



**This summary will help avoid difficulties when purchasing SPP shares.  
Please read it carefully.**

## **1. Am I eligible?**

You are eligible to participate if you:

- have a registered address in Australia or New Zealand; and
- are recorded in Metal Storm's share registry between 7:00 pm AEST on Tuesday the 9th of June 2009 and Friday 19th of June 2009.

## **2. How many shares can I buy?**

You are entitled to apply for a parcel of shares in the company valued at \$1,000, \$2,500, \$5,000, \$7,500 or \$10,000 at the issue price, regardless of the number of shares you currently hold.

The purchase price will be 80% of the higher of:

- the daily volume weighted average sale price of the Company's shares sold on ASX during the last five days on which sales of shares are recorded immediately prior to the date of issue of shares under the SPP<sup>1</sup> and
- the average closing price of the Company's shares (not including some transactions) during the last five days on which sales of shares are recorded immediately prior to the date of issue of shares under the SPP<sup>1</sup>.

The purchase price will be used to determine the number of shares allotted to you by dividing the dollar value of your subscription by the purchase price.

The number of shares issued will be rounded down to the nearest whole share.

## **3. What share price is offered?**

The purchase price will be 80% of the higher of:

- the daily volume weighted average sale price of the Company's shares sold on ASX during the last five days on which sales of shares are recorded immediately prior to the date of issue of shares under the SPP<sup>1</sup> and
- the average closing price of the Company's shares during the last five days on which sales of shares are recorded immediately prior to the date of issue of shares under the SPP<sup>1</sup>.

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<sup>1</sup> Not including any transactions defined in the ASX Market Rules as "special", crossings prior to the commencement of normal trading, crossings during the afterhours adjust phase, nor any overseas trades or trades pursuant to the exercise of options over shares and any other sales which the directors consider may not be fairly reflective of natural supply and demand.



#### 4. How do I apply?

You are entitled to apply for a parcel of shares in the company valued at \$1,000, \$2,500, \$5,000, \$7,500 or \$10,000 at the issue price, regardless of the number of shares you currently hold. To apply, decide how much you wish to apply for and mark the relevant box.

- You may apply online by making a payment using BPay®. To do this, you must use the Reference Number shown on your Application Form, which is required to identify your holding. If you make a payment by BPay® you do not need to complete or return an Application Form;
- or*
- apply using your hard copy Application Form: complete the Application Form, attach a cheque or money order drawn in Australian currency on an Australian financial institution, and submit it by mail or in person in accordance with the instructions on the Application Form. Do not forward cash. Receipts for payment will not be issued.

#### 5. Do I have to use the application form, or can I accept by letter?

No, for security reasons the following must be adhered to strictly:

- You must use the original application form officially personalised with your details;
- You cannot purchase shares under the SPP in any other way;
- Original application forms must be used – photocopies or faxes will not be accepted;
- Applications are not transferrable to other people;
- To replace misplaced or lost forms you will need to call the SPP Help Line number below. A duplicate original will be re-issued - be mindful of the SPP's time limits as to replace forms may involve a delay.

#### 6. What payment options are available?

You may pay for your shares by **BPay®, cheque or money order only**.

The amount of your payment must correspond with the amount you have applied for.

Payment must be made in **Australian currency** and if paid by cheque drawn on an **Australian branch of a financial institution**.

The cheque or money order must be made payable to '**Metal Storm Limited Offer A/c**' and crossed '**Not Negotiable**'.

Cash will not be accepted



## 7. When do I get the shares?

The shares will be allotted on or about the 31<sup>st</sup> of July 2009 and are expected to be quoted on the ASX on or about the 6<sup>th</sup> of August 2009.

## 8. What kind of shares will I be issued?

You will receive fully paid ordinary shares in Metal Storm. They will rank equally in all respects with all other fully paid ordinary shares.

## 9. Do I have to pay brokerage or other costs?

No. Under the offer you don't have to pay brokerage, commission or other transaction costs.

The only cost to you in relation to the offer is the purchase price of the number of shares that you wish to acquire and any fees incurred by you in completing the application form such as bank fees or fees of professional advisors.

## 10. Can I give/sell my entitlement to someone else?

No – the offer is non-renounceable so you cannot sell or transfer your rights to apply for shares under this offer to anyone else.

## 11. When does this offer close?

Applications must be received by 5:00pm AEST on the Closing Date which is currently, 30 June 2009. Applications received after that time may not be accepted.

## 12. What is an un-marketable parcel of shares?

An un-marketable parcel of shares is defined by the ASX as a parcel of shares with a value of less than \$500.00.

For those shareholders with a non-marketable parcel of shares, the SPP offers the opportunity to increase their shareholding to a marketable parcel, without incurring any brokerage or transaction costs.

Those shareholders may then keep their larger marketable parcel of shares, or they may choose to trade them on-market with the brokerage and related fees being a lower percentage of the overall income from the transaction.

### Metal Storm Limited

Any questions you still have can be answered via a special **MST SPP Help Line**:

**Within Australia: 1300 552 270**

**Outside Australia: +61 3 9415 4000**