

14 June 2011

Dear Shareholder



Firestone share purchase plan with free attaching options

- **Firestone has secured JSE and SARB approval for the offer to South African shareholders under the SPP and Prospectus**
- **The offer to South African shareholders opens today and closes on 8 July 2011**
- **The Board of Firestone encourages South African shareholders to take part in the SPP**

Further to our letter of 11 May 2011, Firestone Energy Limited (**Company**) is pleased to announce that it has secured approvals of the JSE and the South African Reserve Bank (**SARB**) for the offer of shares and free attaching options under the SPP and Prospectus to shareholders of the Company (that were on the register at 5pm Sydney time on 29 April 2011) with their registered address in South Africa (**South African shareholders**).

Accordingly, the offer to South African shareholders opens **today, 14 June 2011**. The offer to South African shareholders will close at 12.00pm South African time on 8 July 2011.

A combined application form for shares and free attaching options has also been despatched to South African shareholders today.

Please use your personalised application form and **not** the application form available on the Australian Securities Exchange and the Company's websites, as these documents are only relevant to Australian and New Zealand registered shareholders.

If you have any questions about your application form, please contact Computershare in South Africa on 0861 100 933 or +27 11 370 5000.

Timetable for South African shareholders

As previously announced, the Company will extend the time that offers close for South African shareholders so that you have four weeks to return the application form. Please see below an indicative timetable for the offer to South African shareholders.

Date	Event
14 June 2011	Offer opens and combined application forms despatched to South African shareholders
8 July 2011	SPP Offer closes for South African shareholders (at 12.00pm South African time)
18 July 2011	Expected allotment of Shares and Options to South African shareholders under the SPP

About Firestone Energy

Firestone Energy is an independent Australian exploration company focused on developing coal projects in South Africa. The company is currently exploring the richly endowed Waterberg coal field in the Limpopo Province of South Africa.

The Company is committed to value-added growth through becoming an independent coal and energy producer at its projects in South Africa.

The Company has entered into three joint ventures with Sekoko Resources, a South African black economic empowerment company (BEE) and Sekoko has two directors on the Board of Firestone Energy.

Corporate Details

ASX: FSE

JSE: FSE

Issued Capital:

2,696 million ordinary shares

Major Shareholders:

Sekoko Resources (Pty) Ltd

BBY Nominees Ltd

Colbern Fiduciary Nominees Ltd

Bell Potter Nominees Ltd

Directors and Officers

Non Executive Directors:

David Perkins (Chairman)

Dr Pius Kasolo

Colin McIntyre

Peter Tshisevhe

Executive Directors:

Sizwe Nkosi

Company Secretary:

Jerry Monzu

Contact:

Suite B9, 431 Roberts Road

Subiaco, Western Australia 6008

Tel: +61 (0)8 9287 4600

Web: www.firestoneenergy.com.au

Date	Event
18 July 2011	Commencement of trading in Shares and Options issued to South African shareholders on ASX and JSE

Please note these dates are indicative only. The Company may vary the dates and times of this offer or withdraw it without notice. Accordingly, South African shareholders are encouraged to submit their Application Form as early as possible.

If you have any queries about any part of the SPP or Prospectus you should consult your accountant, stockbroker, attorney or other professional adviser.

Thank You

On behalf of the Board I would like to thank you for your continuing support during this exciting growth phase of your Company and encourage you to take part in the SPP.

Yours sincerely



Firestone Energy Limited
David Perkins
Chairman

www.firestoneenergy.com.au