



# METAL STORM LIMITED

ACN 064 270 006

## Metal Storm signs Equity Subscription Agreement for \$700,000

**Brisbane, Australia** – Monday, 25 January 2010: Metal Storm Limited (ASX trading code: MST, OTC Symbol: MTSXY).

Metal Storm Limited is pleased to announce it has entered in to a Share Subscription Agreement for a further \$700,000 with a private investor and existing shareholder, Mr Andrew Doyle.

The Company has already received \$300,000 which will be followed by a further \$400,000 within 1 week of the Company holding a Meeting, where shareholders will be asked to approve the subscription as one of a series of resolutions.

If Shareholders approve the subscription, then within one week after the Meeting, the Company will issue \$700,000 worth of ordinary shares at a price that is the lower of \$0.018; or 90% of the VWAP over the 10 business days prior to the issue.

In addition the Company will issue one option for every share issued to the investor under this subscription agreement plus prior subscription agreements. These options will have an exercise price of \$0.018, and a term of 18 months.

If Shareholders do not approve the resolution the Company will repay the initial \$300,000, plus \$10,000 to cover lost interest and other costs.

Metal Storm CEO Dr Lee Finniear welcomed the additional investment.

“Although the Company has recently signed an Equity Line of Credit facility with Global Emerging Markets Ltd (GEM), this additional cash investment is important to allow the Company to fund further development work.” Dr Finniear said. “We appreciate the financial support Mr Doyle has provided over the last 3 months at times when funding was at its most critical.”

The Company today received the first tranche of funds under the Equity Line of Credit facility totalling \$260,000. Further funds are expected over the course of the next week. The Company expects these funds to arrive regularly in accordance with the terms of the agreement and does not intend to inform the market of each occurrence unless it falls outside the ordinary course of business.

**ENDS**

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### Notes:

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

### Company Contact:

#### Australia & USA

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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 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.