



AN EMERGING COAL BASED ENERGY COMPANY FOCUSED ON THE SURAT BASIN REGION

Presentation to

4th Surat Basin Coal & Energy Conference

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Chief Executive Officer

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- Technical information on MetroCoal Limited coal projects in this report had been compiled by Mr Neil Mackenzie-Forbes, Exploration Manager of MetroCoal. Mr Mackenzie-Forbes, member of the Geological Society of Australia, is a competent person and has relevant experience to the mineralisation being reported on to qualify as a Competent Person as defined by the Australasian Code for Reporting of Minerals Resources and Reserves. The resource information in this report has been released to the Australian Stock Exchange.

4th Surat Basin Coal and Energy Conference – May 2011

MetroCoal Limited

ABN: 45 117 763 443

ASX Code: MTE

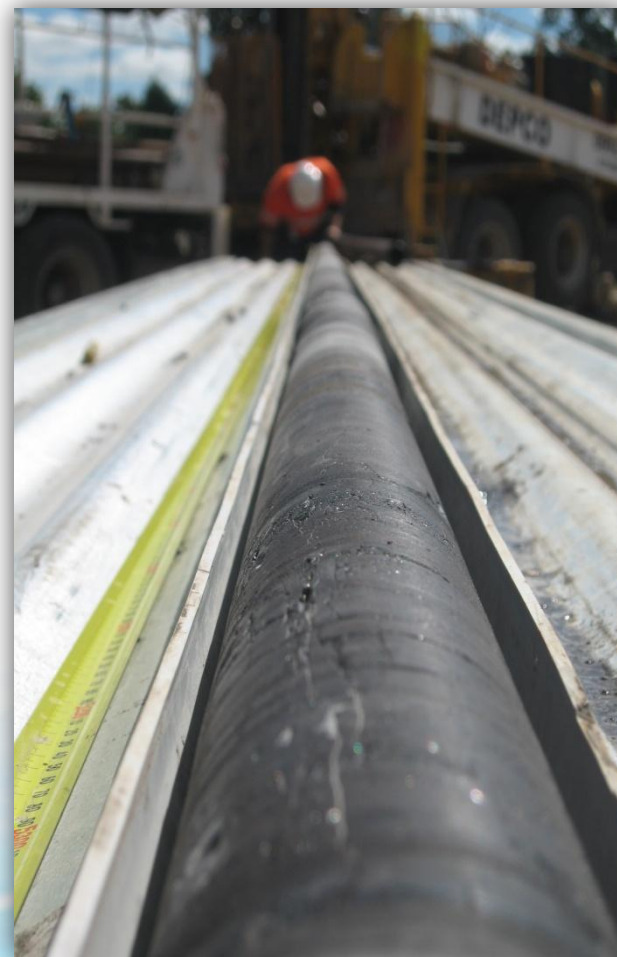
www.metrocoal.com.au

Share price 10 May 2011	\$0.395
Shares on Issue	176.7M
Market Cap	\$70M
Cash on hand*	\$14.3M

Substantial Shareholders

- **Metallica Minerals Limited** 45.3%
- **Merrill Lynch (Aust) Nominees** 8.9%
- **JP Morgan Nominees Australia** 6.5%
- **UBS Private Wealth Aust Nom** 3.1%

