

**METROLAND AUSTRALIA LIMITED (ABN 81 009 138 149)
ASX ANNOUNCEMENT
1 DECEMBER 2008**

Share Purchase Plan – letter dispatched to shareholders

The attached letter has been dispatched to shareholders of Metroland Australia Limited (ABN 81 009 138 149) (**Company** or **Metroland**) today, Monday 1 December 2008.

The letter invites shareholders of the Company to participate in a Share Purchase Plan (**Plan**) plus outlines the terms and conditions of the Plan.

Highlights:

- Offer to existing Metroland shareholders with a registered address in Australia or New Zealand (as set out in the Metroland shareholder register on the Record Date) to participate in the Plan.
- The Plan will raise a maximum of \$1,600,000.00.
- Subscriptions for shares are to be allocated on a "first come, first served basis".
- Shareholders can, at their election, take up a minimum of 20,000 new shares for \$1,000.00 up to a maximum of 100,000 for \$5,000.00 of new shares under the Plan, at 5 cents per share.
- Metroland plans to use the funds raised from the Plan for ongoing project activities including:
 - identification and assessment of new project opportunities; and
 - ongoing working capital.

The key dates for the Plan are as follows:

Record Date of the Plan	Thursday 27 November 2008
Opening Date of the Plan	Monday 1 December 2008
Closing Date of the Plan	Friday 19 December 2008
Issue and Allotment of new shares under the Plan	Tuesday 23 December 2008

On behalf of the Board

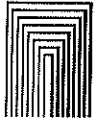
Frank Shien
Managing Director

For further information contact:

Ms Helen Lay, Company Secretary
Telephone (02) 9395 8888 or at HelenLay@metroland.com.au

Electronic copies and more information are available on the Company website:
<http://www.metroland.com.au/>

For personal use only



Metroland Australia Limited

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Level 4, 45 Murray Street
Pyrmont NSW 2009
Tel: 02 9395 8888
Fax: 02 9692 0084

THIS IS AN IMPORTANT DOCUMENT AND SHOULD BE READ IN ITS ENTIRETY

1 December 2008

Dear Shareholder

SHARE PURCHASE PLAN - METROLAND AUSTRALIA LIMITED (ABN 81 009 138 149)

On behalf of the Board of Directors of Metroland Australia Limited (**Metroland or Company**), I would like to invite you to participate in Metroland's Share Purchase Plan (**Plan**).

Summary of the Plan

The Company proposes a maximum raising of \$1,600,000.00 under the Plan, comprising the issue of some 32,000,000 (thirty two million) new shares.

The Plan provides shareholders on the Company's register at 27 November 2008 with an opportunity to subscribe for a **minimum** of \$1,000 worth of new shares at 5 cents per share (20,000 new shares) up to a **maximum** of \$5,000 worth of new shares at 5 cents per share (100,000 new shares).

Only shareholders of Metroland with a registered address in Australia or New Zealand (as set out in the Metroland shareholder register) who are registered as at 7 pm on 27 November 2008 are afforded the opportunity to participate in the Plan. Shareholders not registered as at this date will not receive an offer under the Plan. The rights of shareholders eligible to participate under this Plan are not transferable.

The proposed use of the funds raised is as follows:

- identification and assessment of new project opportunities;
- ongoing working capital; and
- meeting the estimated costs of the Plan - \$8,000.00.

Terms of the Plan

The terms and conditions of the Plan are outlined in the enclosed document. By making an application to purchase shares under the Plan, you will have agreed to be bound by those terms and conditions.

The right to participate in this offer under the Plan is available exclusively to persons who were registered as holders of ordinary shares in Metroland Australia Limited at 7.00 pm (Sydney time) on the record date of 27 November 2008 (**Record Date**) and whose registered address was in Australia or New Zealand (as set out in the Metroland shareholder register on the Record Date).

