

THE WATERBERG COAL COMPANY LIMITED
(formerly Range River Gold Limited)
(ABN 64 065 480 453)

Third Supplementary Bidder's Statement

**in relation to a Takeover Offer by The Waterberg Coal Company Limited to acquire ALL of your ordinary shares in
Firestone Energy Limited (ABN 71 058 436 794)**

1. IMPORTANT INFORMATION

This document is the third supplementary bidder's statement dated 24 May 2013 (**Third Supplementary Bidder's Statement**) made under section 643 of the *Corporations Act 2001* (Cth) (**Corporations Act**) by The Waterberg Coal Company Limited (ABN 64 065 480 453) (**WCC**) in relation to its off-market takeover offer for all of the fully paid ordinary shares in the capital of Firestone Energy Limited (ABN 71 058 436 794) (**FSE**) which WCC does not own (**Takeover Offer**).

This Third Supplementary Bidder's Statement is supplementary to and should be read together with the bidder's statement dated and lodged with the Australian Securities and Investments Commission (**ASIC**) on 30 January 2013 (**Original Bidder's Statement**), the first supplementary bidder's statement dated and lodged with ASIC on 19 March 2013 (**First Supplementary Bidder's Statement**) and the second supplementary bidder's statement dated and lodged with ASIC on 27 March 2013 (**Second Supplementary Bidder's Statement**). If there is a conflict between the Original Bidder's Statement, the First Supplementary Bidder's Statement or the Second Supplementary Bidder's Statement and this Third Supplementary Bidder's Statement, this Third Supplementary Bidder's Statement will prevail. Terms defined in the Original Bidder's Statement, First Supplementary Bidder's Statement and Second Supplementary Bidder's Statement have the same meaning in this Third Supplementary Bidder's Statement.

This Third Supplementary Bidder's Statement was lodged with ASIC on 24 May 2013. Neither ASIC nor any of its officers takes any responsibility for the contents of this Third Supplementary Bidder's Statement.

This Third Supplementary Bidder's Statement contains certain corrective disclosure as required by the Takeovers Panel in its orders dated 17 May 2013. Please refer to the Takeovers Panel's media release dated 17 May 2013, available on its website (www.takeovers.gov.au), for further information.

This document is important and should be read in its entirety. Please consult your legal, financial or other professional adviser if you do not fully understand the contents.

A copy of this Third Supplementary Bidder's Statement will be available on WCC's website (<http://www.waterbergcoal.com.au>).

2. HAWORTH FINANCE LIMITED

2.1 Introduction

Haworth Finance Limited (**Haworth**) is the trustee company for a discretionary trust, the beneficiaries of which are entities and individuals (**Haworth Beneficiaries**) which have provided financial or other support (for example, the provision of services) to Haworth's former wholly owned subsidiary, Ariona Company SA (**Ariona**). It is registered in the British Virgin Islands and its sole director and shareholder is Mr Richard MacLellan. Mr MacLellan makes all decisions in relation to the discretionary trust, including as to allocations and distributions of trust property.

Mr MacLellan is qualified as a Chartered Accountant. Mr MacLellan has more than 20 years' experience in the provision of high level business and corporate advisory services in an international context.

2.2 Completion of Ariona Acquisition and issue of shares to Haworth Beneficiaries

As disclosed in the Original Bidder's Statement, WCC agreed with Haworth to acquire all of the shares in Haworth's wholly owned subsidiary, Ariona. As consideration, WCC agreed to issue to Haworth (or its nominees) a total of 125,000,000 new WCC shares on a post-consolidation basis (following implementation of the WCC share consolidation as referred to in the Original Bidder's Statement, the **Consideration Shares**).

On 28 March 2013, following the waiver by WCC of all of the outstanding conditions precedent to the agreement with Haworth, WCC completed the acquisition of 100% of the issued capital in Ariona, and Haworth was entitled to be issued the Consideration Shares. Haworth directed WCC to issue such shares to

the Haworth Beneficiaries other than a holding of 15,000,000 WCC shares in its own name. In aggregate, the Consideration Shares issued to the Haworth Beneficiaries and Haworth pursuant to this process represented approximately 70% of WCC.