* Excludes funds available in SinoCoal Joint Venture



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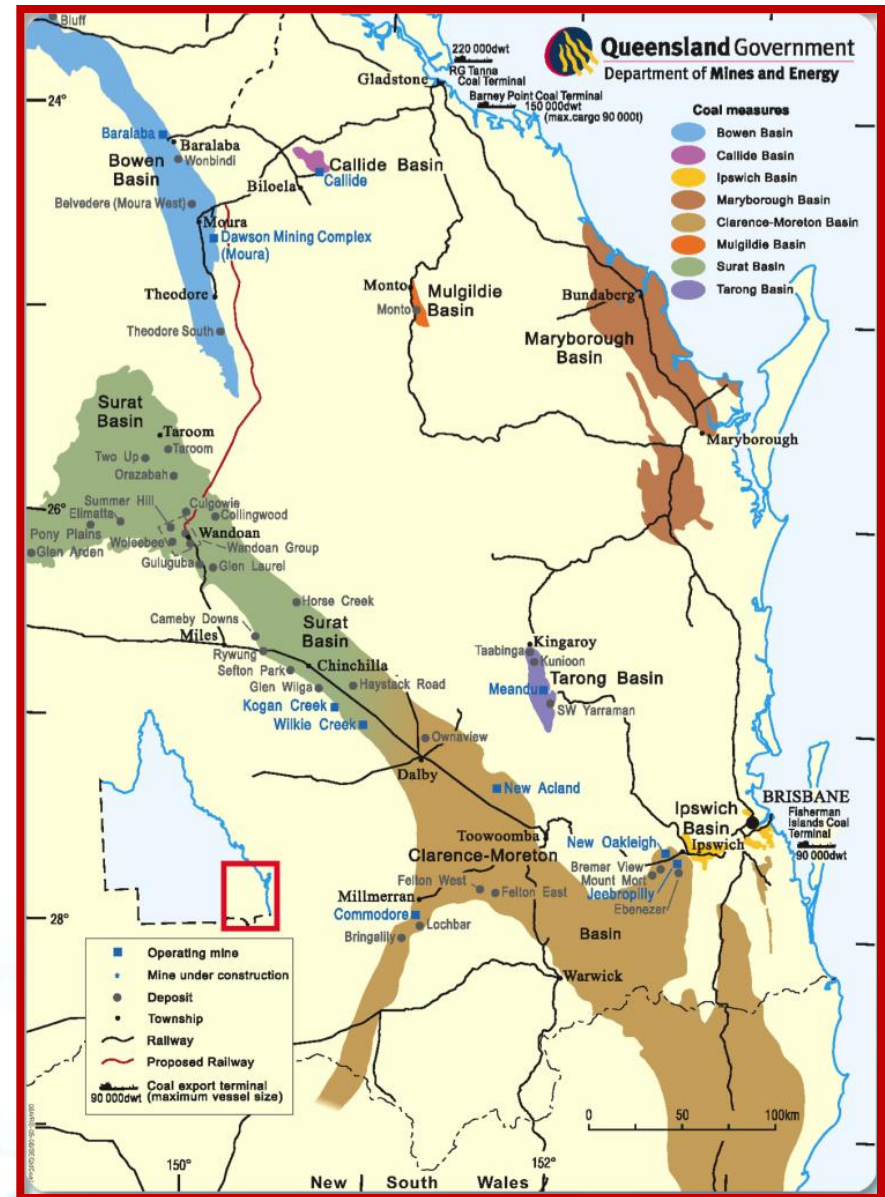
Emerging export thermal coal and domestic energy company

