

- **ASX Release**

10 November 2014

**THE WATERBERG COAL
COMPANY LIMITED
ABN 64 065 480 453**

Registered office:
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Perth, Western Australia 6005
Australia

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South African office:
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Sandton, 2146
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Contact:

Mr Stephen Miller
Executive Director/CEO
Or

Investor relations
in South Africa:
Bruce Tinney
+27 (83) 408 3028

E-mail:

info@waterbergcoal.com.au

Directors:

Dr Mathews Phosa
(Chairman)
Stephen Miller
(Executive Director and
CEO)
Lee Boyd
(Director and Company
Secretary)

ASX / JSE Symbol:
WCC

The Waterberg Coal Company Limited 45.88% subsidiary, Firestone Energy Limited, announces USD5.0 million fund raising.

Please see following announcement released by Firestone Energy Limited today, 10 November 2014.

Stephen Miller

Executive Director and CEO



10 November 2014

FIRESTONE RAISES USD5,000,000 BY CONVERTIBLE NOTES ISSUE

Firestone Energy Limited (**Firestone** or the **Company**) advises that it has signed a term sheet with Four Oaks Credit Fund Limited for the provision of USD5.0 million in new funding by way of the issue of Convertible Notes (**CN**), each with a current face value of ZAR0.07 (seven South African cents).

Completion of the transaction is subject to execution of formal documentation and completion of due diligence by Four Oaks Credit Fund Limited.

The funds are proposed to be drawn down over two tranches comprising USD2.7 million and USD2.3 million respectively. The Tranche 1 CN will be issued pursuant to the Company's current 15% capacity under ASX Listing Rule 7.1 with Tranche 2 to be issued subsequent to shareholder approval at the Company's AGM to be held on 28 November 2014.

Funds raised are to be used for advancing Firestone's Waterberg Coal Project Joint Venture located in the Waterberg district of Limpopo Province, South Africa and for other working capital purposes.

The salient terms of the issue of the Convertible Notes are as follows:

1. Principal amount is USD5,000,000;
2. Drawing over 2 Tranches, as above;
3. Face value of each note is ZAR0.07;
4. Redemption to be in equivalent USD;
5. Coupon interest rate is 6% p.a.;
6. PIK interest rate is 6% p.a.; and
7. Maturity date is 30 November 2016.

The face value of each note represents a 28% premium to the prior 20 day VWAP of Firestone's securities on the ASX.

The Company is pleased to have the support of Four Oaks Credit Fund Limited to enable it to progress the Company's Waterberg Coal Project Joint Venture.

Shareholders are advised to continue to exercise caution as discussions relating to further funding are ongoing.

Stephen Miller
Managing Director

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**FIRESTONE ENERGY
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ABN 71 058 436 794**

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E-mail:

info@waterbergcoal.net

Corporate Details:

Major Shareholders:
The Waterberg Coal Company Ltd

Directors and Officers:

Non Executive Directors:

Dr Mathews Phosa (Chairman)
George Oupa Magashula
Edwin Leith Boyd

Officers:

Mr Stephen Miller Managing Director
Ms Amanda Matthee CFO
Mr Edwin Leith Boyd Company
Secretary

ASX / JSE Symbol:
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Web: www.firestoneenergy.com.au