



28 November 2012

Eskom MOU Update

Firestone Energy Limited (ASX/JSE: FSE) (the “Company” or “FSE”) is pleased to announce that it has been advised by Sekoko Resources, its joint-venture partner in the Waterberg Coal Project, that Eskom and Sekoko Resources have agreed that the final Bankable Feasibility Study “BFS” is to be completed by 31 March 2013.

This amended completion date for the final BFS makes allowance for additional drilling and technical components required to support the BFS.

The BFS is a necessary condition of the amended MOU with Eskom to provide 10 million tons per annum of thermal coal for 30 years.

The technical components of the Feasibility Study will be provided to Eskom in December. Derivative specialist studies, which are currently underway, are expected to be completed during first quarter, 2013.

The Chairman of FSE commented: “The scale of the anticipated relationship between Firestone and Eskom has evolved over the past 12 months as more information about our thermal coal resources and Eskom’s requirements have come to light. We are working cooperatively to react to these changed circumstances and have agreed to revise earlier studies. This does not alter the previously announced expectation that production will commence in 2014”

Yours sincerely,

David Knox
Chief Executive Officer

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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.

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 Lephalele 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 Lephalele area and South Africa.

Corporate Details

ASX: FSE
JSE: FSE

Issued Capital:
3,114 million ordinary shares

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

Directors and Officers

Non Executive Directors:
Mr Tim Tebeila (Chairman)
David Perkins (Deputy Chairman)
Dr Pius Kasolo
Ben Mphahlele
Kobus Terblanche

Officers:
Mr David Knox CEO
Ms Amanda Matthee CFO
Mr Jerry Monzu Company Secretary

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