Substantial resources in the Surat Basin

Exploration Target*

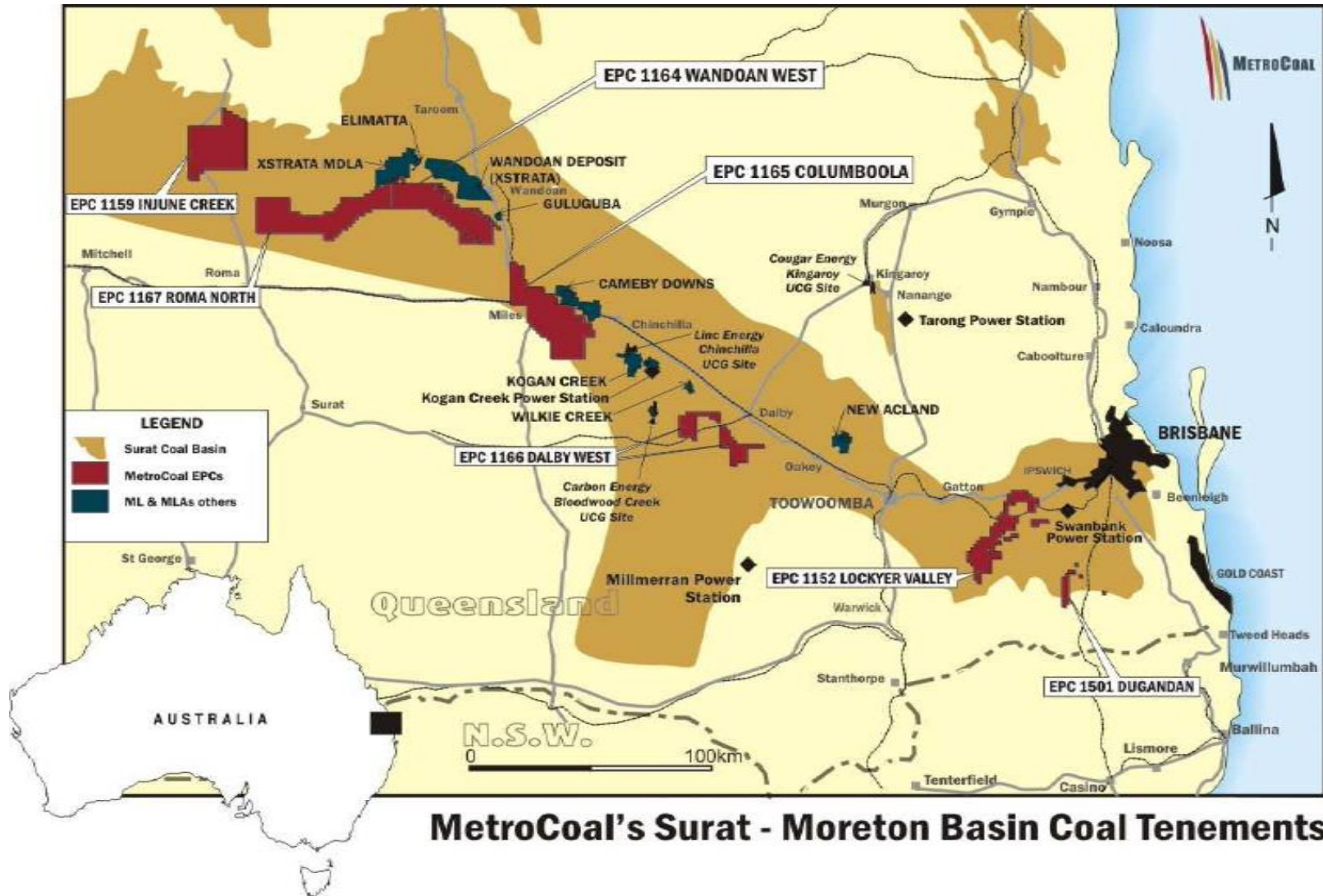
2.5 to 3.5 billion tonnes

by December 2011



*The potential quantity and quality is conceptual in nature, and there has been insufficient exploration to define a Mineral Resource or Ore Reserve and it is uncertain if further exploration will result in the determination of a Mineral Resource or Ore Reserve. 4

MetroCoal's Surat-Moreton Basin Coal Tenements



MetroCoal's Surat - Moreton Basin Coal Tenements

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Surat Basin – Increased Activity

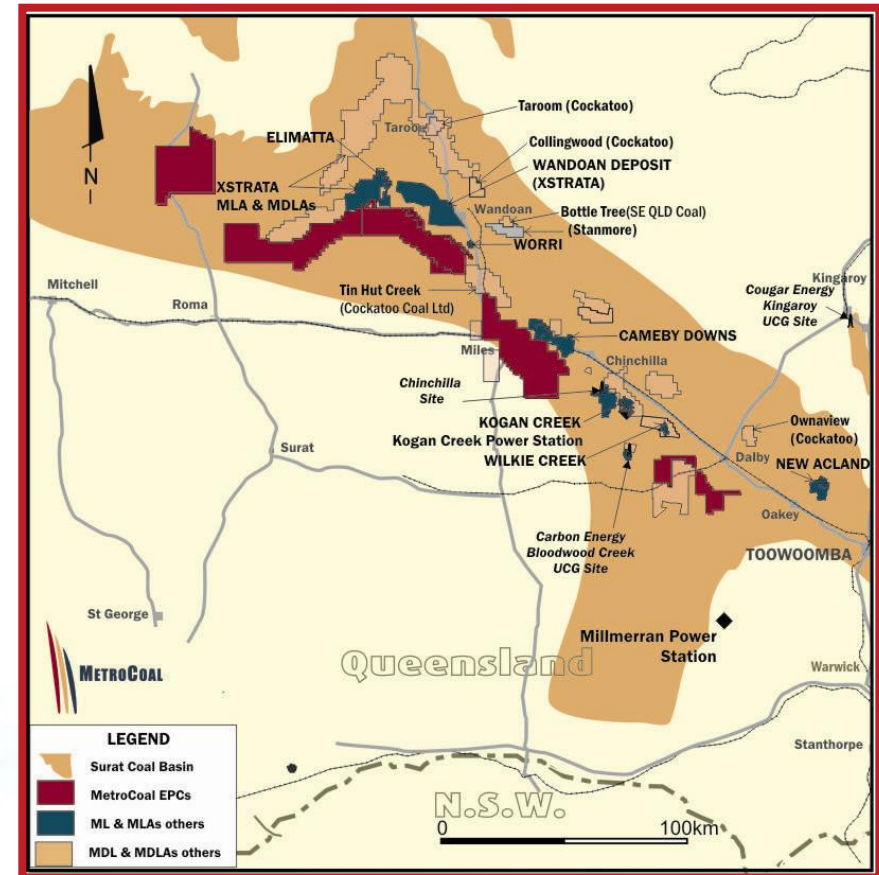


Coal Production

- Xstrata lodges extensive MLA's and MDLA's near Wandoan
- Xstrata Coal to proceed with the final stage of the Wandoan Mining Lease application
- Cockatoo Coal acquires Anglo Coal Surat Basin assets
- New Hope takes majority share of Northern Energy (NEC)
- Cameby Downs commences production
- MetroCoal JV venture with China Coal moves ahead

Infrastructure

- Wiggins Island Stage 1 announced
- Wiggins Island Stage 2 process underway with 2015 completion date
- Surat Basin Rail Joint Venture customer commitment process commenced.



Surat Basin Infrastructure

Port Capacity - Wiggins Island

- Stage 1 announced, Stage 2 process commenced
- MetroCoal participating in Stage 2
- \$2M bank guarantee lodged to fund MTE share of feasibility study for 12Mtpa capacity.

