



AN EMERGING COAL BASED ENERGY COMPANY FOCUSED ON THE SURAT BASIN REGION



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- Actual results and developments may differ materially from those expressed or implied by these forward looking statements depending on a variety of factors.
- Nothing in this presentation should be construed as either an offer to sell or a solicitation of an offer to buy or sell shares in any jurisdiction.
- Technical information and resource targets on MetroCoal Limited coal projects in this report had been compiled by Mr Neil Mackenzie-Forbes, MetroCoal JV General Manager. Mr Mackenzie-Forbes, member of “*The Australian Institute of Geoscientists*”, is a competent person and has relevant experience to the mineralisation being reported on to qualify as a Competent Person as defined by the Australasian Code for Reporting of Minerals Resources and Reserves. The resource information in this report has been released to the Australian Stock Exchange. Mr Mackenzie-Forbes has consented in writing to the inclusion in this presentation of the matters based on the information in the form and context it appears.

MetroCoal Investor Update – July 2011

MetroCoal Limited

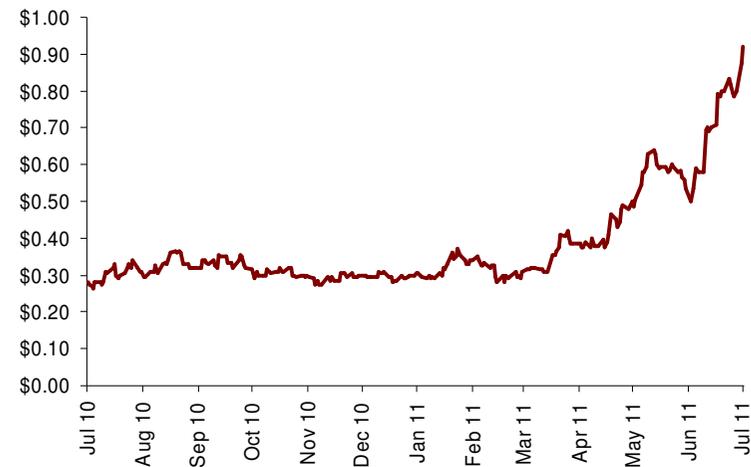
ABN: 45 117 763 443

ASX Code: MTE

www.metrocoal.com.au

Share price 26 July 2011	\$0.92
Shares on Issue	176.7M
Market Cap	\$162.6M
Cash on hand*	\$11.0M

12 month Share Price Performance



Substantial Shareholders

- **Metallica Minerals Limited** **45.3%**
- **Mathews Capital** **17.0%**
- **National Nominees Limited** **2.7%**
- **UBS Private Wealth Aust Nom** **2.7%**

* Excludes up to \$26m funds available in SinoCoal Joint Venture

Board and Management



David Barwick (Chairman)

- Professional accountant with over 38 years experience in managing over 27 public companies
- Currently Chairman of Metallica Minerals Limited, Jumbo Interactive Limited, Orion Metals Limited and Planet Metals Limited (all ASX listed companies)



John Haley (Non-Executive Director)

- MBA with More than 25 years of senior corporate experience
- Currently Company Secretary, CFO and Executive Director of Metallica Minerals Limited
- Currently Company Secretary of MetroCoal Limited



Michael Hansel (Non-Executive Director)

- Partner at large Queensland law firm - HopgoodGanim Lawyers
- Acts for many publicly-listed resource and industrial companies in Australia advising Boards of Directors



Andrew Gillies (Non-Executive Director)

- Managing Director of Metallica Minerals Limited
- Currently Director of Orion Metals Limited, Planet Metals Limited, Cape Alumina Limited and Queensland Resources Council



**Mike O'Brien
(Chief Executive Officer)**

- 35 years experience in mining and minerals
- 25 years management and operational experience at Shell Coal and Anglo Coal (subsidiary of Anglo America)



Theo Psaros (Chief Operating Officer)

