



METAL STORM LIMITED

ACN 064 270 006

Metal Storm to deliver MAUL™ Weapon Systems to Defence R&D Canada

Brisbane, Australia – January 18, 2010: Metal Storm Limited (ASX trading code: MST, OTC Symbol: MTSXY. PoMSOX code: MSTG).

On 6 November, 2009 Metal Storm Limited announced that Metal Storm Inc (MSI) had received an order from Defence Research and Development Canada for three Metal Storm MAUL™ 12 gauge Multi-shot Accessory Under-barrel Launchers together with ammunition. The customer has now approved a more detailed release.

Defence R&D Canada is examining technologies that could be used in a future integrated small arms weapons system. Metal Storm technologies, the 3GL and MAUL™, have been identified as potential lightweight solutions providing semi-automatic fire and escalation of force capabilities. In addition, the electronic ignition technology is of considerable interest from the perspective of an enabling technology for an automatic target engagement capability. The MAUL™ system has been purchased as representative of the two technologies and will undergo evaluation both from the perspective of user acceptance and EMC vulnerability and emissions.

Commenting on the agreement, Peter D. Faulkner MSI General Manager said “We are pleased to be working with Defence R&D Canada and are looking forward to receiving the results of their evaluation. We view this as the beginning of a long term relationship that could potentially lead to our participation in the development of Canada’s next generation small arms weapon system.”

The three MAUL™ weapons will be delivered in March 2010, subject to export regulations.

ENDS

Notes:

Metal Storm’s Australian Stock Exchange trading code: MST
Metal Storm’s OTC Symbol: MTSXY

Company Contact:

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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.

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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 utilises 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.