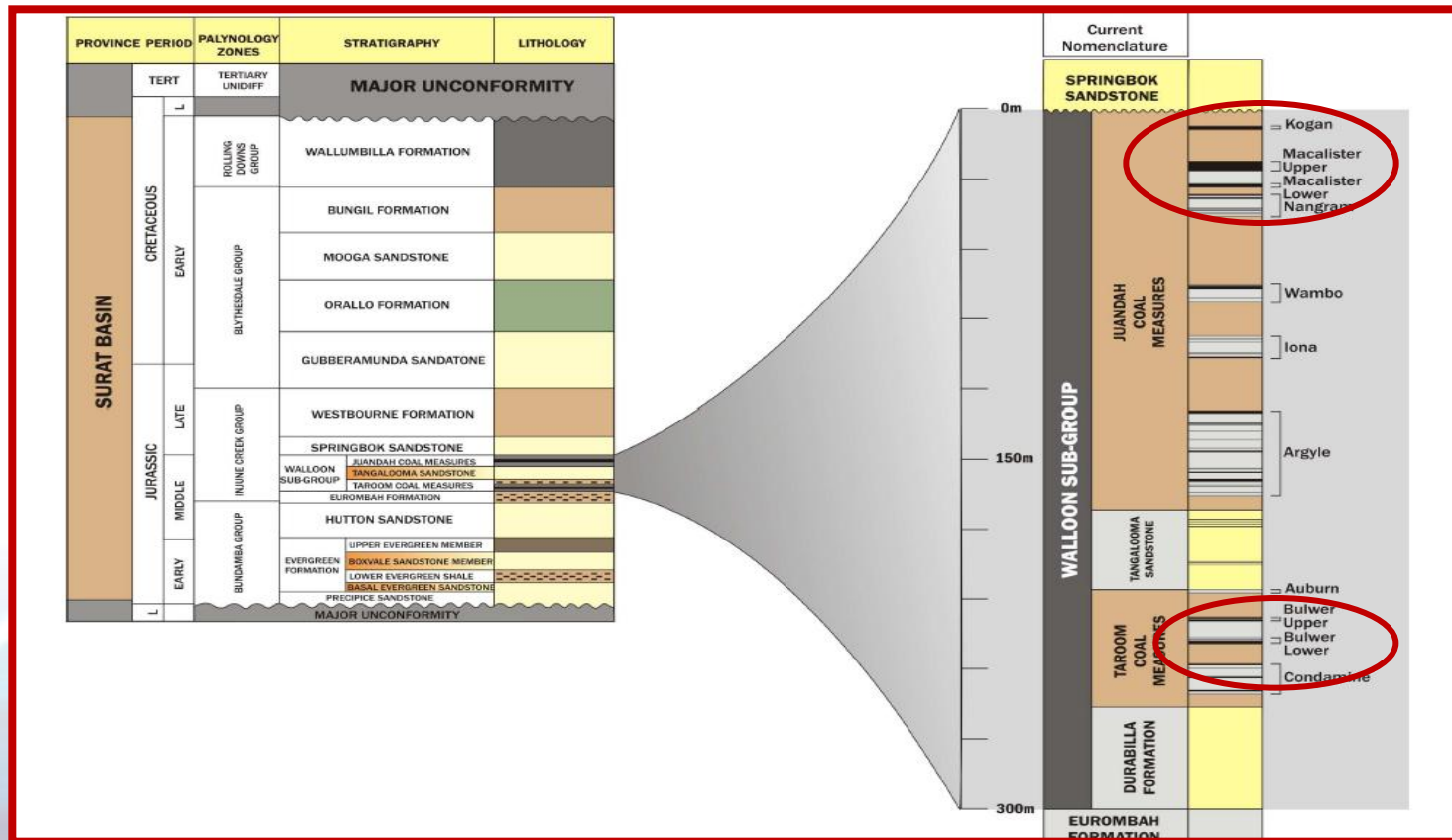
Rail Capacity

- EOI submitted to Surat Basin Rail JV
- Opportunities for cooperation with proposed neighbouring operations



Macalister Seam Package Presents Attractive Thermal Coal Targets & UCG Potential

- Major economic coal deposits in the Surat Basin occur in the Juandah and Taroom coal measures within the Walloon sub-group
- Primary exploration program target the Macalister Seam Package, made up of the Macalister Upper, Middle and Lower seams. Kogan Seam resource identified.



Coal Resource Strategy

- Exploration Target of 2.5 – 3.5 billion tonnes* by end 2011
 - 923** Mt Resource identified since May 2009.

