

13 August 2007

METALS EXPLORATION PLC
(“Metals Exploration” or the “Company”)

STRATEGIC ACQUISITION OF REMAINING 15% OF RUNRUNO

METALS EXPLORATION NOW HAS EFFECTIVE 100% OF PROJECT

The Board of Metals Exploration PLC (“Metals Exploration” or the “Company”) (AIM: MTL), the UK based precious and base metals exploration company focused in the Pacific Rim Region, is pleased to announce that it has entered into an agreement with Filminera Resources Corporation (FRC) to acquire FRC’s remaining interests in FCF Mining Corporation (FCF) to which the Company did not already have rights under the Memorandum of Agreement (MOA) dated 1st February 2005.

FCF is the company which holds the permit to Metals Exploration’s flagship Runruno Project (the “Project”) in the Philippines. This acquisition takes Metals Exploration’s effective interest to 100% ownership of the highly prospective gold and molybdenum resource at Runruno.

The total cash payment made by the Company is A\$9.1 million (£3.87 million), which includes A\$2.6 million (£1.11 million) for the shares representing the 15% interest, and A\$6.5 million (£2.76 million) for the total debt owed by FCF to FRC.

Jonathan Beardsworth, CEO of Metals Exploration Plc commented:

“This is an important strategic acquisition for Metals Exploration since it delivers 100% control of Runruno and materially simplifies the ownership structure. We are now better placed to continue adding value to our Runruno project, which remains the Company’s most promising and prospective asset. Additionally, as previously announced, we are on track to provide a resource update on the project by the end of September.”

Project Ownership and Transaction Details

Prior to this Transaction, the ownership position relating to the Company’s interest in FCF which holds the Exploration Permit over the Runruno Project was as outlined in the Company’s Annual Report and Accounts dated 30th September 2006:

- Metals Exploration, through a Memorandum of Agreement (“MOA”) dated 1 February 2005, acquired a 40% shareholding in FCF Mining Corporation (“FCF”), the holder of the Runruno Exploration Permit.
- As part of the MOA, Metals Exploration would acquire a further 30% shareholding in FCF on completion of a bankable feasibility study on Runruno.
- On 23 November 2005, Metals Exploration announced that the Company had agreed with Christian Mining Inc (“CMI”) the terms of an option (the “Option”) that gives Metals Exploration the exclusive option to purchase an additional 15% shareholding in FCF. The key terms of the Option are an annual option fee of US\$65,000 and an exercise price of US\$6,000,000. The Option can be exercised or terminated at the sole discretion of Metals Exploration.

These agreements gave Metals Exploration rights to an 85% interest in FCF.

Following this Transaction the Company’s ownership position in FCF is now as follows:

- Metals Exploration retains the 40% interest in FCF under the original MOA.
- Under this Transaction, Metals Exploration has acquired FRC’s entire remaining 30% interest in FCF, being the 15% not previously pledged under the MOA, and the 15% that was

previously subject to completion of a bankable feasibility study by the Company and to which condition FRC has waived its rights.

- Metals Exploration continues to benefit from the Option agreed with CMI.
- Metals Exploration will earn CMI's remaining 15% interest in FCF on completion of a bankable feasibility study on the Project as contemplated under the MOA.

Consequently, as a result of this Transaction, the MOA, and the Option, Metals Exploration has rights to 100% of FCF and the Runruno Project, subject to the satisfaction of the various conditions set out above.

There are no profits attributable to the assets acquired.

There are no material service contracts relating to the proposed directors.

For more information:

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