

3 August 2011

## ASX ANNOUNCEMENT

### **MINING RIGHT APPROVAL** **FOR FIRESTONE/SEKOKO/IDC - WATERBERG COAL PROJECT**


Firestone Energy Limited (ASX/JSE: FSE) (“Firestone” or the “Company”) has been informed by its joint venture partner in the Waterberg Coal Project (the Project), Sekoko Resources, that the DMR (Department of Mineral Resources in South Africa) has granted the Mining Right approval to mine coal for 30 years over the seven properties contained in the Project.

The approval is conditional upon payment of A\$1million within 10 days which will be a deposit towards the Mine Rehabilitation Provision. The mine works program and the updated social and labour plan have already been submitted to the DMR. The mining right will be signed by the DMR and executed on or before 6 September 2011.

This reflects a major milestone in the development of the Project. This is a significant regulatory approval which will unlock the approvals of the water use licence and the Environmental Impact Assessment (“EIA”) in the near future.

The Chairman, Mr David Perkins, said “Sekoko and in particular Mr Tim Tebeila is to be congratulated for his determination and persistence in seeking approval of the mining right. Firestone is now ready to participate in the construction of the mine pending water use licence and EIA approvals which are anticipated shortly.’

Yours sincerely



**Firestone Energy Limited**  
**David Perkins**  
**Chairman**

[www.firestoneenergy.com.au](http://www.firestoneenergy.com.au)

#### 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:  
2,793 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

Executive Directors:  
Sizwe Nkosi

Company Secretary:  
Jerry Monzu

Contact:  
Suite B9, 431 Roberts Road  
Subiaco, Western Australia 6008  
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**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 Industrial Development Corporation of South Africa “IDC”**

IDC is a self financing, state owned, developmental financial institution which was established in 1940. The IDC has approved funding deals in excess of ZAR9billion (approx A\$1.3 billion) in 2010 and has invested over ZAR6billion (approx A\$857million) in mining and energy related projects over the last two years. The IDC is a significant shareholder in Sasol Limited, Mittal Steel South Africa, Exxaro and Foskor. IDC has funded numerous successful green-field and brown-field projects over the past 70 years.