located in Seattle, operating as ProCam Machine LLC. The Company has invented 100% electronic ballistics technology that has no known conventional equivalent. Metal Storm is working with government agencies and departments, and the defence industry to develop a variety of systems utilising the Metal Storm non-mechanical, electronically fired stacked ammunition system.

Safe Harbour

Certain statements made herein that use the words "estimate", "project", "intend", "expect", "believe" and similar expressions are intended to identify forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements involve known and unknown risks and uncertainties which could cause the actual results, performance or achievements of the company to be materially different from those which may be expressed or implied by such statements, including, among others, risks or uncertainties associated with the development of the company's technology, the ability of the company to meet its financial requirements, the ability of the company to protect its proprietary technology, potential limitations on the company's technology, the market for the company's products, government regulation in Australia and the U.S., changes in tax and other laws, changes in competition and the loss of key personnel. For additional information regarding these and other risks and uncertainties associated with the company's business, reference is made to the company's reports filed from time to time with the Securities and Exchange Commission, including the company's Form 20-F.