- Chartered Accountant working for Coopers & Lybrand and PwC with considerable experience in financial management and administration
- Previously CEO of Queensland Rugby Union and Porsche Carrera Cup Australia



**Neil Mackenzie-Forbes
(JV General Manager)**

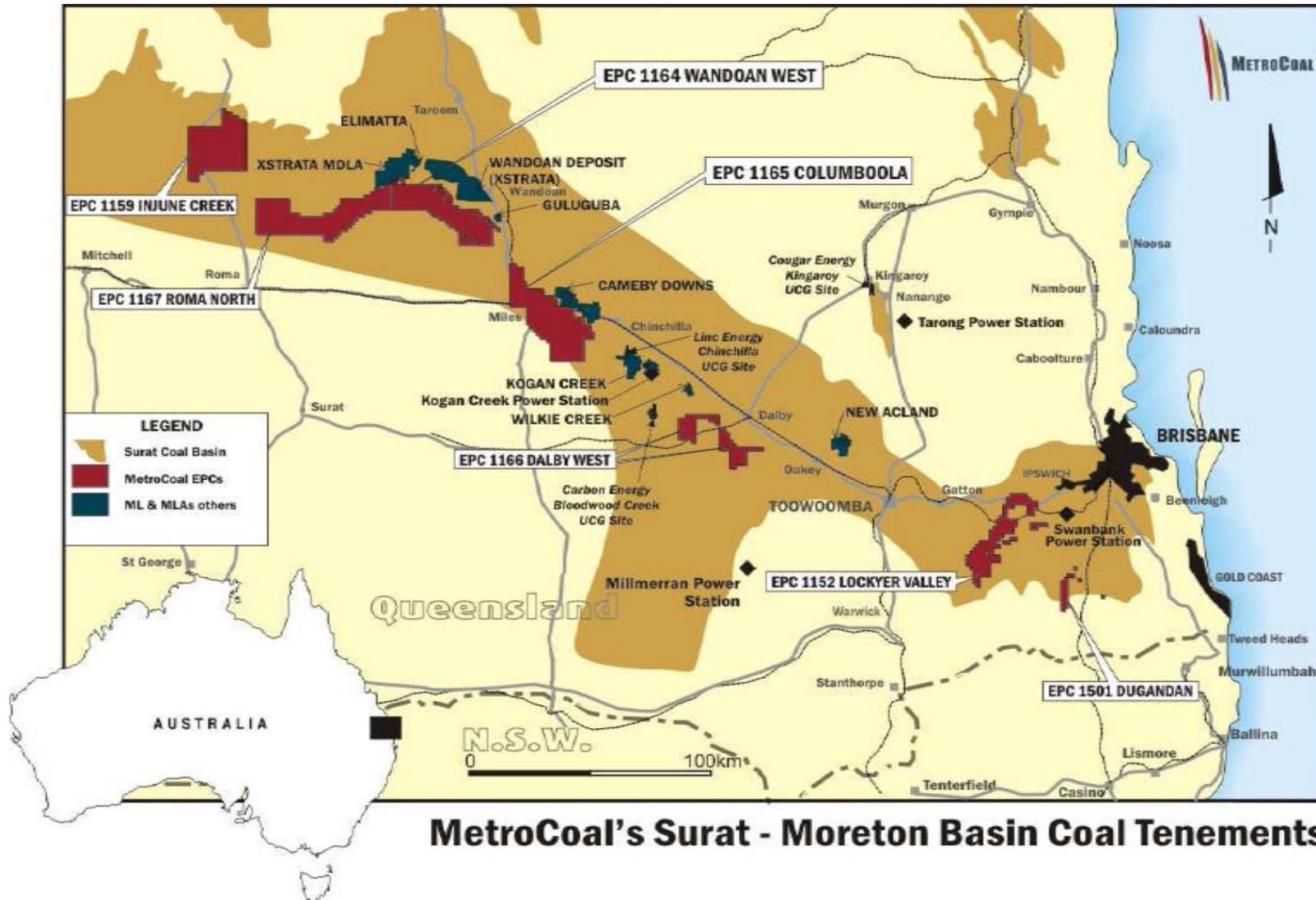
- Geologist with 16 years varied experience in coal, oil shale, gold and base metals
- Extensive exploration and mining experience including the fields of resource and mine development with a number of companies.



