

METALS EXPLORATION PLC

PLACING OF £3.7 MILLION

AGREEMENT OF £8 MILLION DEBT FACILITY

APPOINTMENT OF NEW BOARD MEMBER

Metals Exploration PLC (“Metals Ex” or the “Company”) (AIM: MTL), the natural resources exploration and development company with assets in the Pacific Rim region, is pleased to announce that the Company has raised £3.7 million (before expenses) through a placing of new ordinary shares at a price of 7 pence per share (the “Placing”).

Highlights

- The new funds will be directed primarily towards a Bankable Feasibility Study on the Runruno project, which should be completed by the end of 2009
- Following the placing Solomon Capital Limited, a Guernsey based private equity fund, will have a 29.9% stake in the Company
- Directors of Metals Ex are subscribing for new shares to a value of £122,500 in the Placing
- The Company has also agreed terms with Shelfco 725 Limited, a sister company of Solomon Capital, for an £8 million debt facility
- Mr Timothy Dean has agreed to join the Board as a Non-Executive Director

Background to the Placing

The Placing has been undertaken to provide funds for the further development of the Company’s 100% controlled Runruno gold-molybdenum project located on Luzon Island in the Philippines. The funds will be directed primarily towards the costs of producing a Bankable Feasibility Study on the Runruno project.

The completion of a Scoping Study in October 2008 forecast production of approximately 180,000oz gold and 1.7Mlb molybdenum per year with capital expenditure of US\$208 million to include the molybdenum recovery circuit.

The study was based on an open pit operation using the BIOX[®] and carbon in leach processes to recover gold and molybdenum, and will form the basis for the Bankable Feasibility Study.

Details of the Placing

A total of 52,834,721 new ordinary shares (the “Placing Shares”) will be issued pursuant to the Placing. The Placing Shares are being issued under the existing authorities granted to the Directors.

Solomon Capital Limited (“Solomon Capital”), a Guernsey based private equity fund, has agreed to subscribe for 49,370,436 shares in the placing. Following the subscription Solomon Capital’s holding in the Company will amount to 29.9% of the issued share capital of the Company as enlarged by the Placing.

The Placing is conditional on the admission of the Placing Shares to trading on AIM occurring by 8.00 a.m. on 14 January 2009 (or such time and/or date as the Company and Hanson Westhouse Limited may agree) but in any event not later than 5.30 p.m. on 28 January 2009.

Following the Placing, there will be a total of 165,118,516 ordinary shares of 1p each in issue.

Directors of the Company have agreed to subscribe in the Placing as follows:

Director	Number of Placing Shares	Resultant holding	% of enlarged share capital
Ian Holzberger	200,000	305,000	0.18
Jonathan Beardsworth	350,000	750,000	0.45
Tim Wheeler	1,000,000	1,000,000	0.61
Jonathan Pearson	200,000	255,000	0.15

Details of the Debt Facility

The Company has also agreed terms with Shelfco 725 Limited, a sister company of Solomon Capital, for an £8 million debt facility available for drawdown in tranches conditional on development milestones being met. The facility is for a term of 364 days. Interest on amounts drawn down will accrue at the rate of LIBOR plus 8% per annum and is payable one month in arrears from the date of drawdown. An arrangement fee of 3% is also payable by the Company on the drawdown of each tranche of funding. The loan will be secured against the assets of the Company and Company's subsidiaries as required.

Notwithstanding alternative sources of potential funds, this facility gives the Company confidence to commit to a full Bankable Feasibility Study on the Runruno project despite current market conditions.

Appointment of Director

The Company further announces that Tim Dean has agreed to join the Board as a Non-Executive Director. Mr. Dean is a Director of Solomon Capital Limited, an Associate of the Institute of Chartered Accountants in England and Wales and has a Masters Degree in Engineering Science from Oxford University.

Jonathan Beardsworth, Chief Executive Officer, commented:

"We are delighted to welcome Solomon Capital as our major shareholder and are pleased they share our confidence in the future development prospects for both the Company and the Runruno project. We look forward to a long and mutually rewarding relationship.

"This funding allows us to build on the positive results of the Scoping Study announced in October 2008 by committing to a Bankable Feasibility Study, which should be completed by the end of 2009.

"We also welcome Tim Dean onto the Board. We are confident that his experience, and combination of financial and technical acumen, will be of great benefit to the Company."

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Appendix

Further information on Tim Dean

Timothy James Dean, aged 47, is or has been within the previous five years, a director of the following companies:

Current	Previous
BV1 Limited	Saturn Facilities Limited
BV2 Limited	Sirius Facilities GmbH (Germany)
CC1 Group Limited	Supernova Holdings Limited
CPC Group Limited	Supernova Bedford Limited
Project Red (Guernsey) Group Limited	Supernova Coventry Limited
Project Red (Guernsey) Holdings Limited	Supernova Birmingham Limited
Project Red (Guernsey) Limited	Supernova Hastings Limited
Solomon Capital Limited	Supernova Haverhill Limited
	Supernova Wolverhampton Limited

Mr. Dean has confirmed that there is no further information to be disclosed in accordance with the requirements of Schedule Two (g) of the AIM Rules.