



ACN 117 763 443

ASX ANNOUNCEMENT

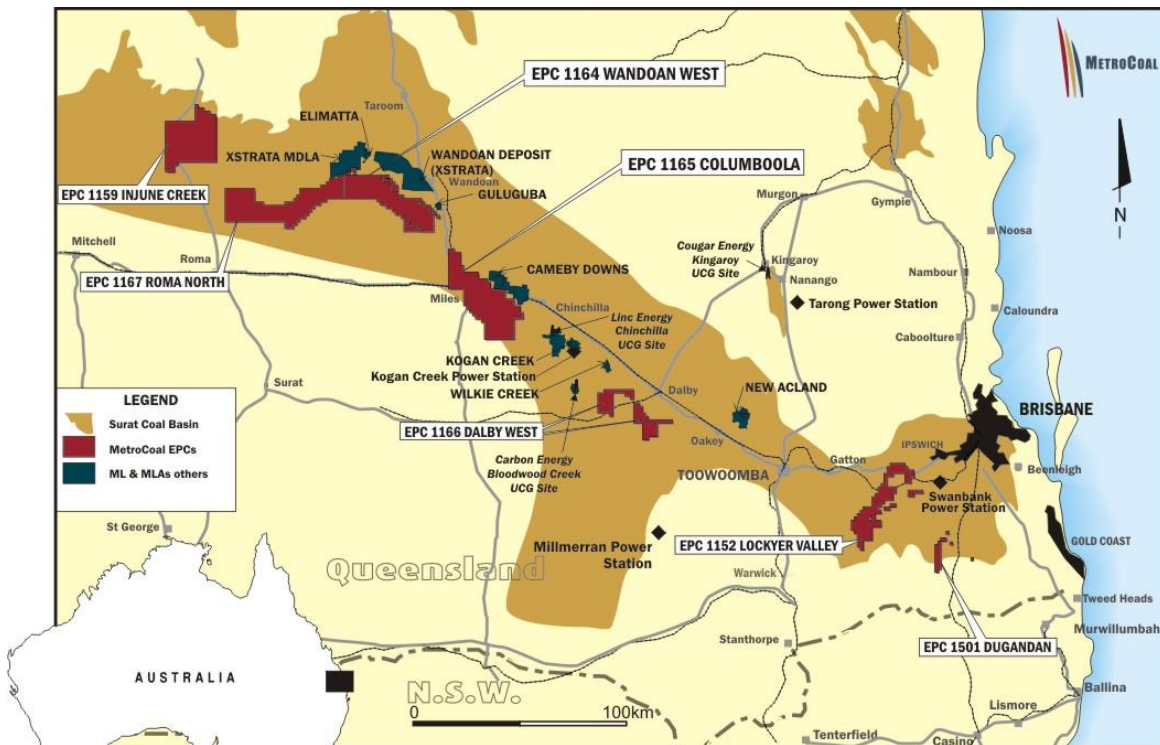
22 March 2011

METROCOAL TO MARKET 2nd JOINT VENTURE ON SURAT BASIN COAL PROJECT

MetroCoal Limited (ASX: MTE) wishes to advise that it is currently gaining and seeking expressions of interest for a Joint Venture partner on the 100% owned Wandoan West tenement (EPC 1164) (see diagram below), following the granting of a waiver by its Columboola project JV partner, SinoCoal Pty Ltd (the Australian subsidiary of China Coal Import Export Co., Ltd).

MetroCoal has previously advised that SinoCoal has a pre-emptive right over all of MetroCoal's existing EPCs. SinoCoal wishes to concentrate its focus on the highly prospective JV on the Columboola tenement (EPC 1165), at this time. SinoCoal's approval is only for EPC 1164 and they retain their pre-emptive right to MetroCoal's other EPCs.

SinoCoal's approval for MetroCoal to seek a JV partner for EPC 1164 has certain commercial in confidence parameters. MetroCoal Chairman, David Barwick said "we are grateful for SinoCoal's approval and we are comfortable with the commercial terms of their approval. It is very important to note that we continue our strong cooperation with SinoCoal on our Columboola JV."