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The subscription price will be \$0.05 (5 cents) per share. This is less than the average (closing) market price for the period of trading of Metroland's shares on the ASX between 12 November 2008 and 20 November 2008. The sales in Metroland's shares in this specified period are as follows:

Date	(Closing) Market Price	Volume (to nearest hundreds)
13 November 2008	6.0 cents	45,000
19 November 2008	6.0 cents	10,000

The subscription price of 5 cents per share is a 15% discount to the average (closing) market price of the shares on the ASX between 10 October 2008 and 27 November 2008, being the period of the last 5 days of trading of the shares on the ASX prior to the announcement of the SPP.

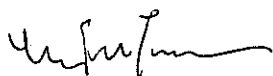
Participation in the Plan is entirely at your discretion but the Plan is non-renounceable which means you cannot transfer your right to purchase shares under the Plan to anyone else. On the basis of the issue price of shares under the Plan, the Directors recommend the Plan to shareholders.

As detailed in the Plan (which is attached to this letter), the Directors intend to accept subscriptions for shares on a "**first come, first served basis**". The application period will close at 5.00pm (Sydney time) on, Friday, 19 December 2008. Therefore, if you wish to apply for any shares under the Plan, you should follow the instructions outlined in the attached Application Form so payment is received by the Company at the Company's offices, Level 4, 45 Murray Street, Pyrmont, New South Wales, 2009, by that date. Payment may be made by electronic funds transfer, cheque, money order or bank draft.

It is proposed that the following timetable apply in respect of the Plan:

Record Date of the Plan	Thursday 27 November 2008
Opening Date of the Plan	Monday 1 December 2008
Closing Date of the Plan	Friday 19 December 2008
Issue and Allotment of new shares under the Plan (approximate date)	Tuesday 23 December 2008

The above timetable is indicative only. Metroland reserves the right to vary any of the key dates above, including the Closing Date and the Issue Date, without further notice.



Mr F Shien
Chairman
Metroland Australia Limited

METROLAND AUSTRALIA LIMITED (ABN 81 009 138 149)
TERMS AND CONDITIONS OF SHARE PURCHASE PLAN

1. DEFINITIONS

In this Plan, unless the context otherwise indicates:

Application Amount means the total amount payable by an Eligible Shareholder who applies for Shares under the Plan based on the Subscription Price for the total number of Shares applied for by that Eligible Shareholder.

Application Form means the application form distributed with these Terms and Conditions.

ASIC means the Australian Securities and Investments Commission.

ASX means the ASX Limited (ACN 008 624 691).

Board means the board of directors of Metroland.

Class Order means ASIC class order CO 02/831 dated 17 September 2002 as amended or supplemented from time to time.

Eligible Shareholders means those Shareholders who satisfy the conditions set out in clause 2.1.

Listing Rules means the official listing rules of the ASX (as amended from time to time).

Market Price has the same meaning as defined in the Listing Rules.

Metroland or **Company** means Metroland Australia Limited (ABN 81 009 138 149)

Offer means a non-renounceable offer of a minimum of \$1,000, up to \$5,000 of ordinary fully paid shares in Metroland (at the Subscription Price) to Eligible Shareholders under the Plan.

Plan means the Metroland Australia Limited Share Purchase Plan approved by the Board.

Record Date means Thursday 27 November 2008.

Shareholders means those persons or entities that hold ordinary shares in the issued capital of Metroland.

Shares means a minimum of 20,000 ordinary shares up to a maximum of 100,000 ordinary shares in Metroland to be issued pursuant to the Plan.

Subscription Price means the subscription price of the Shares being 5 cents (\$0.05) per Share.

Terms and Conditions means the terms and conditions set out herein.

References to "\$" means a reference to the respective amount in Australian dollars.

2. ELIGIBILITY TO PARTICIPATE

2.1 Those shareholders of Metroland that will be eligible to apply for Shares under the Plan must:

- (a) be recorded in Metroland's register of shareholders at 7.00pm (Sydney time) on the Record Date; and
- (b) have a registered address in Australia or New Zealand as set out in the Metroland shareholder register on the Record Date.

