

6 September 2011

ASX ANNOUNCEMENT

LINC ENERGY TAKES STRATEGIC STAKE IN FIRESTONE

Firestone Energy Limited (ASX / JSE: FSE) ("Firestone" or the "Company") is pleased to announce that the Company has completed a placement of approximately 150 million shares at A\$0.012 per share, under the Company's 15% capacity, to ASX listed global energy company Linc Energy Limited (ASX:LNC), raising A\$1.8M. Following the placement, Linc Energy will hold approximately 9.6% of Firestone's issued capital.

BBY Limited was the Lead Manager to the Placement.

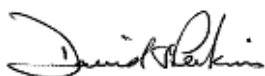
The funds will be allocated towards Firestone's general working capital requirements for the development of the flagship Smitspan project.

David Perkins, Chairman of Firestone, commented "We welcome Linc Energy as a significant shareholder in Firestone and we look forward to working with Linc as the Firestone/Sekoko JV brings the Smitspan mine into production."

As part of the placement, Firestone has granted to Linc Energy its Underground Coal Gasification, oil and gas rights over the tenements that are subject of the JV between Firestone and its partner, Sekoko Resources. A detailed agreement between the parties will be entered into in the short term.

Peter Bond, CEO of Linc, said "This investment by Linc marks our most significant foray into the growing, energy hungry African continent. We believe this investment will be value accretive for Linc shareholders as the Firestone/Sekoko JV owns billions of tonnes of coal, ranging from higher value metallurgical coal, thermal coal for power generation through to coal which appears suitable for Linc's Underground (UCG) and above ground (powerhouse) gasification processes. I look forward to working with the Firestone/Sekoko JV to maximise the value of these assets. This investment is a classic Linc Energy play whereby we as a company secure significant mineral resources in a potential area as a cornerstone to doing business in that location, yet gaining potential upside by smart buying of strategic mineral assets."

Yours sincerely



Firestone Energy Limited
David Perkins
Chairman

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:
2,808 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

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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.