As at 22 May 2013 (being the last practicable date before finalisation of this Third Supplementary Bidder's Statement), WCC had issued 64,517,077 new WCC shares pursuant to the Takeover Offer. Accordingly, the aggregate percentage of WCC's total issued shares held by the Haworth Beneficiaries and Haworth as at 22 May 2013 was approximately 51%.

Assuming that WCC acquires 100% of the shares in FSE under the Takeover Offer and that no further equity is raised, WCC will have issued a further 127,339,093 shares and will have approximately 368,861,293 shares on issue. Accordingly, in these circumstances, the aggregate percentage of WCC's total issued shares held by the Haworth Beneficiaries and Haworth will decrease further to approximately 34%.

Further information as to the WCC shares that have been distributed to the Haworth Beneficiaries and Haworth and their voting power in various circumstances following completion of the bid is provided in Section 2.3 below.

2.3 Information about the Haworth Beneficiaries

Investors

The table below provides a summary of the identity of the Haworth Beneficiaries and the individuals that ultimately own or control those entities and Haworth. The table also summarises each entity's holding and their voting power as at 22 May 2013 (being the last practicable date before finalisation of this Third Supplementary Bidder's Statement).

WCC also notes that, as approved by WCC shareholders on 27 March 2013, WCC proposes to raise further equity up to an additional \$20 million at an issue price of 20 cents per share (ie up to 100 million shares). To date, WCC has raised \$2,075,000, and accordingly has issued 10,375,000 new shares. Assuming such equity raisings continue to be successful, this will result in the issue of up to 89,625,000 further WCC shares and accordingly further dilution of the voting power of each of the Haworth Beneficiaries and Haworth.

A summary of the voting power of Haworth and the Haworth Beneficiaries (including assuming 100% acquisition of FSE) is provided in the table below:

Name of entity	Owner or controller	Number of WCC shares held	Current % voting power in WCC ¹	% Voting power in WCC assuming WCC acquires 100% of FSE ²
Clearview Asset Pty Ltd	Controlled by Mr S Miller	16,762,500	6.94	4.54
Resource Venture Capital Partners Pty Ltd	Controlled by Mr S Miller	2,362,500	0.98	0.64
Evening Star Enterprises Pty Ltd	Controlled by Mr S Miller	4,500,000	1.86	1.22
Celtic Capital Pty Ltd	Mr Jason Peterson	6,250,000	2.59	1.69
Parimont Global Limited	Unknown to WCC or its principals	1,250,000	0.52	0.34
Mitchell Grass Holdings Singapore Pte Ltd	Ms Regina Tan Matthew Wood She Yulan	10,000,000	4.14	2.71
Carrick Holdings Limited	Mr Andrew Bruce	3,750,000	1.55	1.02
Macabee Estate Pty Ltd	Ms Anthea Brown	1,250,000	0.52	0.34
Beachline Holdings Pty Ltd	Clifton Super Fund	2,500,000	1.04	0.68
Leaville Holdings Pty Ltd	Beachline Holdings and Kilo Pty Ltd	2,500,000	1.04	0.68
Vernon Finance	Mr V Falbo Manages	10,500,000	4.35	2.85

¹ assumes total issued capital of 241,522,200 WCC shares, including 64,517,077 WCC shares issued to date pursuant to the WCC bid.

² assumes total issued capital of 368,861,293 WCC shares, including a further 127,339,093 WCC shares to be issued from the date of this Third Supplementary Bidder's Statement.