- 2.2 The Offer does not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an Offer.
- 2.3 In the event that a trustee or nominee is expressly recorded in Metroland's register of shareholders as holding shares or interests on account of another person (**Beneficiary**) on the Record Date:
- (a) the Beneficiary is taken to be the registered holder in regard to those shares; and
 - (b) any application for the issue of shares or certification for the purposes of paragraph (c)(v) of Schedule B of the Class Order by, and any issue of shares to, the trustee or the nominee, is taken to be an application or certification by, or an issue to, the Beneficiary.

3. TERMS OF THE OFFER

- 3.1 The Offer will be open on and from 9.00 am (Sydney time) on Monday 1 December 2008 (**Opening Date**) until, subject to the discretion of the Board, 5.00pm (Sydney Time) on Friday 19 December 2008 (**Closing Date**).
- 3.2 The Board reserves the right to close the Offer at any time prior to the Closing Date or extend the Closing Date without further notification.
- 3.3 In response to the Offer, Eligible Shareholders wishing to apply for Shares under the Plan may apply for a minimum of 20,000 Shares for \$1,000 up to a maximum of 100,000 Shares for \$5,000.
- 3.4 Offers for Shares under the Plan are non-renounceable.
- 3.5 Participation in the Plan by Eligible Shareholders is entirely optional and subject to these Terms and Conditions.

4. APPLICATIONS FOR SHARES

- 4.1 Eligible Shareholders wishing to apply for Shares under the Plan must:
- (a) if paying by cheque, money order or bank draft:
 - (i) complete the Application Form;
 - (ii) pay for the Shares in the manner specified on the Application Form; and
 - (iii) forward the completed Application Form and payment for the Application Amount to the Company at the Company's offices at Level 4, 45 Murray Street, Pyrmont, New South Wales, 2009 as specified on the Application Form, to reach such addresses by no later than 5.00pm (Sydney time) on the Closing Date.
 - (b) if paying by electronic funds transfer:
 - (i) pay for the Shares electronically with payment to reach the nominated account stated in the Application Form by no later than 5.00pm (Sydney time) on the Closing Date; and
 - (ii) not return the Application Form.
- 4.2 All application moneys will be deposited into an account and any application moneys received in respect of any applications rejected by the Board under clause 4.4 shall be refunded by Metroland without interest.
- 4.3 Application moneys received by electronic funds transfer must have included in the transfer details received by Metroland the Shareholder's Holder Identification Number (**HIN**) as shown in the Application Form.

- 4.4 The Board reserves the right to reject any application for Shares (in whole or in part) including (without limitation) if:
- (a) an Application Form is not correctly completed; or
 - (b) the applicant is not an Eligible Shareholder; or
 - (c) the issue of those Shares would contravene any law or the Listing Rules; or
 - (d) the exact payment for the Shares applied for is not received; or
 - (e) to accept the application in full would have the effect of exceeding the maximum offer of Shares under the Plan; or
 - (f) it believes the issue of those shares may result in a person receiving shares with an application price totalling more than \$5,000 in any consecutive 12 month period under the Plan (or any arrangement similar to the Plan); or
 - (g) the applicant has not otherwise complied with the terms of the Plan.
- 4.5 The Board reserves the right to allocate fewer, or no, Shares than an Eligible Shareholder applies for under the Plan, including, without limitation, in the event that the Plan is oversubscribed.
- 4.6 If there is a consolidation or re-organisation of the issued share capital of Metroland prior to the Closing Date, the maximum number of Shares to be issued pursuant to and in accordance with the Plan shall be consolidated in the same ratio as the issued capital of Metroland.