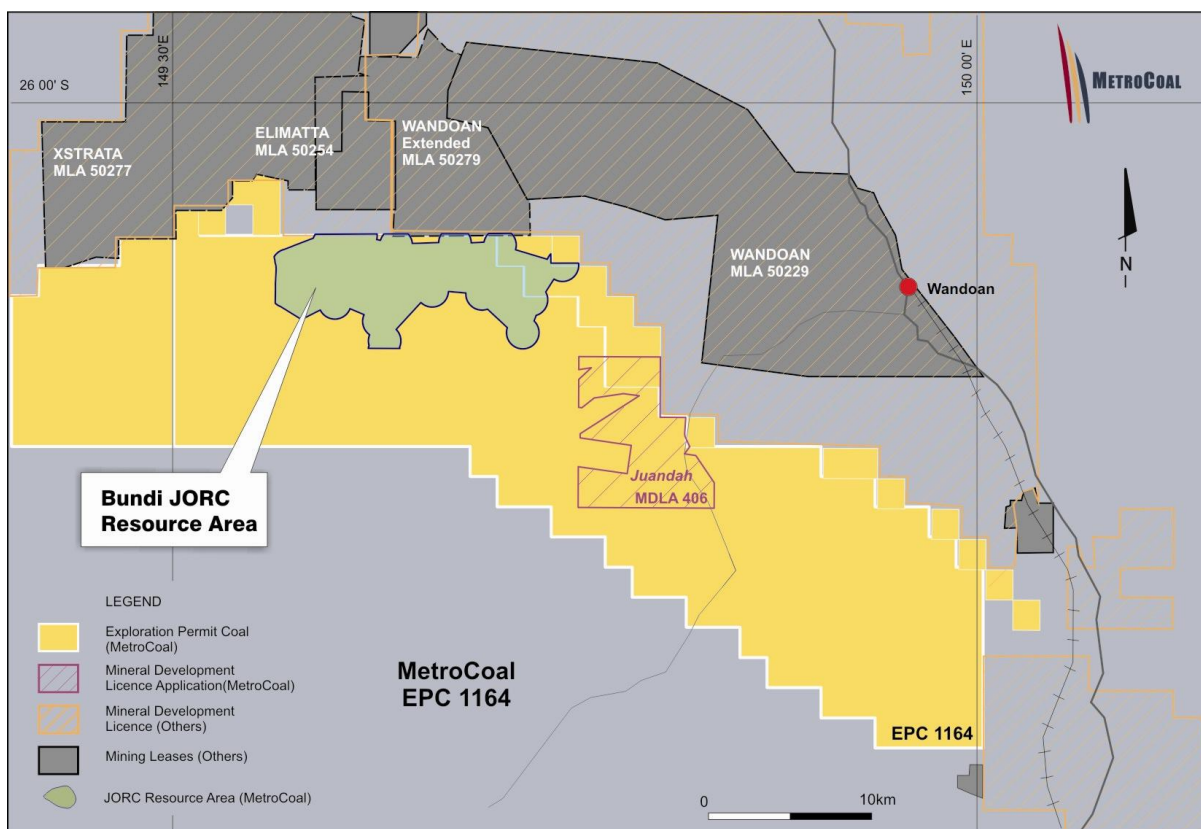


MetroCoal's Surat - Moreton Basin Coal Tenements

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About EPC 1164 Wandoan West

MetroCoal stated in its 2009 Prospectus that it was pursuing an Exploration Target for the Bundi Project area (see diagram below) of between 240Mt to 335 Mt** thermal coal suited predominantly for underground mining. Achieving an Inferred Resource of 381Mt* to date (see ASX release 19 October 2010) has already exceeded the Bundi target, which represents a small portion of the EPC 1164 tenement area covering 84km². It has been a positive contribution to the corporate goal of achieving an overall Exploration Target of between 2.5 and 3.5 billion tonnes* with a JORC Code classification of “inferred” or better by the end of 2011 for its Surat Basin coal projects.

