

ASX ANNOUNCEMENT

9 December 2011

DALBY WEST – 520Mt MAIDEN INFERRED RESOURCE

Highlights

- Maiden Inferred Resource for Dalby West of 520 Mt thermal coal
- Macalister Upper Seam (MU) is continuous and correlateable

MetroCoal Limited (ASX: MTE) is pleased to announce a maiden resource for the Dalby West project, EPC1166 following completion of the 2011 exploration drilling program. The resource estimate is based on using underground mining methods to extract the coal seams and JORC Code (2004) Guidelines.

Table 1 – MetroCoal’s Total Surat Basin Underground Coal Resources

Resource	Norwood ¹	Bundi ¹	Juandah ¹	Columboola ²	Dalby West	Total Resources
Inferred	156 Mt	511Mt	224 Mt	1,297Mt (635 Mt ³)	520Mt	2,708 Mt
Indicated	-	150.9Mt	24Mt	-		174.9 Mt
Total	156 Mt	662Mt	248 Mt	1,297 Mt	520Mt	2,883 Mt

1. See MTE ASX Announcement 3 November 2011 - BUNDI PROJECT – MAIDEN INDICATED RESOURCE OF 150.9Mt
2. See MTE ASX Announcement 18 November 2011 – COLUMBOOLA JV INCREASES RESOURCE BY 757 MILLION TONNES TO 1.297 BILLION TONNES
3. MTE JV share = 49%

During this exploration season MetroCoal completed two drill holes totalling 689 metres on the Dalby West tenement. The aim of the exploration program was to establish correlation of the known seams within EPC1166. All recognised coal seams from the Juandah and Taroom coal measures were intersected by both holes.

In calculating the JORC compliant Inferred Resource for Dalby West, MetroCoal was able to use publicly available data from a further 85 holes drilled previously on the tenement. This enabled a total of 28,316 metres of drill hole data to be utilised (see Figure 1 below).

The existing rail infrastructure near Dalby West is at or near capacity. However, recent media reports have advised that the Port of Brisbane and a number of existing coal producers are considering further expansion of the Port of Brisbane and potentially, the rail infrastructure to support these plans.

For personal use only

Modelling identified the Macalister Upper Seam as being continuous and correlateable within the polygon area shown in Figure 1. This seam has a minimum thickness of 2.5m and an average thickness of over 4.5m (see Table 2) and has the best potential for mining as a single section.