Nicholas Villa (Project Manager)

- Geologist with varied experience in coal and coal seam gas exploration.
- Experienced in management of multiple rig exploration programs

MetroCoal's Surat-Moreton Basin Coal Tenements



Coal Resource Strategy

- Exploration Target of 2.5 – 3.5 billion tonnes* by end 2011
- 1,188** Mt Resource identified since May 2009.

	†Juandah** (UCG) MCU Seam	†Bundi** (Underground) MCU Seam	†Bundi** (Underground) KO Seam	†Norwood** (Underground) MCU Seam	Columboola** (Underground) MCU Seam	Total (UCG and Underground)
Inferred	149Mt	545Mt	50Mt	156Mt	265Mt***	1,165Mt
Indicated	23Mt					23Mt
Total	172Mt	540Mt	50Mt	156Mt	265Mt***	1,188Mt

Target tonnage in Kogan and Macallister Upper seam only

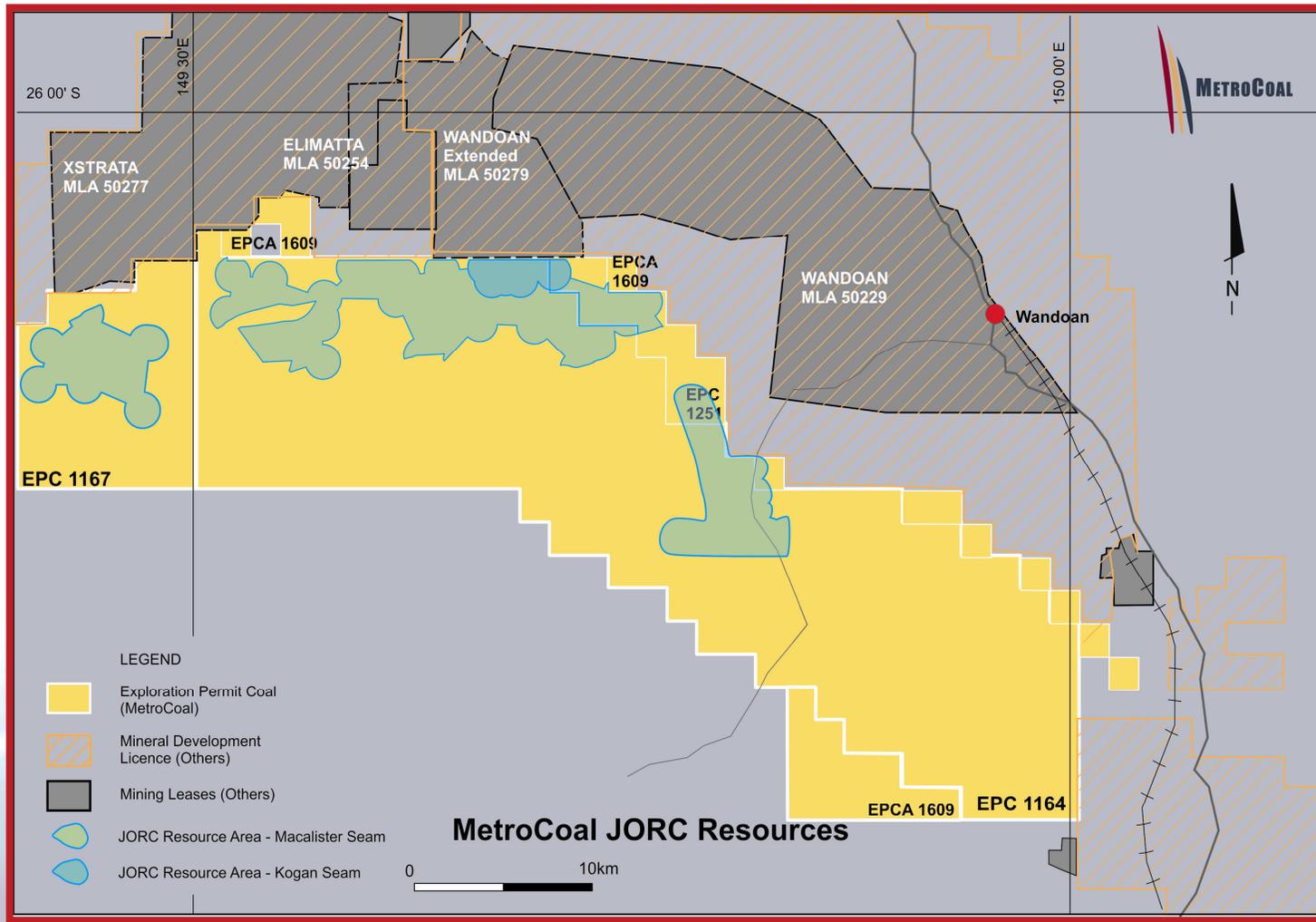
† See ASX – MTE release 12 May 2011

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

**See ASX – MTE release 7 July 2011

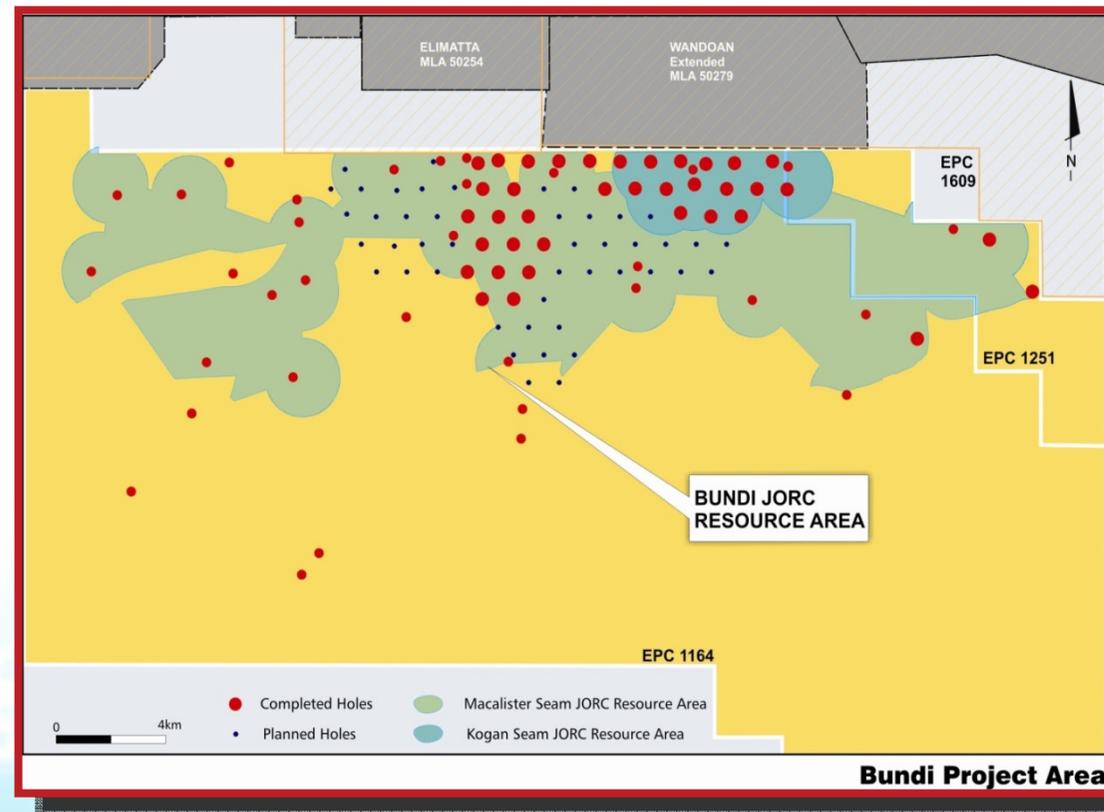