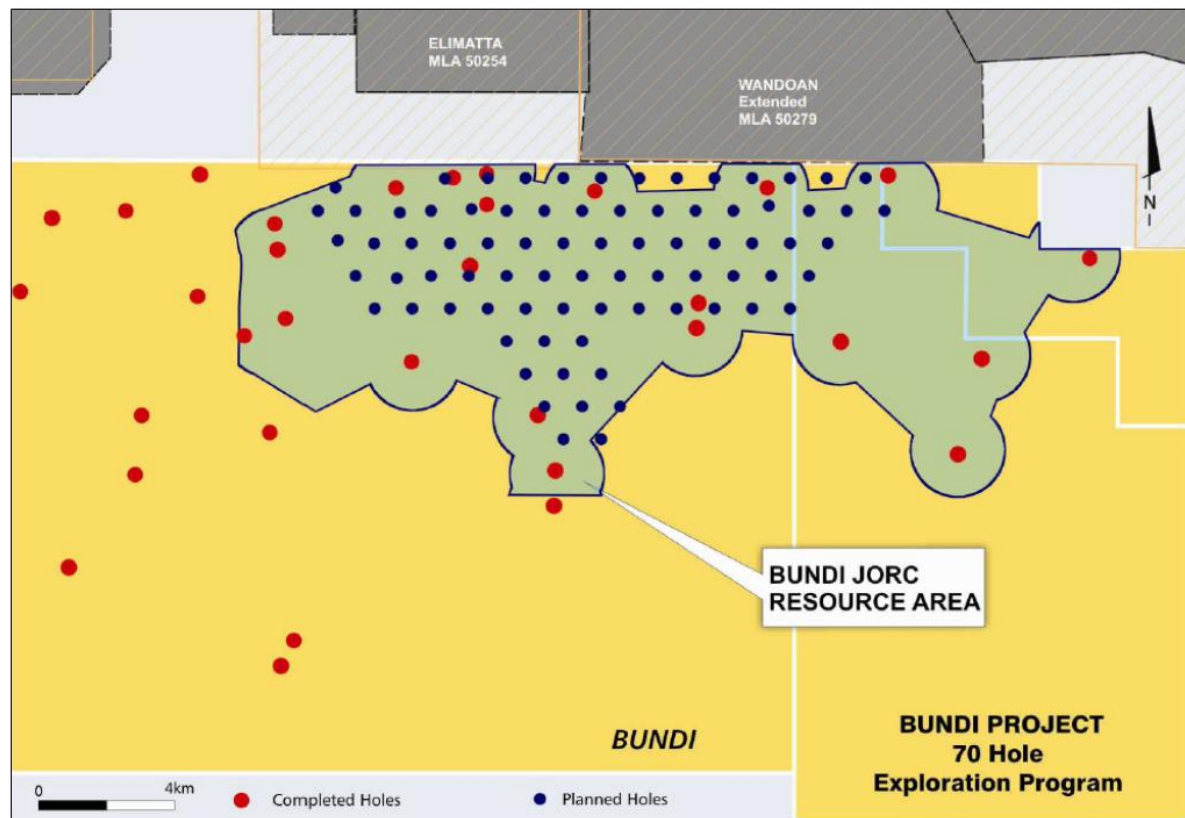


MetroCoal recommenced drilling on the Bundi Project area in February 2011 (see ASX release 11 February 2011). The drilling program that is currently underway consists of 70 holes on a 800m offset grid pattern to optimise drill spacing for resource estimation (see diagram on following page). Drilling is designed to increase resource confidence to Indicated level and provide further data for preliminary underground mining studies.

Drilling in the Bundi Project area will extend southeastwards to increase geological information of the down dip extensions of the Xstrata Wandoan Deposit and potentially bring additional large areas to resource confidence.

MetroCoal announced on 15 March 2011 it had commenced the statutory approval process for a proposed coal mine within EPC1164 through submission of the Initial Advice Statement for the Bundi Coal Mine Project.

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**The potential quantity and quality is conceptual in nature, and that there has been insufficient exploration to define a Mineral Resource or Ore Reserve and that it is uncertain if further exploration will result in the determination of a Mineral Resource or Ore Reserve.*

*** The information in this Announcement that relates to the Compilation and Exploration Targets is based on information compiled by Mr Neil Mackenzie-Forbes who is a Member of the Australian Institute of Geoscientists (Membership No 2035). Mr Mackenzie-Forbes is currently the exploration manager of MetroCoal. Mr Mackenzie-Forbes has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Mackenzie-Forbes has consented in writing to the inclusion in this Prospectus of the matters based on the information in the form and context it appears.*

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