



MARKET RELEASE

27 July 2010

Metal Storm Limited

TRADING HALT

The securities of Metal Storm Limited (the "Company") will be placed in pre-open at the request of the Company, pending the release of an announcement by the Company. Unless ASX decides otherwise, the securities will remain in pre-open until the earlier of the commencement of normal trading on Thursday, 29 July 2010 or when the announcement is released to the market.

Security Codes: MST
 MSTN
 MSTG
 MSTGA
 MSTO

A handwritten signature in black ink that reads "Pat O'L".

Patrick O'Connor
Senior Issuers Advisor

Metal Storm Limited

ABN 99 064 270 006

PO Box 128

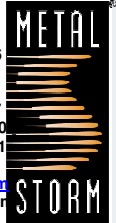
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27 July 2010

By email: patrick.o'connor@asx.com.au

Mr Patrick O'Connor
Senior Adviser, Issuers (Brisbane)
ASX Limited
Riverside Centre
123 Eagle Street
BRISBANE QLD 4000

Dear Sir,

METAL STORM LIMITED – REQUEST FOR TRADING HALT UNDER LISTING RULE 17.1

Metal Storm Limited (Metal Storm or Company) requests a trading halt of its ordinary shares, secured convertible notes, interest bearing convertible notes and option from the commencement of trading effective immediately.

In accordance with Listing Rule 17.1, I advise that:

- (a) Metal Storm expects to be able to make an announcement with respect to the Rights Issue announced to the market on 15 July 2010 by close of business Wednesday 28 July 2010.

Accordingly, the company seeks the trading halt to allow time for this to be finalised.

- (b) Metal Storm is seeking the trading halt to maintain an orderly market in the trading of the Company's securities;
- (c) Metal Storm requests the trading halt until the earlier of when it makes an announcement to the market concerning the Company's Rights Issue or the commencement of trading on Thursday 29 July 2010; and
- (d) Metal Storm is not aware of any reason why the suspension should not be granted.

If you have any further questions, please do not hesitate to contact me.

Yours sincerely,

METAL STORM LIMITED

A handwritten signature in black ink, appearing to read "PR Wetzig", written over a white background.

PR WETZIG

Company Secretary