



METAL STORM LIMITED

ACN 064 270 006

Convertible Note Interest Payment

Brisbane, AUSTRALIA – 16 December 2009: Metal Storm Limited (ASX trading code: MST and OTC ticker symbol: MTSX, PoMSOX code: MSTG).

Metal Storm Limited advises that the payment of interest on Convertible Notes for the period 1 October 2009 to 31 December 2009 will occur as follows:

Event	Date
1. Record date to identify the Note Holders entitled to receive interest payments on the Convertible Notes (determined in accordance with the Listing Rules)	24 December 2009
2. Interest payment date	31 December 2009

Interest is payable at 10% per annum.

The interest payment for this period is 0.34027 cents for each Convertible Note.

Notes:

Metal Storm's Australian Stock Exchange trading code: MST
Metal Storm's OTCBB ticker symbol: MTSX

Company Contact:

Peter Wetzig - Company Secretary, Metal Storm Limited - Ph: +61 (0) 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, with an office 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.

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.