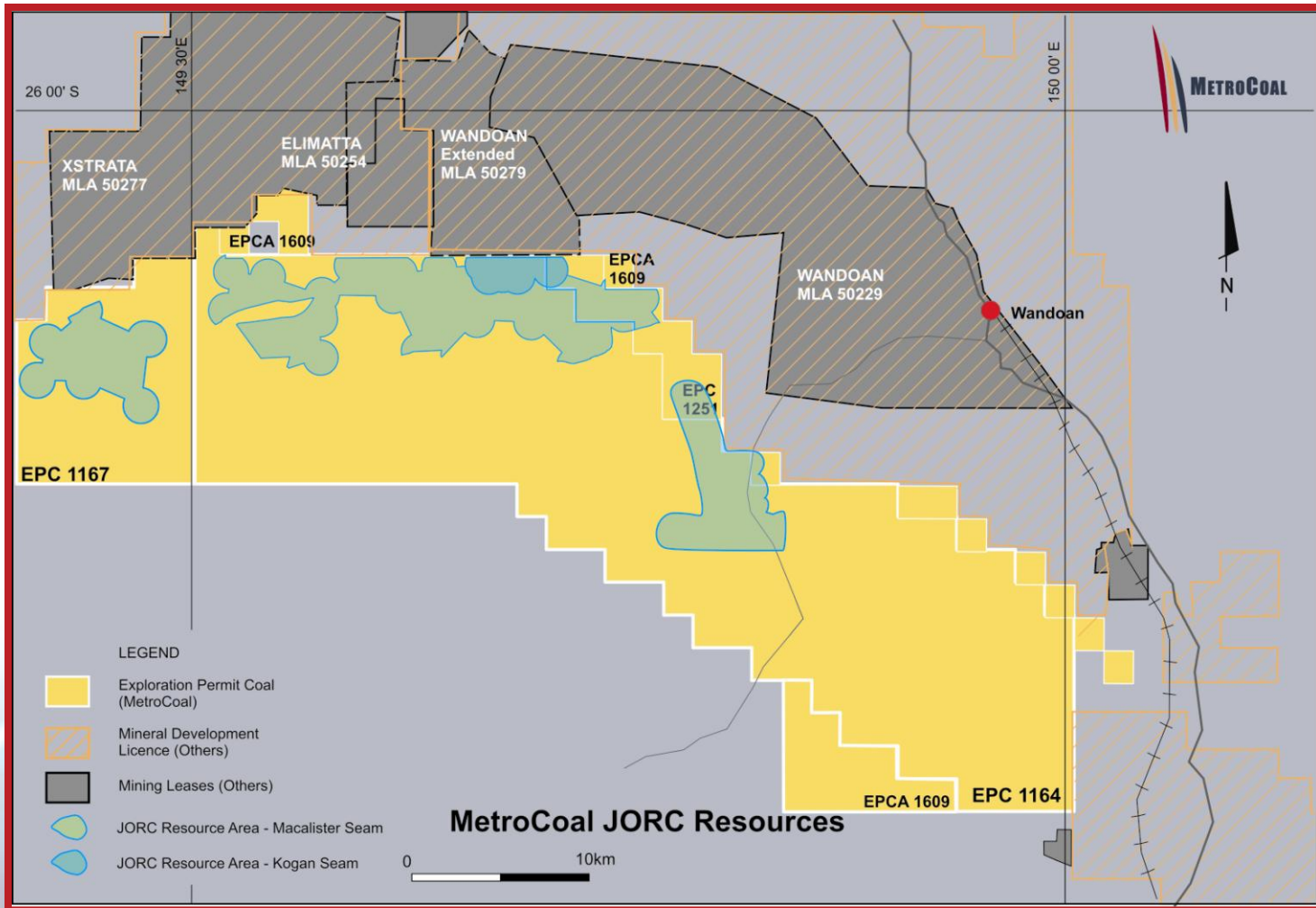
	Juandah** (UCG) MCU Seam	Bundi** (Underground) MCU Seam	Bundi** (Underground) KO Seam	Norwood** (Underground) MCU Seam	Total (UCG and Underground)
Inferred	149Mt	545Mt	50Mt	156Mt	900Mt
Indicated	23Mt				23Mt
Total	172Mt	540Mt	50Mt	156Mt	923Mt

