

ASX ANNOUNCEMENT

9 November 2012

CUMBOOLA JV – GOOMBI OPENCUT DEPOSIT IDENTIFIED

Highlights

- **Opencut mineable, shallow coal area identified at Goombi**
- **45 Mt of Inferred Resource <80m depth classified as opencut**
- **Favourable stripping ratio of between 4:1 and 6:1**
- **Potential export through the Port of Brisbane**
- **Preliminary resource and mining studies initiated**
- **Goombi, if developed, could provide early cash flows to support the development of a large scale underground longwall mine at Columboola**

MetroCoal Limited (**ASX-MTE**) and its Joint Venture (JV) partner, SinoCoal Resources Pty Ltd, are pleased to announce the identification of shallow, opencut mineable coal at the Goombi Project in the Columboola Joint Venture area in EPC 1165 (see map on page 2). The 45 million tonne opencut, Inferred Resource in the Kogan and Macalister Upper Seams has been identified at depths <80m below surface.

The opencut resource target area lies between Yancoal's Cameby Downs Mine to the north west and their Rywung resource to the east. Locally the Kogan Seam thickens up to 3m and is consistent within the target area. This thicker Kogan Seam together with shallower than expected Macalister Upper Seam intersected in the recent drilling program has resulted in this attractive opencut target being identified (see Seam Correlation diagram on following page).

A four hole infill drilling program aimed at confirming the initial resource assessment was completed in late October. Results from this program have confirmed the coal seam thickness and depth and the cores are currently being analysed for coal quality and washability.

Extensive further work including additional drilling, coal quality and washability modelling and mine design is required in order to fully assess the economic potential of this opportunity. Coal shallower than 20 metres depth is currently excluded from the resource estimate to allow for potential oxidation effects. It is possible that this excluded coal may become available following further sampling and analysis. An updated resource statement including an Indicated Resource will be released next week.

The proposed mining area is close to the existing railway to Brisbane and work has commenced on the technical evaluation of mining options and economics for an initial operation producing around 1mtpa product coal for export. Discussions have been initiated with the relevant rail and port organisations to obtain access to the necessary rail and port capacity.

The JV remains fully committed to its longer term plan to develop a large modern underground longwall mine. This opencut mining resource presents an exciting opportunity for the Columboola

Figure 2 - Seam correlation.

