

22 March 2011

ASX Announcement

OPERATIONAL UPDATE

Firestone Energy Limited (ASX/JSE : FSE) is pleased to announce that it has awarded the following major Infrastructure, Treatment Plant and Rail contracts in relation to the development and construction of its coal mine on the property known as Smitspan in the Waterberg region.

		at its projects in South Africa.
Infrastructure Contractors	Virtual Consulting Engineers	The Company has entered into three joint ventures with Sekoko Resources a South African black empowermer company (BEE) and Sekoko has two directors on the Board of Fireston
Construction	Virtual Consulting Engineers is a project management and consulting engineering company, well-positioned to initiate, procure and manage project teams that are specifically selected to meet Firestone's requirements. Virtual Consulting Engineers was established in 1999. The company has over the years been a leading force as programme managers on numerous major projects, which, amongst others, included infrastructure maintenance, and infrastructure provision programmes.	Energy. Corporate Details ASX: FSI JSE: FSI Issued Capital 2,627 million ordinary share Major Shareholders Sekoko Resources (Pty) Lt BBY Nominees Lt Colbern Fiduciary Nominees Lt Bell Potter Nominees Lt
Coal Processing Contractors	Ingwenya Mineral Tech Pvt. Ltd	Directors and Officers Non Executive Directors David Perkins (Chairmar Dr Pius Kasol Colin McIntyr
Construction and Operation	Ingwenya Mineral Tech has extensive experience in the domain of coal preparation to offer effective solutions in the area of Conventional Coal Washeries. Ingwenya offers Firestone the latest and best technology in coal processing through the HM Modular Coal Washery with capacities up to 150 TPH. It has experienced and highly skilled personnel for the design of preparation plants to produce both power-generation coal as well as metallurgical and coking coal.	Sizwe Nkos Peter Tshisevh Company Secretar Jerry Monz Contact Suite B9, 431 Roberts Roa Subiaco, Western Australia 600 Tel: +61 (0)8 9287 460 Web: www.firestoneenergy.com.au

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 valueadded growth through becoming an independent coal and energy producer at its projects in South Africa

Rail Contractors	RCE Consultants (Pty) Limited
Construction	RCE Consultants (Pty) Ltd is an independent railway and civil engineering consultancy with offices in Gauteng, South Africa. The company provides quality railway and civil engineering services, specializing in the planning, design, and project management of rail and port-related projects. RCE Consultants have a solid track record of delivering and is well positioned to meet Firestone's demanding schedule.

In addition the Board is pleased to announce that it has issued tenders calling for submission of offers for contract mining of the Smitspan coal deposit. The contractor meetings will be held over the next week in anticipation of the appointment of a mining contractor by the end of April 2011.

The Chairman of Firestone Energy Limited, David Perkins said "The appointment of these contractors is of great significance. Their combined experience substantially de-risks this project, and together with the mining contractor, when that appointment is announced, they secure for Firestone the resources and skills required to bring into existence its coal mining operations in the Waterberg."

David J Perkins

Chairman

www.firestoneenergy.com.au