Target tonnage in Kogan and Macallister Upper seam only

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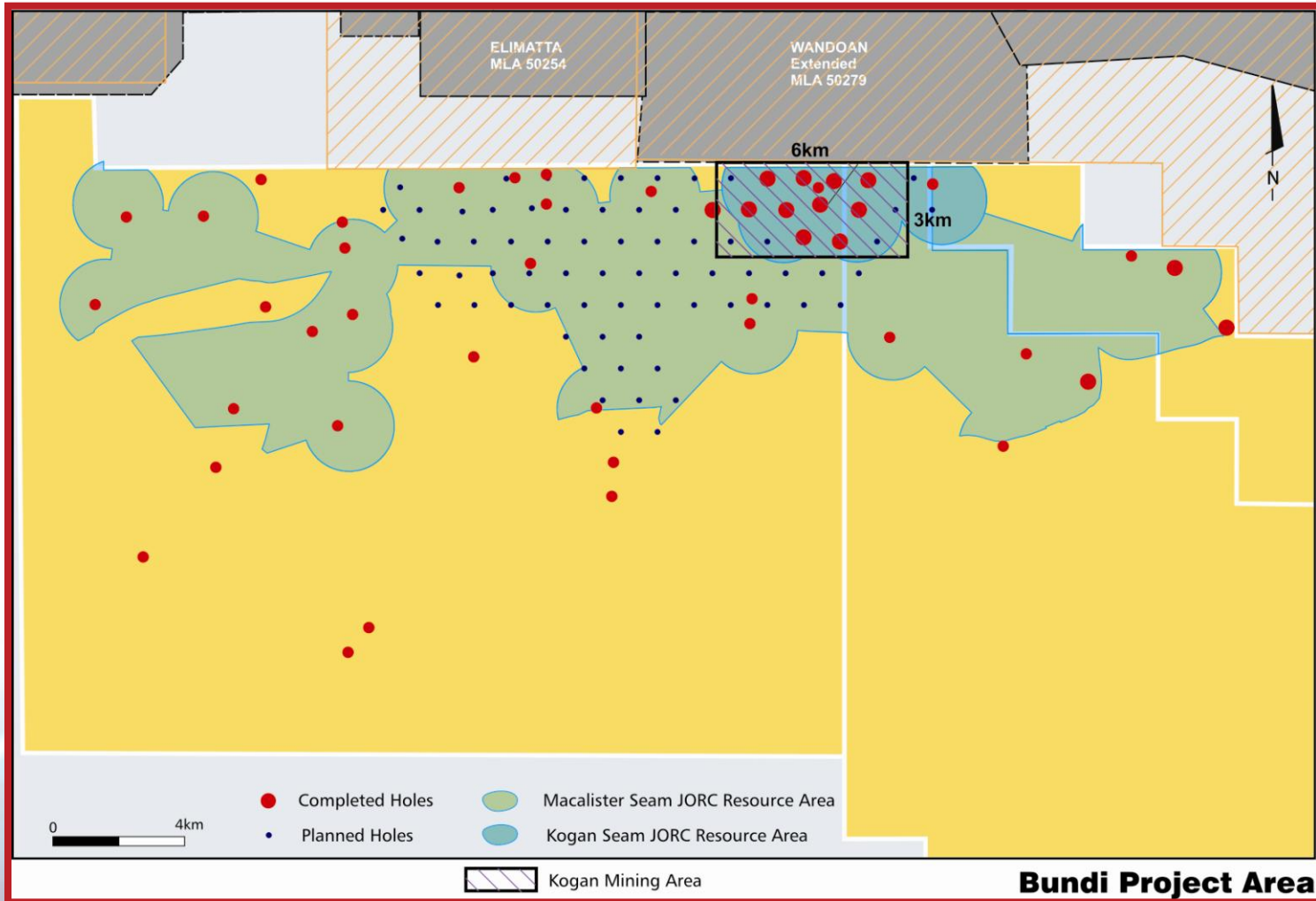
**See ASX – MTE releases 18 October & 19 October 2010 and 12 May 2011

Resource Area - EPC 1167 and 1164



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Bundi Project Resource Area

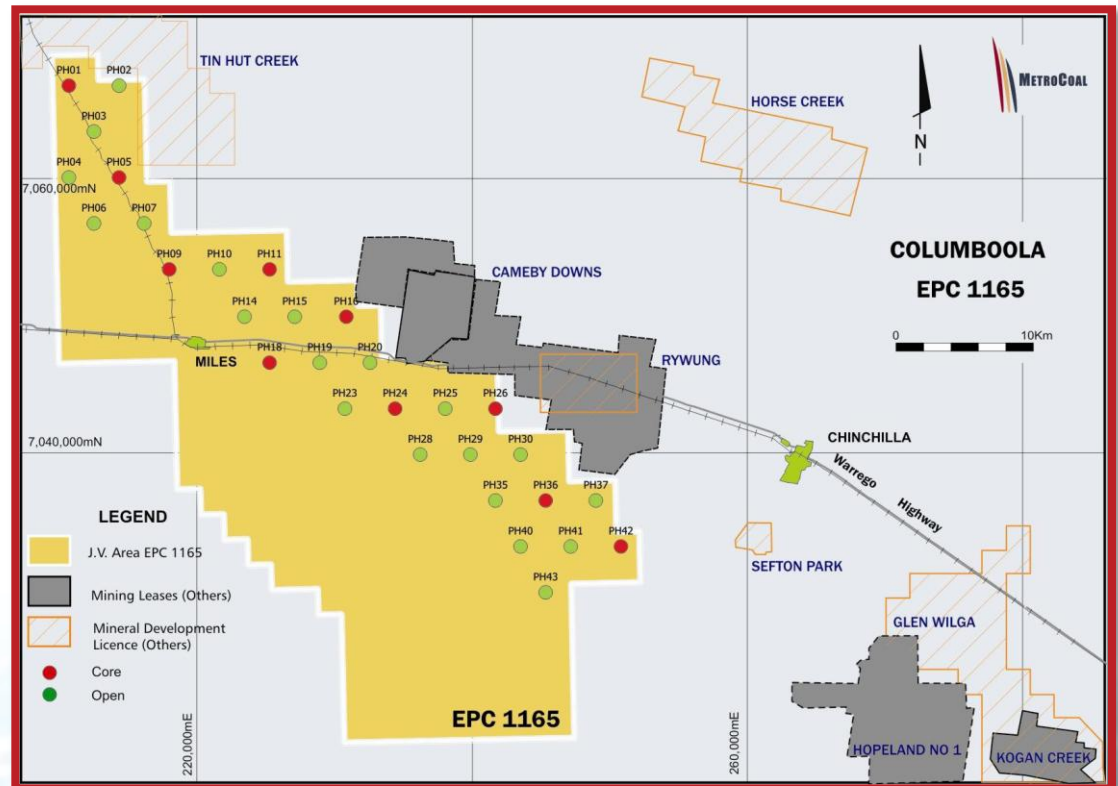


Bundi Project Area

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SinoCoal – MetroCoal Joint Venture

