



22 May 2012

Financial Restructure - Update

On 7 May 2012 the Board of **Firestone Energy Limited** (ASX/JSE: FSE) (the “**Company**” or “**FSE**”) advised shareholders of a major transaction involving a financial restructuring of the Company and the introduction of a new strategic investor at both an FSE and Waterberg project level.

To date the Company has made significant progress on the documentation of this transaction. Given the complexity of the transaction and the fact that the transaction requires multi jurisdictional approval, further time is required to finalise the long form agreements.

It is now anticipated that a shareholders meeting will be held in late July 2012. The Company will up-date the market as soon as the long form agreements are finalised.

Yours sincerely,

David Knox
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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:
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
Mr Jerry Monzu Company Secretary

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