***Represents MTE 49% JV share only

Resource Area - EPC 1167 and 1164



Bundi Project – EPC 1164 & EPC 1251

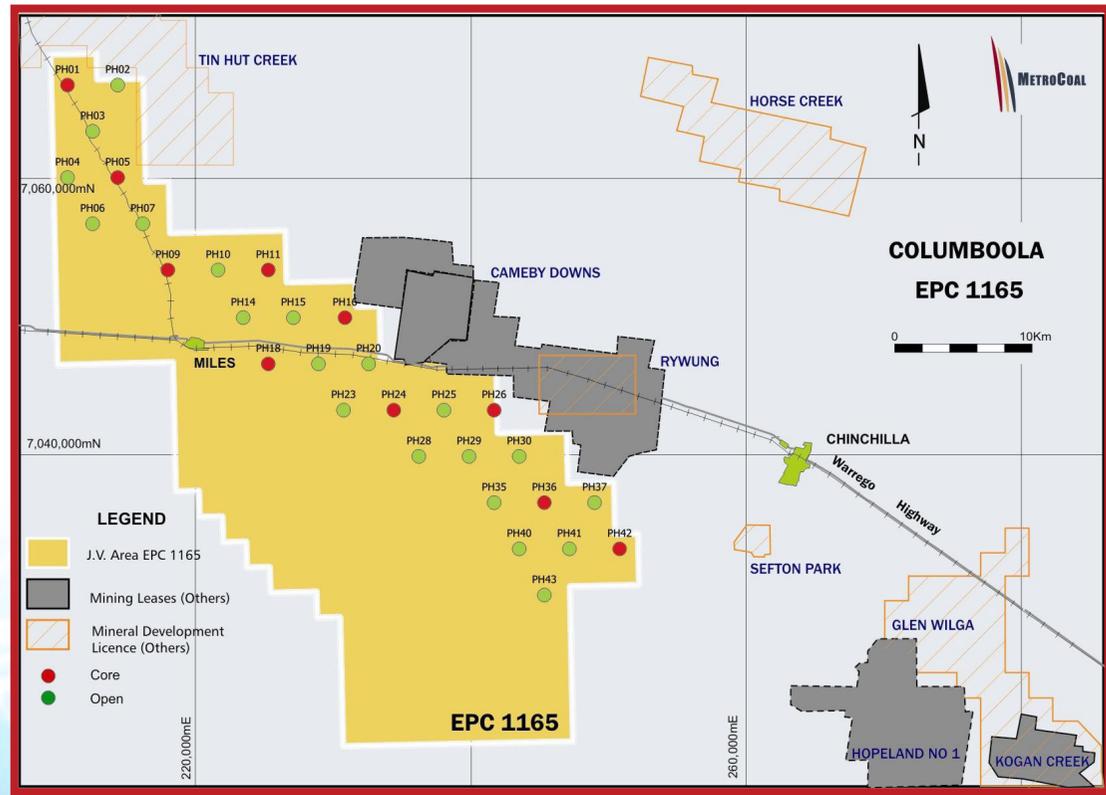
- Located down dip of New Hope’s Elimatta and Xstrata’s Wandoan mining projects
- Three drill rigs currently on site
- JV opportunity being marketed
- Strong interest from companies in China, India, Korea, Japan, USA and Australia
- Non-binding offers expected early August
- Binding offers expected by mid September