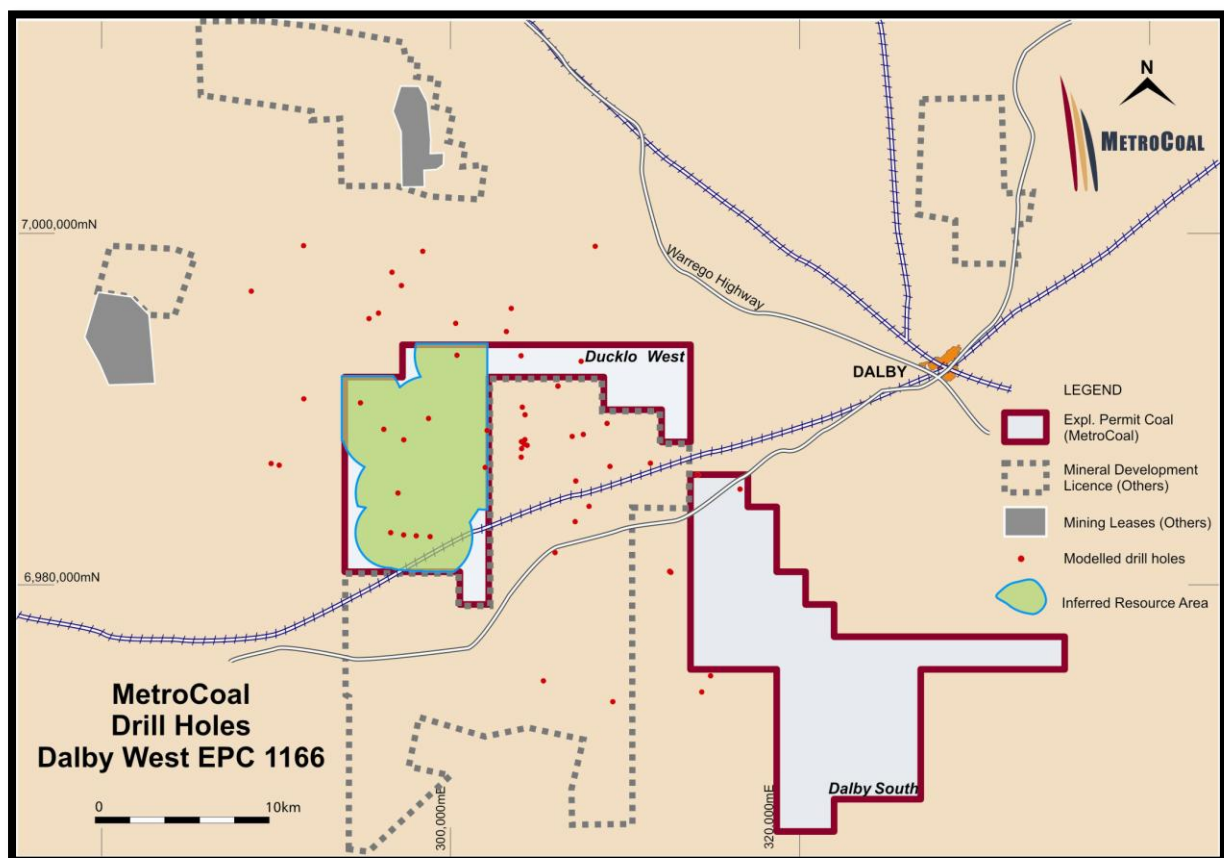
Several other seams including the Kogan and Macalister Lower Seams were identified. However these were not classified as resources at this stage of exploration and evaluation due to their apparent proximity to the Macalister Upper Seam.

Coal quality analysis was consistent with expectations of the Macalister Upper Seam which is a low sulphur medium ash thermal coal.

Table 2 – MetroCoal Dalby West Inferred Resource Estimate

Seam	Polygon Area	Coal thickness	Interburden thickness	Mining Section thickness	Inferred Coal tonnes	Coal % of mining section
Macalister Upper	88.1 km ²	3.94m	0.75m	4.69m	520Mt	84%

Figure 1 – Inferred Resource Polygon for the Macalister Upper Seam and drill hole locations