5. ISSUE OF SHARES

- 5.1 The Directors of Metroland reserve the right to Issue to Eligible Shareholders such number of Shares under the Plan as is permitted under Listing Rule 7.2, Exception 15, without shareholder approval. In such circumstances, Metroland intends to accept subscriptions for Shares on a **"first come first served"** basis.
- 5.2 Metroland intends to issue the Shares under the Plan on or about Tuesday 23 December 2008 (**Issue Date**). Metroland reserves the right to vary the Issue Date without further notice in the event that the Closing Date is varied pursuant to clause 3.2.
- 5.3 In respect of application moneys received from an Eligible Shareholder, Metroland will, prior to the Issue Date, determine the maximum number of Shares rounded up to the nearest whole number which may be acquired by any Eligible Shareholder.
- 5.4 The allocation of Shares will be determined by the Board at its sole discretion.
- 5.5 In the event that the Offer under the Plan is not fully subscribed, the Board of Metroland reserves its right to issue Shares in excess of the maximum \$5,000 worth of Shares specified in clause 3.3 (**Additional Issue**), to any person (whether or not such person is an Eligible Shareholder) so long as the Additional Issue:
- (a) satisfies section 708 of the *Corporations Act 2001 (Cth)*; and
 - (b) any approval of Shareholders to the Additional Issue which is required under the Listing Rules or the *Corporations Act* is obtained.
- 5.6 Metroland will apply to ASX for quotation of the Shares issued under the Plan and the Additional Issue (if any) within the period prescribed the Listing Rules.

6. PRICE AND RISK

- 6.1 The Shares are a speculative investment and the Market Price of the Shares may change between the Opening Date and the Issue Date. The Subscription Price you pay for the Shares may exceed the Market Price of the Shares at the Issue Date. The Company does not make any assurance as to the Market Price of Shares and there can be no certainty that Shares in the Company will trade at or above the Subscription Price following the Issue Date. Shareholders should seek their own financial advice in relation to this Offer and participation in the Plan.
- 6.2 No brokerage, commissions, stamp duty or other transaction costs will be payable by Eligible Shareholders in respect of an application for, and an issue of, Shares under the Plan.
- 6.3 The Company may pay brokerage and other commissions in respect of any subscriptions procured in respect of any Additional Issue, as determined by the Board in its discretion.

7. NON-RESIDENTS

The right to participate in this Offer is available exclusively to persons who were registered as holders of ordinary shares in Metroland Australia Limited at 7.00 pm (Sydney time) on the Record Date and whose registered address was in Australia or New Zealand.

8. GENERAL

- 8.1 The Board may change or terminate the Plan at any time prior to the Issue Date. In the event that the Board does so, it will advise the ASX. Any omission to give notice of changes to, or termination of, the Plan, or the non-receipt of any such notice, will not invalidate the change or termination.
- 8.2 If the Plan is withdrawn, all application money will be refunded. No interest will be paid on any refunded application money.
- 8.3 In addition to any rights of the Board to reject applications as set out in these Terms and Conditions, the Board also reserves the right to allocate fewer, or no, Shares than an Eligible Shareholder applies for under the Plan if the Board believes that the allotment of those Shares would contravene any of the Listing Rules or the Class Order. In any such case, excess application moneys will be returned to the relevant applicant(s). No interest will be paid on application moneys so returned.
- 8.4 Metroland may settle in any manner it deems appropriate, any disputes or anomalies which may arise in connection with or by reason of the operation of the Plan, whether generally or in relation to any applicant or application of shares. The decision of Metroland will be conclusive and binding on all persons to whom the determination relates.
- 8.5 Metroland reserves the right to waive compliance with any provision of the Plan terms and conditions.
- 8.6 The Offer under the Plan is in accordance with the Class Order which grants relief from the requirement to prepare a disclosure document for this Offer.

**METROLAND AUSTRALIA LIMITED (ABN 81 009 138 149)
SHARE PURCHASE PLAN APPLICATION FORM**

This is an important document. Should you have any questions about its contents please seek independent financial advice.