SinoCoal Resources – MetroCoal Joint Venture



- Signed \$30 million Joint Venture with SinoCoal Resources on EPC 1165 Columboola (SC 51% - MTE 49%)
- JV is targeting down dip extensions that make up the Cameby Downs thermal deposit being mined by Syntech
- 3 Drill rigs on site



MetroCoal Surat Projects - Indicative Coal Quality

- Thermal coal suitable for export at depths amenable to underground mining at all MetroCoal project areas
- The coal is suited to a wide range of customer due to
 - low ash, low sulphur and low phosphorous.
 - The low Nitrogen content is an advantage to those power stations in built up areas which have a ceiling on NOX emissions
 - low iron oxide in the ash makes the coal suitable for cement manufacture

	Washed	Raw
PROXIMATE ANALYSIS (%ad)		
Moisture	8-9	7-9
Ash	9-11	15-25
Volatile Matter	38-42	36-38
Fixed Carbon	38-43	30-42
TOTAL MOISTURE (%Ar)	14-16	12-14
YIELD (%)	75-90	
SPECIFIC ENERGY		
Gross (MJ/kg.ad)	26.6	21.8-25.1
Gross (kCal/kg.ad)	6350	5200-6000
ULTIMATE ANALYSIS (%daf)		
Carbon	77.4	75.9
Hydrogen	6.0	6.2
Nitrogen	0.9	1.1
Sulphur	0.4	0.4
Oxygen	15.3	16.3
Sulphur (%ad)	0.30	0.32
HARDGROVE GRINDABILITY INDEX (HGI)	38	40

Surat Basin Infrastructure



- **Port Capacity - Wiggins Island**

- Stage 1 financial close is imminent
- Stage 2 process has commenced with completion in 2015
- MetroCoal requested capacity in Stage 2
- \$2M bank guarantee lodged to fund MTE share of feasibility study for 12Mtpa capacity

- **Rail Capacity**

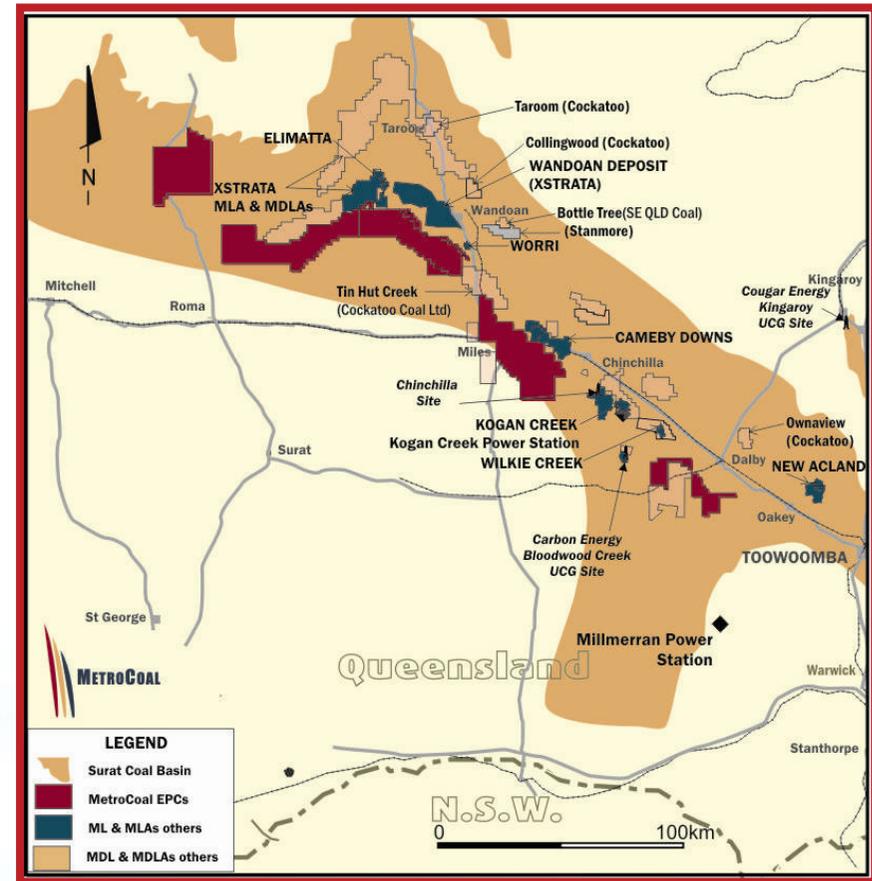
- Surat Basin Rail JV customer commitment process has commenced
- Southern Surat User Group established



