

ASX ANNOUNCEMENT

14 November 2011

DADI COMPLETES ALL CHINESE GOVERNMENT REGULATORY APPROVALS FOR \$24 MILLION PLACEMENT

Highlights

- **DADI achieves all required Chinese Government regulatory approvals;**
- **\$24 million investment in Metro Coal by DADI to proceed subject to shareholder approval;**
- **DADI will own 15.3% of MetroCoal having purchased 32 million shares at \$0.75 per share;**
- **Mr Dongping Wang from DADI will join the MetroCoal Board following the AGM on 24 November 2011**

MetroCoal Limited (ASX-MTE) is very pleased to advise that DADI Engineering Development (Group) Co. Ltd (DADI) has confirmed that all Chinese Government regulatory approvals have now been achieved in less than three months. MetroCoal will proceed with the placement of 28.8 million shares to DADI, subject to Shareholder approval at the AGM on 24 November 2011 (refer MetroCoal's Annual General Meeting notice)

MetroCoal announced on 6 September 2011 that it had secured a placement of 32.0m shares to DADI at \$0.75 per share to raise funds of \$24.0 million. On 16 September 2011, MetroCoal advised that it had received funds of \$2.4 million from the initial placement of 3.2m shares to DADI Engineering (Group) Hong Kong Co. Ltd on an unconditional basis. The balance of the placement being 28.8m shares (\$21.6m) was conditional on MetroCoal shareholder and Chinese Government regulatory approvals.

MetroCoal Chairman Mr David Barwick said "bringing in a new partner of the quality of DADI provides a sound platform for MetroCoal to continue to advance our Surat Basin thermal coal projects. I wish to thank DADI Chairman, Mr Meihua Xie for the very positive outcome in progressing all Chinese Government approvals so quickly and with such professionalism."

"We now look forward to Mr Dongping Wang joining our Board. We have enhanced the coal industry expertise on our Board with the appointment of Mr Wang and this will position MetroCoal very well in the future," Mr Barwick said.

DADI Chairman, Mr Xie said DADI was very pleased to have been offered the opportunity to invest in MetroCoal.

"We see MetroCoal as a coal energy company with a great future in the Surat Basin and we look forward to being part of their already successful team," Mr Xie said.

About DADI

DADI is a major Chinese coal group that offers the full range of coal services including open cut mine design, underground mine design, coal process plant design, coal processing research and development and engineering, procurement and construction projects.

DADI has over 2,000 employees and has been involved in many significant coal projects including the completion of more than 30 open cut and underground mining projects, the design and supply of over 70 coal processing plants and 3 water slurry treatment plants.



About MetroCoal Limited (ASX code: MTE)

MetroCoal is an Australian based emerging coal based energy company focused on its 100% owned coal projects in the Surat Basin in South East Queensland. MetroCoal's vision is to build a substantial cleaner energy and coal business based on export thermal coal from underground mining and where possible, open cut mining.

MetroCoal holds extensive coal exploration tenements in the Surat Coal Basin covering approximately 4,000km². These tenements are down dip of well known resources including Wandoan, Elimatta, Cameby Downs and Worri. Based on the geological information from the historic drilling programs and its own drilling results, MetroCoal has an Exploration Target of between 2.5 and 3.5 billion tonnes* with a JORC Code classification of "inferred" or better, by December 2011 for evaluation for conventional underground coal mining.

** The potential quantity and quality is conceptual in nature, and that there has been insufficient exploration to define a Mineral Resource of Ore Reserve and that it is uncertain if further exploration will result in the determination of a Mineral Resource or Ore Reserve.*

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Further information on MetroCoal can be found on our website www.metrocoal.com.au