Offer closes 5:00pm (Sydney Time) on 19 December 2008

**Record Date: 27 November 2008
Close Date: 19 December 2008
Issue Date: 23 December 2008
Share Price: A\$0.05**

Application for Shares

I/we wish to apply for the number of fully paid ordinary shares set out below in accordance with the terms and conditions of the Share Purchase Plan 2008 (**SPP**) of Metroland Australia Limited (**Metroland**). By returning this form to Metroland, I/we agree to be bound by the Terms and Conditions of the SPP and Metroland's Constitution (**Constitution**), and certify that the aggregate of the application price for the shares the subject of this Application, and, any other shares in the class applied for by me/us under this SPP (including those the subject of any other application), or any similar arrangement in the 12 months prior to the date of this Application (including through joint and beneficial holdings), does not exceed A\$5,000.00. Metroland reserves the right to vary the closing date for the offer.

Metroland may settle in any manner it thinks fit, any disputes or anomalies which may arise in connection with or by reason of the operation of the SPP, whether generally or in relation to any applicant or application for shares and the decision of Metroland will be conclusive and binding on all persons to whom the decision relates. Metroland reserves the right to waive compliance with any provision of the Terms and Conditions of the SPP, subject to the compliance with the Corporations Act, the ASX Listing Rules and ASIC Class Order 02/831.

Payment and Lodgement Instructions

You may pay the application price by electronic funds transfer from your bank directly to Metroland Australia Limited's bank account - BSB 012-071 - Account No. 4786 58012. You agree that Metroland will only be able to allocate the new shares to you where you have also included your HIN (shown at the top of this application form) as identification when the transfer is processed. Metroland will not be able to allocate the shares to you if your HIN number is not provided. **IF YOU PAY THE APPLICATION PRICE BY ELECTRONIC FUNDS TRANSFER YOU DO NOT NEED TO SEND IN THE APPLICATION FORM.** Funds must be deposited into the above account by **5:00pm (Sydney Time) on 19 December 2008.**

If you are paying by cheque, money order or bank draft, the completed Application Form should be torn off below and forwarded with your payment to reach the address shown below by **5:00pm (Sydney Time) on 19 December 2008.** If you are returning your Application Form by post, you should allow sufficient time for collection and delivery by postal services. The postal acceptance rule does not apply. Your form cannot be faxed to Metroland's offices.

Mailing Address: Metroland Share Purchase Plan
Level 4 , 45 Murray Street
PYRMONT , NSW, AUSTRALIA, 2009

Delivery Address: Metroland Share Purchase Plan
Level 4 , 45 Murray Street
PYRMONT , NSW, AUSTRALIA, 2009

**If you need help in completing this Share Purchase Plan Application Form, please contact Ms Helen Lay on 02 9395 8888 between 8:30am and 5:00pm (Sydney Time) Monday to Friday.
This offer is non-renounceable**

Application Form: Please detach this portion and return with your cheque, money order or bank draft

10030001435

Metroland Australia Limited (ABN 81 009 138 149)

I/We wish to purchase shares:

<input type="checkbox"/>	A\$1,000 Minimum (20,000 shares)	OR	<input type="checkbox"/>	A\$ _____ worth of shares at an issue price of 5 cents for each share. The total amount must not be more than A\$5,000.00
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I/We certify that the aggregate of the application price for the shares the subject of this Application (including through joint and beneficial holdings), and, any other shares in the class applied for by me/us under this Share Purchase Plan (including those the subject of any other application) or any similar arrangements, in the last 12 months prior to the date of this Application, does not exceed A\$5,000.

Make your cheque, money order or bank draft payable to "Metroland Australia Limited"

Payment Details:

Drawer	Cheque Number	BSB Number	Account Number	Amount of cheque
				A\$

Contact Details:-	Telephone Number Business Hours	Contact Name (PRINT)