Name of entity	Owner or controller	Number of WCC shares held	Current % voting power in WCC ¹	% Voting power in WCC assuming WCC acquires 100% of FSE ²
	investments for various investors that are not known to WCC or any of its directors			
Elinor Weaver	The Clifton Trust	2,500,000	1.04	0.68
Baldragon Holdings Ltd	Mr G.L. Mackintosh	20,000,000	8.28	5.42
Jarvest Finance Ltd	Mr V Falbo Manages investments for various investors that are not known to WCC or any of its directors	25,875,000	10.71	7.01
Haworth Finance Ltd	Mr R MacLellan. (Shares are held on behalf of, Richmond Capital LLP, an investment manager on behalf of investors that are not known to WCC or any of its directors)	15,000,000	6.21	4.07

3. INFORMATION ABOUT THE SBSA CONSORTIUM

On 26 March 2013, WCC executed the SBSA Convertible Facility Agreement, the terms of which are summarised in the First Supplementary Bidder's Statement. On 10 April 2013, WCC drew down the entire \$35,000,000 Facility the subject of the Convertible Facility Agreement.

As disclosed in the First Supplementary Bidder's Statement, SBSA is the arranger, facility agent, lender, security trustee and security agent under the Convertible Facility Agreement. SBSA is South Africa's leading project finance bank.

SBSA has the right to sell down its loan under the Convertible Facility Agreement to other third parties. As at the date of this Third Supplementary Bidder's Statement, WCC understands that the total \$35 million under the Convertible Facility Agreement is apportioned as follows:

- SBSA: \$14 million
- Middle Eastern sovereign wealth fund: \$20 million
- London-based fund manager: \$1 million

WCC understands that SBSA may be currently in the process of identifying another party to join to the lending consortium.

It should also be noted that it is highly unlikely that any lender would ever be in any substantial holding position in relation to WCC on the basis of conversion of its loans under the Convertible Facility Agreement for the following reasons:

- the Original Bidder's Statement states (see sections 2.3, 3.6 and 3.6.1(e)) that WCC will need to raise additional capital (up to \$400 million, a significant portion of which would be in equity estimated to be up to \$150 million) in order to continue its operations and develop the Waterberg Project. This additional equity would significantly dilute any interest acquired on conversion of any principal amount under the Convertible Facility Agreement;
- SBSA may determine to sell down more of its debt to other third parties in the future;
- WCC is not aware of any intention on the part of either SBSA or the other co-financiers to exercise their conversion right in the near future; and
- as disclosed in the First Supplementary Bidder's Statement, while SBSA leads the SBSA consortium, the individual lenders may exercise the right to convert their respective proportion of the loan at any time during the term of the loan. WCC is not aware of any current intention of any of the lenders to convert their portion of the loan into WCC shares.

To the extent a consortium member exercises a right to be issued with shares, WCC will make the customary disclosure associated with the issue of those shares at the relevant time. Additionally, the relevant lender will be obliged to disclose if its conversion of its portion of the loan results in it holding a relevant interest in more than 5% of WCC.

WCC has been granted a waiver from ASX Listing Rule 7.3.2 in order to allow WCC to issue WCC Shares pursuant to the terms of the Convertible Facility Agreement outside of the 3 month period otherwise required by the ASX Listing Rules. Under the waiver, any WCC Shares must be issued by 27 March 2015.

4. SHARE PURCHASE AGREEMENT

The Share Purchase Agreement summarised in paragraph (b) of Annexure D of the Original Bidder's Statement was varied on 26 March 2013 to provide that, rather than Ariona acquiring up to 800,000,000 FSE Shares from Sekoko and Sekoko Resources, Ariona will acquire:

- (a) 200,000,000 FSE Shares from Sekoko; and
- (b) 280,000,000 FSE Shares from Sekoko Resources,

(Varied Acquisition).

The consideration paid by Ariona to Sekoko and Sekoko Resources for the Varied Acquisition was \$0.01 per FSE Share.

Subsequently, on 10 April 2013, the parties completed the Share Purchase Agreement resulting in Ariona acquiring 480,000,000 FSE Shares from Sekoko and Sekoko Resources as well as a 10% direct interest in the Waterberg Coal Project. This was satisfied by WCC as a result of WCC's acquisition of Ariona.

