



METAL STORM LIMITED

ACN 064 270 006

Notice under Section 708A (5)(e) of the Corporations Act

Brisbane, Australia – Thursday, 24 March 2011: Metal Storm Limited (ASX trading code: MST, OTC Symbol: MTSXY).

Metal Storm Limited (**Company**) proposes to issue 14,000,000 ordinary shares pursuant to an equity line of credit facility agreement.

The Company relies on case 1 in section 708A (5) of the *Corporations Act 2001* (**Act**) in respect of the issue of the Shares.

The Company gives notice under paragraph (5)(e) of section 708A of the Act that:

1. The Company issued the Shares without disclosure to the investor under Part 6D.2 of the Act;
2. As at the date of this notice the Company has complied with:
 - a. The provisions of Chapter 2M of the Act (as applicable to the Company); and
 - b. Section 674 of the Act; and
3. As at the date of this notice there is no excluded information (as defined in section 708A (7) of the Act) which is required to be disclosed by the Company.

For and on behalf of the Board of Directors of
METAL STORM LIMITED

A handwritten signature in black ink, appearing to read "Brett Farmer".

Brett I Farmer
Company Secretary

Metal Storm Limited

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Notes:

Metal Storm's Australian Stock Exchange trading code: MST
Metal Storm's OTC Symbol: MTSXY

Company Contact:

Australia & USA

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

About Metal Storm

Metal Storm Limited is a multi-national defence technology company engaged in the development of electronically initiated ballistics systems using its unique "stacked projectile" technology. The company is headquartered in Brisbane, Australia and incorporated in Australia. Metal Storm Limited technology and products are represented in the USA by Metal Storm Inc., which has offices in Arlington Virginia.

Metal Storm is working with government agencies and departments, as well as industry, to develop a variety of systems utilising the Metal Storm non-mechanical, electronically fired stacked ammunition system.

Metal Storm's weapon technology uses computer-controlled electronic ignition and a system of stacked projectiles, to achieve a completely non-mechanical gun that is very lightweight and compact, providing a very high firepower to weight ratio. The Metal Storm weapons system utilises multiple barrels mounted together on one platform which allows varying munitions types to be deployed in a single, low cost, lightweight weapon system. Firing the weapons by electronic ignition requires no moving parts, allowing reliable long term unattended weapon operation.

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 US, 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.