



METAL STORM LIMITED

ACN 064 270 006

Equity & Debt Placement Correction

BRISBANE, 7 December 2009 – Metal Storm Limited (ASX trading code: MST, OTC Symbol: MTSXY, PoMSOX code: MSTG).

Metal Storm previously announced today that the Company has negotiated an immediate small equity placement to provide carry forward funding. It was stated in that announcement that documentation for this is expected to be completed today.

The Company wishes to correct this. The funding and documentation in respect of this is expected to commence today.

The Company will advise the market further when this facility is completed or when there is further material progress in this matter.

As stated in the previous announcement the Company now expects to receive the First Tranche funding in the AFHL equity and debt placement by 7pm (Brisbane) Tuesday, 8 December 2009.

ENDS

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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 utilizes 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.