



APPOINTMENT OF EPC CONTRACTOR FOR THE WATERBERG COAL PROJECT

The Waterberg Coal Joint Venture Partners (**WCJVP**) announce that it has entered into a Letter of Intent with ARDBEL for development of the 22 million tonne per annum Coal Handling Facility, Processing Plant and associated civil works for the Waterberg Coal Project (**WCP**) situated in the Waterberg Region, Limpopo, South Africa. WCJVP are pleased to now advise the market that they have now formally instructed ARDBEL to commence with the preliminary design of the project following on from the design work undertaken as part of the Definitive Feasibility Study (DFS) for the project's development.

In addition to the preliminary design and basic engineering works, ARDBEL (a joint venture between ELB Engineering Services and the DRA Group) has been appointed as the contractor for the detailed design and execution of the 22 million tonne per annum Coal Handling and Processing Plant and associated infrastructure for the WCP.

The project partners have previously reported (to ASX) a JORC Compliant Resource statement of 3.8833 billion tonnes of coal; of which 2.0703 billion tonnes is in the measured category. See Table 1¹.

The WCJVP partners have completed a Definitive Feasibility Study for the project and are currently engaging with the debt and equity capital markets to secure appropriate funding for the development of the project. Due diligence for this purpose, currently being undertaken by the Banking Group is at an advanced stage.

The formal appointment of ARDBEL represents a significant step forward in the commitment by the project partners to the development of the project. The Project partners expect to provide to the market a further and more detailed project update within the next 4 weeks.

Table 1 – Coal Resource on all six Waterberg Coal Project Properties under both Prospecting Permit and Mining Right						
Resource Classification	Coal Resource (Mt) #	Ash % (ad)	IM % (ad)	Vol % (ad)	CV (Mj/kg) (ad)	TS % (ad)
Measured	2,070.3	57.9	2.2	17.6	10.51	0.96
Indicated	8,56.3	59.4	2.3	17.2	9.96	1.00
Inferred	956.7	58.9	2.2	17.5	10.26	1.03
Totals	3,883.3	58.5	2.2	17.5	10.33	0.99
# Coal Resource is based on minimum thickness cut-off of 0.5m						

Stephen Miller
CEO
Firestone Energy Limited

4 July 2014

About Firestone Energy

Firestone Energy Limited is an independent, Australian exploration and development company listed on the Australian Stock Exchange Ltd (ASX) and the Johannesburg Stock Exchange (JSE). Firestone Energy has entered into a Joint Venture with Sekoko Resources (Pty) Ltd through which Firestone Energy has acquired the right to 60% participation interests in the Waterberg Coal Project located in Lephalale area, Limpopo Province, South Africa.

The first stage of the project is to develop the Smitspan mine which has a substantial measured thermal coal resource and to develop the Vetleegte mine which is a substantial metallurgical coal deposit.

Firestone Energy is committed to becoming a profitable independent coal and energy producer at its projects in South Africa, thereby making a substantial contribution to the social and economic development of the Lephalale area and South Africa.

Corporate Details

ASX: FSE
JSE: FSE

Issued Capital
 3,549 million ordinary shares

Major Shareholders
 The Waterberg Coal Company Ltd

Directors and Officers

Non Executive Directors
 George Oupa Magashula
 Lee Boyd

Officers
 Mr Stephen Miller CEO and Executive Director
 Ms Amanda Matthee CFO
 Mr Lee Boyd Company Secretary

Contact
 Firestone Energy Limited
 ABN 71 058 436 794
 Level 2, 1 Walker Avenue West Perth, Western
 Australia 6005
 Australia Tel: +61 (08) 9485 0888
 Fax: +61(08) 9485 0077
 Web: www.firestoneenergy.com.au

APPOINTMENT OF EPC CONTRACTOR FOR THE WATERBERG COAL PROJECT (Cont)

Note 1. The information in this announcement that relates to a Mineral Resource for the Waterberg Coal Project is extracted from the market release dated, and lodged with ASX on, 24 October 2013. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original release and that all material assumptions and technical parameters underpinning the relevant market release continue to apply and have not materially changed. The Company also confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market release.

Competent Person Statement

Gemecs (Pty) Limited was commissioned by the Waterberg Coal Project Joint Venture Partners, to undertake an Updated Independent Persons Geological Report for the Sekoko Waterberg Coal Project.

The Coal Resources were estimated in accordance with the South African code for the Reporting of Exploration Results, Mineral Resources and Mineral Reserves ("SAMREC Code"), Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ("the JORC Code") and South African National Standard (SANS 10320:2004) guidelines.

The information in this announcement that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Coenraad D van Niekerk, Pr.Sci.Nat (Reg. No 400066/98), M.Sc Hons (Geology), MDP, an employee of Gemecs (Pty) Limited, who is a Fellow of the Geological Society of South Africa. Mr Niekerk is a mining geologist with 38 years' experience in the mining industry, sufficient experience 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 Niekerk consents to the inclusion in the announcement of the matters based on this information in the form and context in which it appears.