- Signed \$30 million Joint Venture with SinoCoal on EPC 1165 Columboola (SC51% - MTE 49%).
- Drilling has commenced
- 3 Drill rigs on site



Indicative Coal Quality

	Washed	Raw
PROXIMATE ANALYSIS (%ad)		
Moisture	8-9	7-9
Ash	9-11	15-25
Volatile Matter	38-42	36-38
Fixed Carbon	38-43	30-42
TOTAL MOISTURE (%Ar)	14-16	12-14
YIELD (%)	75-90	
SPECIFIC ENERGY		
Gross (MJ/kg.ad)	26.6	21.8-25.1
Gross (kCal/kg.ad)	6350	5200-6000
ULTIMATE ANALYSIS (%daf)		
Carbon	77.4	75.9
Hydrogen	6.0	6.2
Nitrogen	0.9	1.1
Sulphur	0.4	0.4
Oxygen	15.3	16.3
Sulphur (%ad)	0.30	0.32
HARDGROVE GRINDABILITY INDEX (HGI)	38	40

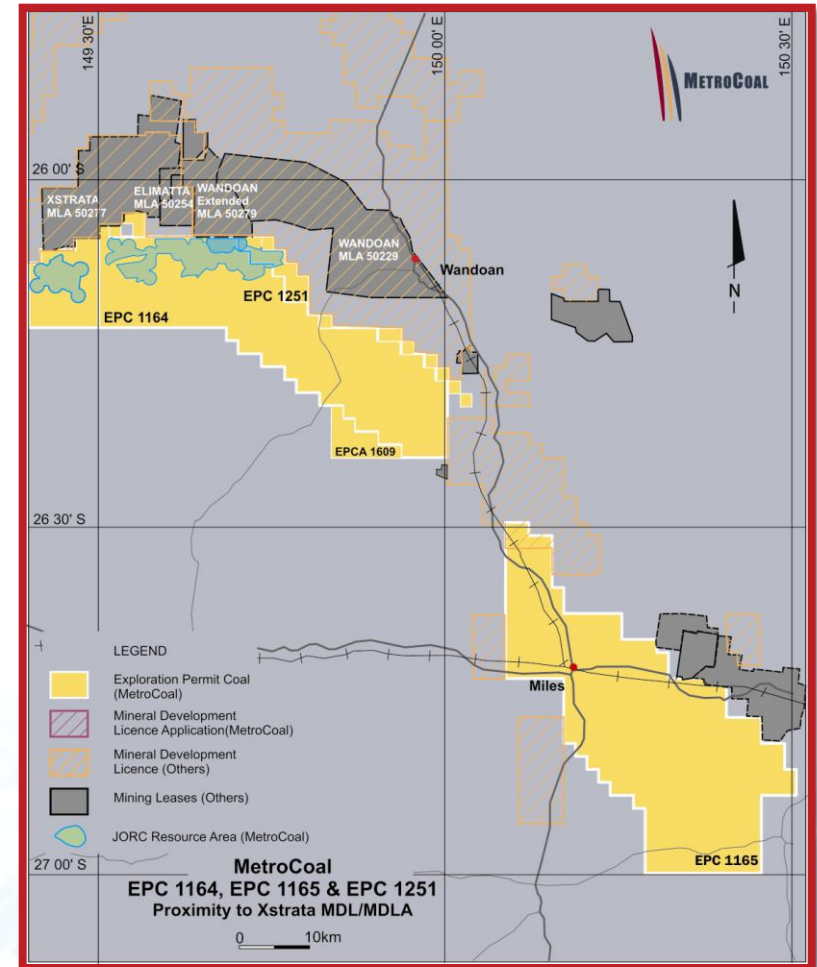
Underground Mining In the Surat

- **Underground mining attractive**
 - Seam correlation and continuity confirmed by all drilling
 - Coal quality advantages due to selective mining of coal plies
 - Smaller surface footprint mitigates many environmental issues
- **High level desktop study completed by Mining Consultancy Services (MCS).**
 - Evaluation of the resource has not identified any hazard that cannot be managed using current industry techniques and management practices.
 - Conditions are suitable for the application of Longwall mining.
- **Key statistics in Longwall study:-**
 - Annual ROM production 6.3 – 6.9 Mt
 - Pithead operating costs \$17 - \$20 per tonne

