

Form 604
Corporations Act 2001
Section 671B

Notice of change of interest of substantial holder

To: Company Name/ Scheme Metal Storm Limited

ACN/ARSN 064 270 006

1. Details of substantial holder(1)

Name James Michael O'Dwyer

ACN/ARSN (if applicable)

There was a change in the interests of the substantial holder on 12/08/2010

The previous notice was given to the company on 20/04/2010

The previous notice was dated 20/04/2010

2. Previous and present voting power

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in when last required, and when now required, to give a substantial holding notice to the company or scheme, are as follows:

Class of securities (4)	Previous notice		Present notice	
	Person's votes	Voting power (5)	Person's votes	Voting power (5)
Ordinary	80,698,954	7.54%	80,698,954	6.51%

3. Changes in relevant interests

Particulars of each change in, or change in the nature of, relevant interests of the substantial shareholder or an associate in voting securities of the company or scheme, since the substantial holder was last required to give a substantial holding notice to the company or scheme are as follows:

Date of change	Person whose relevant interest changed	Nature of change (6)	Consideration given in relation to change (7)	Class and number of securities affected	Person's votes affected
22/04/2010	James Michael O'Dwyer	Dilution from issue of 21,428 Ordinary shares on exercise of Unquoted options.	Nil	80,698,954 Ordinary shares	80,698,954
30/04/2010	James Michael O'Dwyer	Dilution from issue of 14,285,714 Ordinary shares pursuant to a subscription agreement.	Nil	80,698,954 Ordinary shares	80,698,954
10/05/2010	James Michael O'Dwyer	Dilution from issue of 20,550 Ordinary shares on exercise of Unquoted options.	Nil	80,698,954 Ordinary shares	80,698,954
17/05/2010	James Michael O'Dwyer	Dilution from issue of 1. 33,333,333 Ordinary shares pursuant to a subscription agreement. 2. 3,655,944 Ordinary shares issued pursuant to the GEM facility agreement approved by Shareholders on 4 Mar 2010. 3. 561 Ordinary shares issued on exercise of quoted options.	Nil	80,698,954 Ordinary shares	80,698,954
25/05/2010	James Michael O'Dwyer	Dilution from issue of 1. 1,931,152 Ordinary shares issued to employees pursuant to shareholder resolution on 21/05/2010. 2. 5,864 Ordinary shares issued on exercise of quoted options.	Nil	80,698,954 Ordinary shares	80,698,954

28/05/2010	James Michael O'Dwyer	Dilution from issue of 1,235 Ordinary shares on exercise of quoted options.	Nil	80,698,954 Ordinary shares	80,698,954
31/05/2010	James Michael O'Dwyer	Dilution from issue of 1. 177 Fully paid Ordinary shares issued on exercise of quoted options. 2. 3,095 Fully paid Ordinary shares issued on exercise of quoted options. 3. 3,571,428 Fully paid Ordinary shares issued on exercise of quoted options.	Nil	80,698,954 Ordinary shares	80,698,954
04/06/2010	James Michael O'Dwyer	Dilution from issue of 1,141 Ordinary shares on exercise of quoted options.	Nil	80,698,954 Ordinary shares	80,698,954
09/06/2010	James Michael O'Dwyer	Dilution from issue of 40 fully paid Ordinary shares on exercise of quoted options.	Nil	80,698,954 Ordinary shares	80,698,954
16/06/2010	James Michael O'Dwyer	Dilution from issue of 63,771 fully paid Ordinary shares on exercise of unquoted options.	Nil	80,698,954 Ordinary shares	80,698,954
21/06/2010	James Michael O'Dwyer	Dilution from issue of 94 fully paid Ordinary shares on conversion of quoted options.	Nil	80,698,954 Ordinary shares	80,698,954
24/06/2010	James Michael O'Dwyer	Dilution from issue of 1. 125 fully paid Ordinary shares pursuant to exercise of quoted options. 2. 15,306,122 Ordinary shares issued pursuant to a subscription agreement.	Nil	80,698,954 Ordinary shares	80,698,954
25/06/2010	James Michael O'Dwyer	Dilution from issue of 10,204,081 fully paid Ordinary shares issued pursuant to a subscription agreement.	Nil	80,698,954 Ordinary shares	80,698,954
29/06/2010	James Michael O'Dwyer	Dilution from issue of 3,601,224 Fully paid ordinary shares issued pursuant to exercise of unlisted options.	Nil	80,698,954 Ordinary shares	80,698,954
30/06/2010	James Michael O'Dwyer	Dilution from issue of 20,636,715 Fully paid ordinary shares issued pursuant to a line of credit agreement.	Nil	80,698,954 Ordinary shares	80,698,954
01/07/2010	James Michael O'Dwyer	Dilution from issue of 17,719,298 Fully paid ordinary shares issued pursuant to an Equity line of Credit agreement.	Nil	80,698,954 Ordinary shares	80,698,954
02/07/2010	James Michael O'Dwyer	Dilution from the issue of 5,246,262 Fully paid ordinary shares issued on the conversion of 388,612 quoted interest bearing convertible notes.	Nil	80,698,954 Ordinary shares	80,698,954
20/07/2010	James Michael O'Dwyer	Dilution from issue of 1. 200,986 fully paid Ordinary shares pursuant to exercise of unquoted options. 2. 22,100,122 fully paid Ordinary shares issued pursuant to equity line of credit agreement.	Nil	80,698,954 Ordinary shares	80,698,954
23/07/2010	James Michael O'Dwyer	Dilution from issue of 287,956 fully paid Ordinary shares issued pursuant to exercise of unquoted options.	Nil	80,698,954 Ordinary shares	80,698,954
28/07/2010	James Michael O'Dwyer	Dilution from issue of 1. 3,277 fully paid Ordinary shares pursuant to exercise of quoted options. 2. 1,469 fully paid Ordinary shares pursuant to exercise of unquoted options.	Nil	80,698,954 Ordinary shares	80,698,954
02/08/2010	James Michael O'Dwyer	Dilution from issue of 1,870 fully paid Ordinary shares issued pursuant to exercise of quoted options.	Nil	80,698,954 Ordinary shares	80,698,954
03/08/2010	James Michael O'Dwyer	Dilution from issue of 1 fully paid Ordinary share issued pursuant to exercise of a quoted options.	Nil	80,698,954 Ordinary shares	80,698,954
05/08/2010	James Michael O'Dwyer	Dilution from issue of 888,889 Fully paid ordinary shares issued pursuant to an equity line of credit agreement.	Nil	80,698,954 Ordinary shares	80,698,954
12/08/2010	James Michael O'Dwyer	Dilution from issue of 16,666,667 Fully paid ordinary shares issued pursuant to an equity line of credit agreement.	Nil	80,698,954 Ordinary shares	80,698,954