Surat Basin – Increased Activity



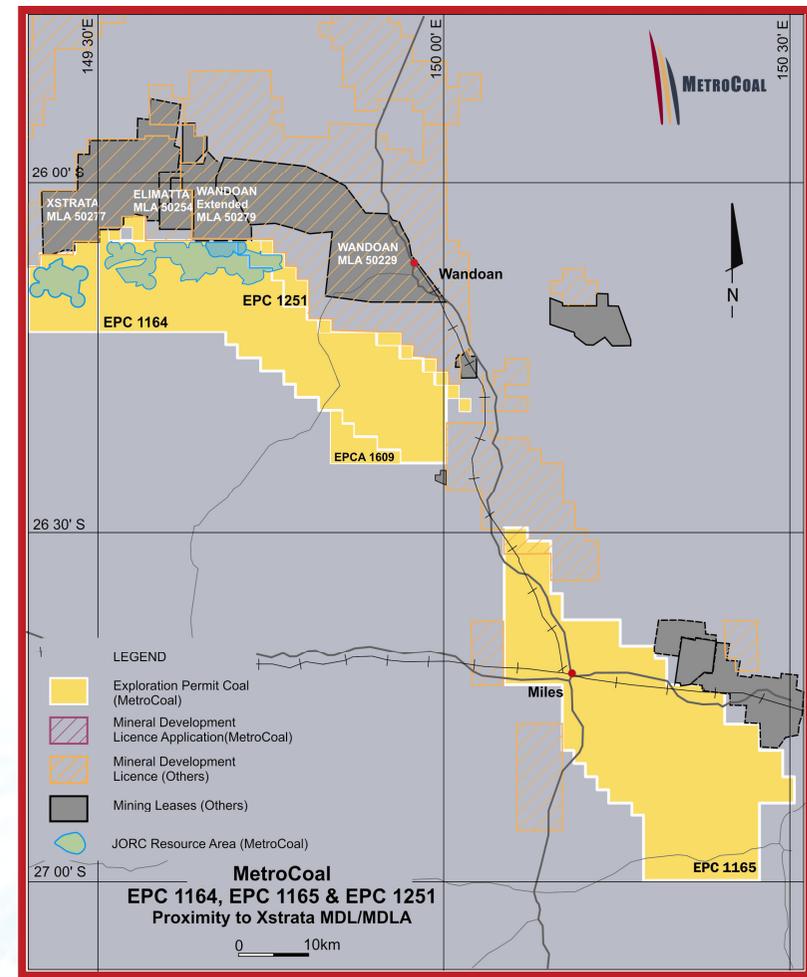
- **Xstrata**
 - lodges extensive MLA's and MDLA's near Wandoan
 - to proceed with the final stage of the Wandoan Mining Lease application
- **Cockatoo Coal**
 - acquires Anglo Coal Surat Basin assets
 - sold 49% of Woori to Mitsui
- **New Hope**
 - takes majority share of Northern Energy (NEC)
- **Cameby Downs**
 - commences production
- **MetroCoal JV venture with China Coal moves ahead**



