

25 November 2011

ASX ANNOUNCEMENT

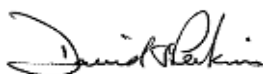
Proposal from Sekoko

Firestone Energy Limited (ASX/JSE : FSE) ("Firestone" or the "Company") is pleased to announce that it has received a proposal from its major shareholder Sekoko Resources (Pty) Limited, which if implemented, would more closely align the management and economic interests of the two organisations. The advantages outlined in the proposal include streamlining management, simplifying the joint venture structure and providing a more easily understood investment vehicle for both the equity and debt markets.

Firestone Energy welcomes the proposal. The board will meet with representatives from Sekoko Resources on 2 December 2011 to further consider and discuss the proposal and at that time will provide further information to shareholders about the proposal. Should the board decide to recommend implementation of the proposal, the approval of unassociated shareholders, and all necessary regulatory approvals, will be sought. Until the board has had the opportunity to fully consider the proposal, Firestone Energy has undertaken to Sekoko Resources that it will not issue any new securities.

As an initial step it is intended to invite Mr Tim Tebeila, Executive Chairman of Sekoko Resources, to join the Board.

Yours sincerely



Firestone Energy Limited
David Perkins
Chairman

www.firestoneenergy.com.au

About Sekoko Resources

Sekoko Resources (Pty) Ltd is a South African-based black-owned energy and minerals company developing the coal, magnetite iron ore and PGMs Projects in the Limpopo Province of South Africa. This includes a significant exploration program and development of the Waterberg Coal Joint Venture Project based on significant Coal Zone Resources. Sekoko is targeting to commence operations in 2012, thus forming the basis for developing a global coal business.

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 Velleegte 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:
2,958 million ordinary shares

Major Shareholders:
Sekoko Resources (Pty) Ltd
Linc Energy Ltd
BBY Nominees Ltd
Bell Potter Nominees Ltd

Directors and Officers

Non Executive Directors:
David Perkins (Chairman)
Dr Pius Kasolo
Mr Colin McIntyre
Mr Ben Mphahlele
Mr Kobus Terblanche
Sizwe Nkosi

Company Secretary:
Jerry Monzu

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