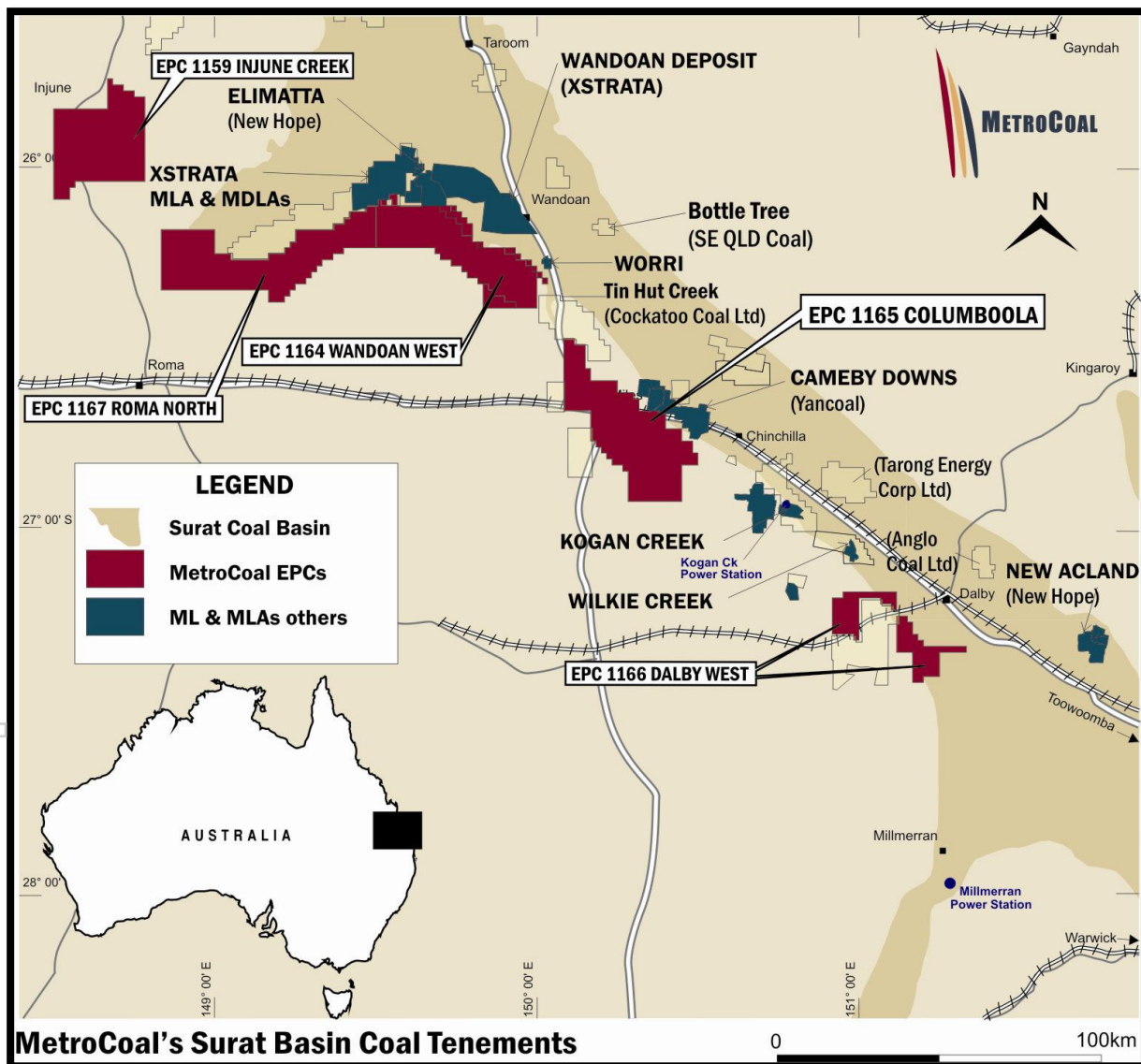
For personal use only

About Dalby West

EPC 1166 Dalby West is located at the south eastern end of the Surat Basin adjacent to the Kumbarilla Ridge which forms the boundary with the Moreton Basin. It consists of 97 sub-blocks (296km²) located west of Dalby. The tenements cover the Walloon sub-group immediately down dip of Peabody's large Wilkie Creek open cut thermal coal mine and deposit. MetroCoal has confirmed the Walloon sub-group is continuous along and down dip from this deposit into EPC 1166 following a review of historical exploration data. Historic exploration data was derived from 'open file' company progress and relinquishment reports from eleven previous Exploration Permits for Coal which wholly or partially covered sub-blocks of EPC 1166 Dalby West.

In its December 2009 Prospectus, MetroCoal planned an Exploration Target of 80Mt to 110Mt* for the Ducklo West project area within EPC 1166.

Figure 2 – MetroCoal's Surat Basin Tenements



*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.

For personal use only



For further information, please contact:

Mr Mike O'Brien
Chief Executive Officer

Mr Theo Psaros
Chief Operating Officer

Phone: +61 (7) 3249 3040 Fax: +61 (7) 3249 3041

Email: admin@metrocoal.com.au
Postal Address: GPO Box 122, Brisbane QLD 4001

Further information on MetroCoal can be found on our website www.metrocoal.com.au

The information in this Announcement that relates to the Compilation of existing data and Exploration Results is based on information compiled by Mr Ed Radley who is a Member of the Australian Institute of Mining and Metallurgy (MAusIMM) (Membership No 300512). Mr Ed Radley is a fulltime employee of MetroCoal Ltd, in the role of Geological Manager, Mr Ed Radley 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 2003 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Ed Radley has consented in writing for inclusion in this announcement the matters based on the information in the form and context it appears.

For personal use only