Thermal Coal Mining Strategy



- To develop an initial mining operation at Bundi (EPC 1164) with an export coal capacity in excess of 5Mt per year
 - Initial production targeting 2015
- To develop a mining operation at Columboola (EPC 1165) with an export coal capacity in excess of 5Mt per year
 - Initial production targeting 2015/16

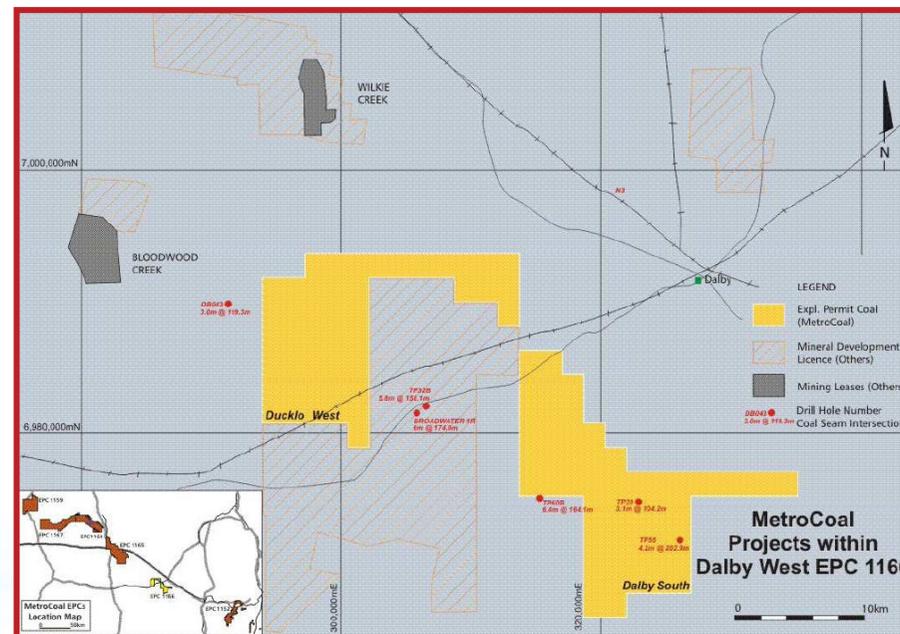


Other tenements

- In addition to the Bundi Project and the SinoCoal Joint Venture MetroCoal has an excellent resource base to provide development opportunities well in the future. These include

- EPC 1166 – Dalby West

- Dalby West presents an attractive target with well developed coal seams at relatively shallow depths. Coal is ideally suited to provide feedstock for Coal to Liquids or will be mined for export when infrastructure is available.
- Exploration drilling will commence in August 2011. The Exploration Target for this tenement is 160Mt to 220Mt*.



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MetroCoal – 2011 milestones



- **Bundi Project**
 - resource upgrades (mid August)
 - JV partner (Late September)
- **Columboola JV – increasing JORC resource (late August)**
- **Surat Basin Rail – further news expected**
- **Scoping Study for Bundi Underground mine commenced.**
- **We expect to achieve the exploration target of at least 2.5 Billion tonnes* by December 2011**

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MetroCoal



- **Extensive and Attractive Coal Tenements**
 - Exploration Target * 2.5 – 3.5 billion tonnes by December 2011
 - Current JORC resource 1,188Mt (1,165Mt Inferred and 23Mt Indicated)**
- **On Track to Deliver our Strategic Plan**
 - Pathway from resource identification to project delivery
 - Positioned to participate in infrastructure projects - \$2M committed
 - Significant Joint Venture Agreement with one of China's largest coal producers provides funds for development of Columboola
 - Seeking Joint Venture partner for EPCs 1164/1251 (Bundi Project)
 - EIS process commenced for both Bundi and Norwood Projects
- **Experienced Board and Management team**

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***See ASX – MTE releases 12 May 2011 and 7 July 2011*