12/08/2010	James Michael O'Dwyer	Dilution from issue of 1. 351,571 fully paid Ordinary shares pursuant to exercise of unquoted options. 2. 805 fully paid Ordinary shares pursuant to exercise of quoted options.	Nil	80,698,954 Ordinary shares	80,698,954
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4. Present relevant interests

Particulars of each relevant interest of the substantial holder in voting securities after the change are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Nature of relevant interest (6)	Class and number of securities	Person's votes
James Michael O'Dwyer	James Michael O'Dwyer	James Michael O'Dwyer	Registered holder of shares	57,011,770 ordinary shares	57,011,770
O'Dwyer Investments Pty Ltd ACN 010 495 315	O'Dwyer Investments Pty Ltd ACN 010 495 315	O'Dwyer Investments Pty Ltd ACN 010 495 315	Registered holder of shares	23,687,184 ordinary shares	23,687,184

5. Changes in association

The persons who have become associates (2) of, ceased to be associates of, or have changed the nature of their association (9) with, the substantial holder in relation to voting interests in the company or scheme are as follows:

Name and ACN (if applicable)	Nature of association
Nil	

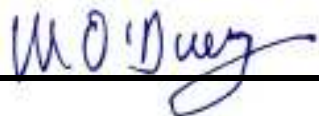
6. Addresses

The addresses of the person named in this form are as follows:

Name	Address
James Michael O'Dwyer	Unit 162, Admiralty Quays, 32 Macrossan Street, Brisbane
O'Dwyer Investments Pty Ltd ACN 010 495 315	c/o BDO Kendalls, Level 18, 300 Queen Street, Brisbane

Signature

print name James Michael O'Dwyer capacity _____

sign here  date 16/08/2010

DIRECTIONS

- (1) If there are a number of substantial holders with similar or related relevant interests (eg. a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 6 of the form.
- (2) See the definition of "associate" in section 9 of the Corporations Act 2001.
- (3) See the definition of "relevant interest" in section 608 and 671B(7) of the Corporations Act 2001.
- (4) The voting shares of a company constitute one class unless divided into separate classes.
- (5) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.
- (6) Include details of:
 - (a) any relevant agreement or other circumstances because of which the change in relevant interest occurred. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and
 - (b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.
- (7) Details of the consideration must include any and all benefits, money and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included of any benefit paid on behalf of the substantial holder or its association in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.
- (8) If the substantial holder is unable to determine the identity of the person (eg, if the relevant interest arises because of an option) write "unknown".
- (9) Give details, if appropriate, of the present association and any change in that associate since the last substantial holding notice.