

Form 604
Corporations Act 2001
Section 671B

Notice of change of interest of substantial holder

To: Company Name/ Scheme Metal Storm Limited

ACN/ARSN 064 270 006

1. Details of substantial holder(1)

Name James Michael O'Dwyer

ACN/ARSN (if applicable) _____

There was a change in the interests of the substantial holder on 10/12/2009

The previous notice was given to the company on 10/12/2009

The previous notice was dated 10/12/2009

2. Previous and present voting power

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in when last required, and when now required, to give a substantial holding notice to the company or scheme, are as follows:

Class of securities (4)	Previous notice		Present notice	
	Person's votes	Voting power (5)	Person's votes	Voting power (5)
Ordinary	106,416,572	14.20%	96,201,774	12.44%

3. Changes in relevant interests

Particulars of each change in, or change in the nature of, relevant interests of the substantial shareholder or an associate in voting securities of the company or scheme, since the substantial holder was last required to give a substantial holding notice to the company or scheme are as follows:

Date of change	Person whose relevant interest changed	Nature of change (6)	Consideration given in relation to change (7)	Class and number of securities affected	Person's votes affected
See Annexure 'A'					

4. Present relevant interests

Particulars of each relevant interest of the substantial holder in voting securities after the change are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Nature of relevant interest (6)	Class and number of securities	Person's votes
James Michael O'Dwyer	James Michael O'Dwyer	James Michael O'Dwyer	Registered holder of shares	72,501,770 ordinary shares	72,501,770
O'Dwyer Investments Pty Ltd ACN 010 495 315	O'Dwyer Investments Pty Ltd ACN 010 495 315	O'Dwyer Investments Pty Ltd ACN 010 495 315	Registered holder of shares	23,700,004 ordinary shares	23,700,004

5. Changes in association

The persons who have become associates (2) of, ceased to be associates of, or have changed the nature of their association (9) with, the substantial holder in relation to voting interests in the company or scheme are as follows:

Name and ACN (if applicable)	Nature of association
Nil	

6. Addresses

The addresses of the person named in this form are as follows:

Name	Address
James Michael O'Dwyer	Unit 162, Admiralty Quays, 32 Macrossan Street, Brisbane
O'Dwyer Investments Pty Ltd ACN 010 495 315	c/o BDO Kendalls, Level 18, 300 Queen Street, Brisbane

Signature

print name James Michael O'Dwyer capacity _____

sign here  date 14/12/09

DIRECTIONS

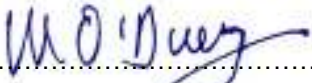
- (1) If there are a number of substantial holders with similar or related relevant interests (eg. a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 6 of the form.
- (2) See the definition of "associate" in section 9 of the Corporations Act 2001.
- (3) See the definition of "relevant interest" in section 608 and 671B(7) of the Corporations Act 2001.
- (4) The voting shares of a company constitute one class unless divided into separate classes.
- (5) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.
- (6) Include details of:
 - (a) any relevant agreement or other circumstances because of which the change in relevant interest occurred. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and
 - (b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).
- See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.
- (7) Details of the consideration must include any and all benefits, money and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included of any benefit paid on behalf of the substantial holder or its association in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.
- (8) If the substantial holder is unable to determine the identity of the person (eg, if the relevant interest arises because of an option) write "unknown".
- (9) Give details, if appropriate, of the present association and any change in that associate since the last substantial holding notice.

Metal Storm Limited
ACN 064 270 006
Annexure 'A' to ASIC Form 604

This is the Annexure 'A' of 2 pages referred to in number 3 of the ASIC Form 604 signed and dated 14 December 2009.

Date of Change	Person whose relevant interest Changed	Nature of Change (6)	Consideration given in relation to change (7)	Class and number of securities affected	Person's votes affected
			AUD\$	Common Stock	Common Stock
07/12/2009	James Michael O'Dwyer	Market Disposition	\$0.028	655,870	655,870
07/12/2009	James Michael O'Dwyer	Market Disposition	\$0.027	550,000	550,000
07/12/2009	James Michael O'Dwyer	Market Disposition	\$0.026	500,000	500,000
07/12/2009	James Michael O'Dwyer	Market Disposition	\$0.026	750,000	750,000
07/12/2009	James Michael O'Dwyer	Market Disposition	\$0.026	700,000	700,000
07/12/2009	James Michael O'Dwyer	Market Disposition	\$0.027	650,000	650,000
07/12/2009	James Michael O'Dwyer	Market Disposition	\$0.027	73,928	73,928
07/12/2009	James Michael O'Dwyer	Market Disposition	\$0.027	420,000	420,000
04/12/2009	James Michael O'Dwyer	Market Disposition	\$0.023	675,000	675,000
04/12/2009	James Michael O'Dwyer	Market Disposition	\$0.023	750,000	750,000
04/12/2009	James Michael O'Dwyer	Market Disposition	\$0.023	400,000	400,000
04/12/2009	James Michael O'Dwyer	Market Disposition	\$0.024	450,000	450,000
04/12/2009	James Michael O'Dwyer	Market Disposition	\$0.023	400,000	400,000
04/12/2009	James Michael O'Dwyer	Market Disposition	\$0.022	450,000	450,000
04/12/2009	James Michael O'Dwyer	Market Disposition	\$0.023	420,000	420,000
04/12/2009	James Michael O'Dwyer	Market Disposition	\$0.022	1,000,000	1,000,000
04/12/2009	James Michael O'Dwyer	Market Disposition	\$0.021	220,000	220,000
04/12/2009	James Michael O'Dwyer	Market Disposition	\$0.023	600,000	600,000
04/12/2009	James Michael O'Dwyer	Market Disposition	\$0.023	550,000	550,000

Total				10,214,798	10,214,798
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James Michael O'Dwyer