Thermal Coal Mining Strategy

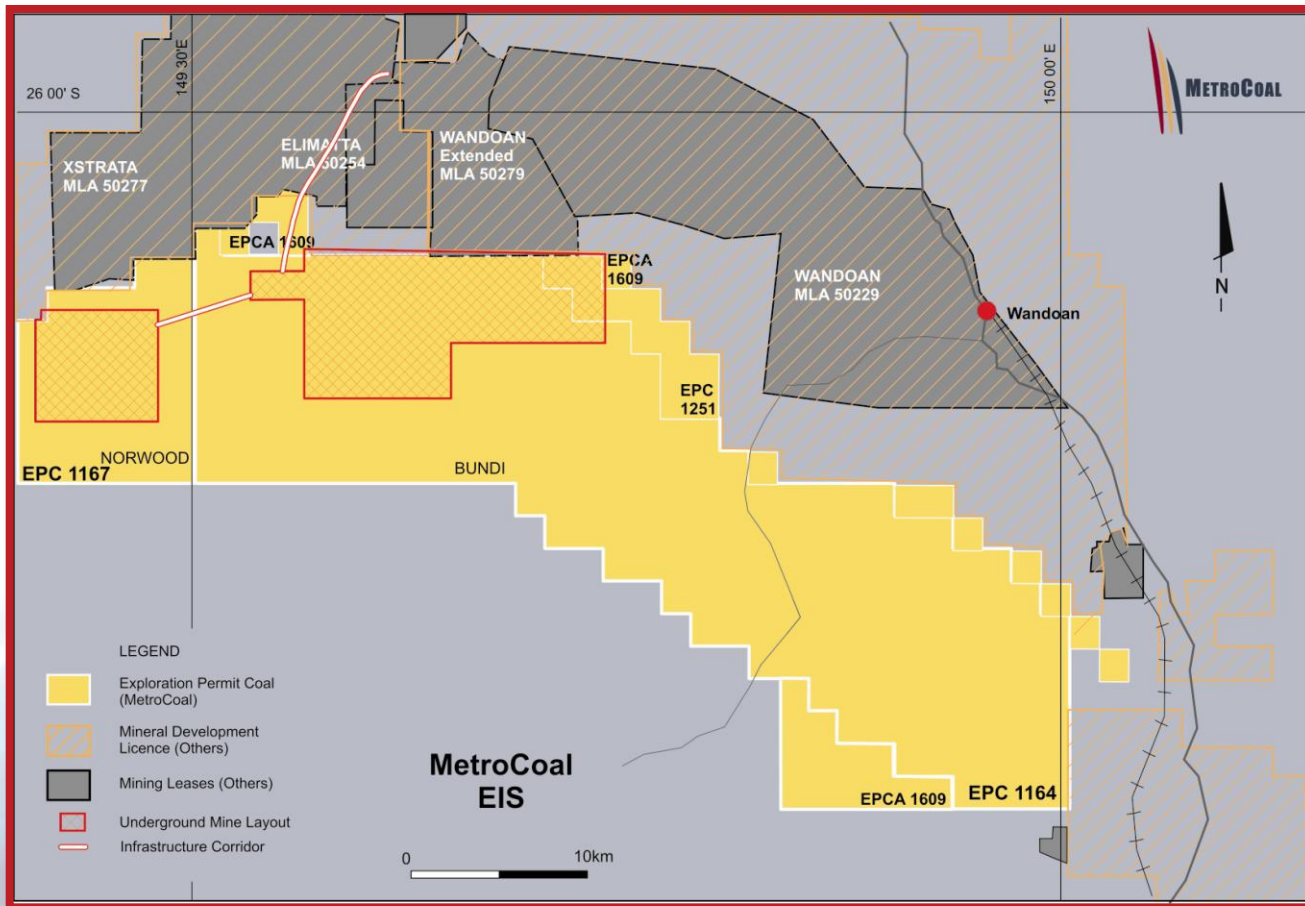
- To develop an initial mining operation at Bundi (EPC 1164) with an export coal capacity in excess of 5Mt per year
 - Initial production targeting 2015

- To develop a mining operation at Columboola (EPC 1165) with an export coal capacity in excess of 5Mt per year
 - Initial production targeting 2015/16



Bundi – Norwood Projects

- EIS Process commenced for both Bundi and Norwood projects
- Joint Venture partner sought for Bundi Project



MetroCoal

- **Extensive and Attractive Coal Tenements**
 - Exploration Target * 2.5 – 3.5 billion tonnes by December 2011
 - Current JORC resource 923Mt (900Mt Inferred and 23Mt Indicated)**
- **On Track to Deliver our Strategic Plan**
 - Pathway from resource identification to project delivery – funds available for all planned work
 - Positioned to participate in infrastructure projects - \$2M committed.
 - Significant Joint Venture Agreement with one of China's largest coal producers provides funds for development of Columboola.
 - Seeking Joint Venture partner for EPC 1164 & Bundi Project
 - EIS process commenced for both Bundi and Norwood Projects
- **Experienced Board and Management team**

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***See ASX – MTE releases 18 October 2010, 19 October 2010 and 12 May 2011*

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