

28 February 2011 ASX Announcement

## Firestone & Sekoko Sign Shareholders “Joint Venture” Agreement

Firestone Energy Limited (ASX/JSE : FSE) is pleased to advise that it has signed a Shareholders JV Agreement “The Agreement” between the Company and its JV partner, Sekoko Coal (Proprietary) Limited. The shareholders to the Agreement have agreed to proceed with the establishment of a coal mine based on the Waterberg Properties and on the economic robustness of the Bankable Feasibility Study.

All eight farms in the Waterberg Coal Project are covered by the Agreement and the Agreement specifies the operational, financing and cashflow aspects of the JV in accordance with the ownership interests of the participants, Firestone 60% and Sekoko 40%.

The Agreement was signed in Johannesburg on Thursday the 24<sup>th</sup> February and paves the way for Firestone to embark on its next milestone of securing funding for the development of the Waterberg coal mine. The Company will now focus on conducting a road show to secure future funding.

The Agreement is in effect immediately, and is subject to the following conditions precedent:

- The parties to the Agreement shall receive the written unconditional approval of the South African Competition Tribunal; and
- That the South African Minister for Mineral Resources gives written approval in terms of Section 11 of the Mineral and Petroleum Resources Development Act.

The Chairman of Firestone Mr David Perkins said, “He was delighted that Firestone and Sekoko have managed to sign such an important agreement and that this now opens the door for the Company to seek funding for the development of its Waterberg Coal project and push ahead with the commencement of the mine”.

Mr Tim Tebeila, the Chairman of Sekoko Coal said, “This is significant step for the Sekoko / Firestone JV and it demonstrates the cooperation and good faith that exists within the JV partners. Sekoko looks forward to the development of the Waterberg Coal project and the benefits that will be derived for both Companies and their Shareholders”.

David J Perkins

Chairman

[www.firestoneenergy.com.au](http://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:  
2,627 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

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