

2 February 2011 ASX Announcement

Coal Off-take Agreement

Firestone Energy Limited, "Firestone" (ASX/JSE: FSE), wishes to announce that it has received notification from its Joint Venture partner, Sekoko Resources, that a Memorandum Of Understanding "MOU" was signed last Friday, 28th January 2011, between Eskom Limited and Sekoko Coal in Johannesburg.

The parties have formally agreed on a Coal Off-take Agreement whereby the FSE/Sekoko Joint Venture's farms, which are all located within the Waterberg coal region, will supply coal product to the nearby Eskom state owned coal power station, called Matimba, which is 20km from the Smitspan open pit.

The first term of the supply contract is for 6 years with first delivery by April 2012.

An extension for an additional 15 year period to the year 2032 is being negotiated, in good faith, and will form part of the same MOU when the boards of both companies have finalised certain details.

The specifics of this 21 year supply contract will be submitted when a final written copy is received by the Firestone board.

David J Perkins
Chairman

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 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 empowerment company (BEE) and Sekoko has two directors on the Board of Firestone Energy.

Corporate Details

ASX: FSE
JSE: FSE

Issued Capital:
2,401 million ordinary shares

Major Shareholders:
Sekoko Resources (Pty) Ltd
Colbern Fiduciary Nominees Ltd
Bell Potter Nominees Ltd

Directors and Officers:

Non Executive Directors:
David Perkins (Chairman)
Dr Pius Kasolo
Colin McIntyre
Sizwe Nkosi
Peter Tshisevhe

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