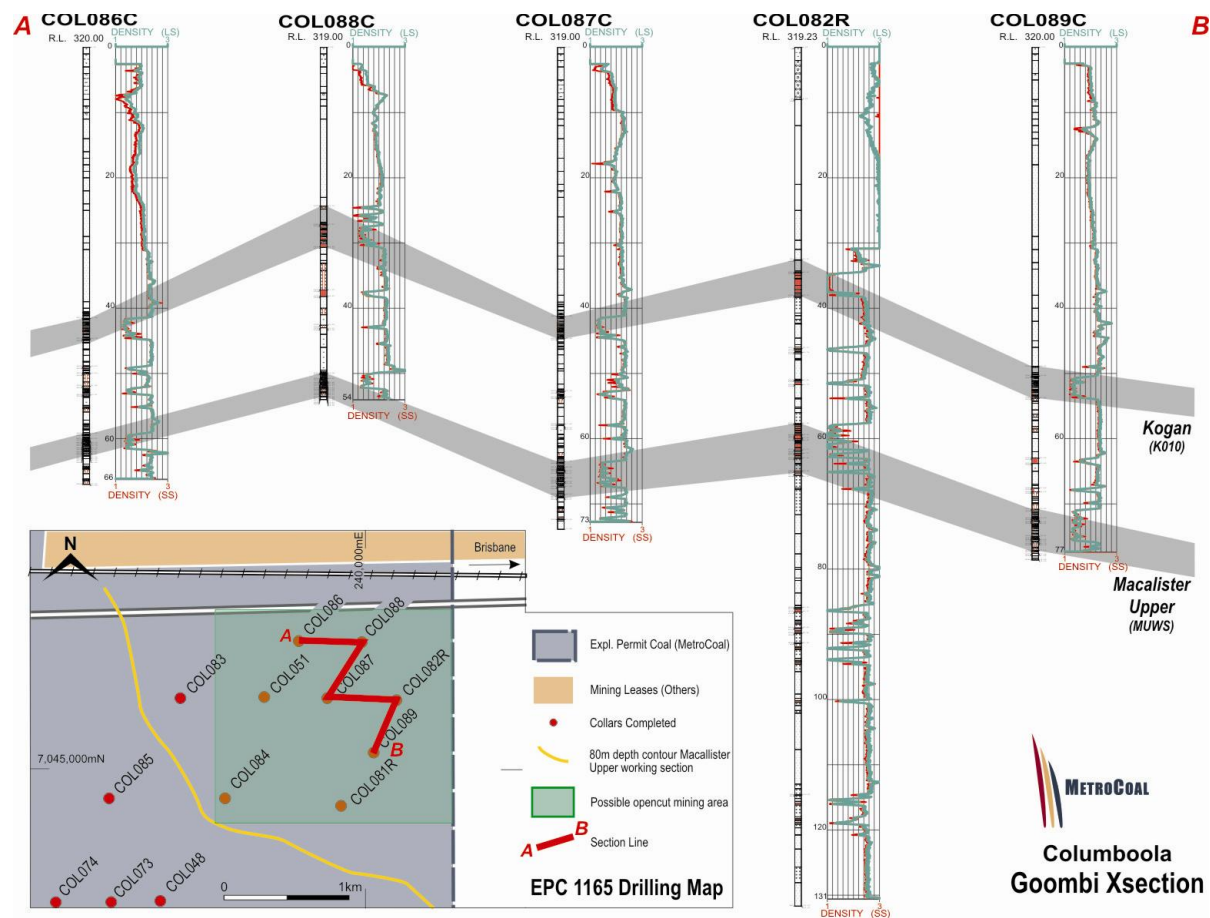


Figure 3 - Coal Quality

Resource Estimate	Polygon	Seam	Project	Thickness (m)	Depth (m)	Ash (%)	Area (km2)	Volume (m3)	Tonnage (Mt)
Indicated Resource	MUWS_IND_1	MUWS	1165	4.5 (1.8-5.6)	141 (133-175)	26.6 (22-34)	10.7	46,700,000	70.9
Indicated Resource	MUWS_IND_2	MUWS	1165	4.3 (2.3-5.3)	117 (99-143)	27.7 (21-33)	3.8	15,200,000	23.8
								Subtotal Indicated	94.7
Inferred Resource	MUWS_INF_1	MUWS	1165	4.4 (1.8-9.5)	224 (35-427)	27.3 (17-34)	205	810,700,000	1233
Inferred Resource	MUWS_INF_2	MUWS	1165	3.8 (1.9-5.7)	158 (62-219)	32.4 (29-35)	23.5	86,400,000	134
Inferred Resource	MUWS_INF_3	MUWS	1165	3.6 (2.2-4.7)	381 (253-500)	22.7 (21-26)	20.2	69,900,000	102
Inferred Resource	MUWS_INF_4	MUWS	1165	3.7 (1.8-5.7)	273 (188-348)	30.8 (28-33)	27.3	96,100,000	149
Inferred Resource	KO10_INF_OC1	KO10	1165	2.9 (1.5-3.6)	38.5 (20-60)	24.4 (21-31)	4.5	12,900,000	19.2
Inferred Resource	MUWS_INF_OC1	MUWS	1165	3.6 (1.6-5.2)	62.7 (34-80)	36.4 (34-38)	4.7	15,600,000	25.7
								Subtotal Inferred	1662.9
Total Resources Indicated + Inferred									1757.6

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Competent Person Statement

The information in this Announcement that relates to the Exploration Results and Data 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 Columboola JV General Manager. 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 release of the matters based on the information in the form and context it appears.

The information in this statement that relates to in situ coal resources potential is based on information compiled by GeoConsult Pty Ltd and reviewed by Warwick Smyth, who is a member of the Australasian Institute of Mining and Metallurgy (CP) Geology; and the Australian Institute of Geoscientists. Warwick Smyth is a qualified geologist (BSc Geology, Grad Dip AF&I, MAusIMM (CP), MGSA, MAIG), and a Principal Consultant for GeoConsult Pty. Ltd. and has over 19 years of experience which is relevant to the style of mineralisation, the type of deposit under consideration and to the activity which has been undertaken to qualify as a Competent Person as defined by the 2004 edition of the Australian Code for Reporting of Coal Resources.

Neither Warwick Smyth nor GeoConsult Pty Ltd has a material interest or entitlement, direct or indirect, in the securities of MetroCoal or the Projects. GeoConsult has been commissioned to provide geological services and geological modelling to MetroCoal since early 2008. Fees for the preparation of this report are on a time and materials basis. Warwick Smyth and GeoConsult Pty Ltd consent to the use of this statement and references to it and extracts from it, in the form and context in which they are included. Apart from the above, neither the whole nor any part of the statement document, nor references thereto, may be included in, or with, or attached to any document, circular, resolution, letter or statement without the prior written consent of Warwick Smyth or GeoConsult Pty Ltd.