5. PLACEMENT AND SECOND PLACEMENT

On 9 April 2013, WCC issued 10,375,000 WCC Shares and 5,187,500 WCC Options under the Second Placement to raise \$2,075,000. WCC retains its right to issue the remaining WCC Shares and WCC Options pursuant to the Second Placement in accordance with the approval granted by WCC Shareholders at the General Meeting held on 27 March 2013.

In addition, as shareholders also approved at that General Meeting, on 11 April 2013, WCC issued 842,470 WCC Shares and 18,000,000 WCC Options under the Placement to raise a further \$168,494. This share issue completed the Placement.

Both of the above share issues are included in the total issued shares referred to in the table in section 2.3 above.

6. POST-ACQUISITION INTEREST IN THE WATERBERG COAL PROJECT

Section 2.2 of the Original Bidder's Statement states that "FSE Shareholders will have exposure to a 70% interest in the Waterberg Project (whereas currently FSE holds a 60% interest)".

This statement was intended to convey to FSE shareholders that, following the acquisition of FSE by WCC, they would hold an investment in a company with an increased interest in the Waterberg Project. Furthermore, this increased 70% interest would comprise a direct 10% interest in the Waterberg Project, in addition to FSE's indirect economic interest to 60% of the project³.

For completeness, WCC clarifies that this statement was not intended to imply that current FSE shareholders would have the same proportionate interest in this 70% interest in the Waterberg Project as they currently do in the assets of FSE. Following completion of the bid, the aggregate indirect interest held by FSE shareholders in the Waterberg Project may vary as follows:

³ FSE's only rights in relation to the Waterberg Project are a contractual right to a participation interest in a joint venture. Legal ownership of the Waterberg Project (or a portion of it) could only be transferred with approval of the Minister under section 11 of the South African Mineral and Petroleum Resources Development Act, 2002. This could, in effect, only be done if the transferee could demonstrate the applicant's financial capability to develop the Waterberg Project. FSE to date has not secured such approval.

- (a) Given the shares to be issued by WCC pursuant to the WCC takeover bid, existing FSE shareholders will, assuming the acquisition of 100% of FSE by WCC, have an aggregate indirect economic interest in approximately 36% of the Waterberg Project.
- (b) If WCC then goes on to issue a further 89,625,000 WCC Shares as described in section 2.3 above, FSE shareholders will have an aggregate indirect economic interest in the Waterberg Project of approximately 29%.
- (c) Finally, as disclosed the First Supplementary Bidder's Statement, a further issue of WCC Shares may be required in the future, pursuant to the Convertible Facility Agreement. Additionally, WCC has ceased discussions with Investbridge Capital and the Investbridge Mandate Agreement has been terminated. Accordingly WCC will not be entering into the Converting Loan Agreements or issuing any shares pursuant to any loan that was contemplated under the Investbridge Mandate Agreement. Assuming that the SBSA facility is fully converted, up to a further 459,375,000 WCC Shares will be issued, and current FSE shareholders will have an aggregate indirect economic interest in the Waterberg Project of approximately 14.5%.

Therefore while the FSE shareholders will have exposure to a larger interest in the Waterberg Project, they will do so via a diluted interest in WCC. In the event that WCC does not acquire 100% of FSE, the indirect economic interest of FSE shareholders that accept the offer will be lower than as outlined above.

7. JSE LISTING

As disclosed in the First Supplementary Bidder's Statement, WCC intends to obtain a secondary listing on the Alternate Exchange (AltX) division of JSE Limited (**JSE**). This will enable South African FSE Shareholders to accept WCC Shares as consideration for their FSE Shares if they accept the Takeover Offer.

WCC has made an application to the JSE to secure such listing and is currently progressing matters with the JSE.

Subject to the suspension of WCC's Shares ending, WCC expects that the JSE listing will be completed by mid to late June 2013. FSE shareholders should note that the JSE listing is subject to final confirmation by the JSE and there can be no guarantee that WCC's Shares will be listed on the JSE by this date, or at all.

WCC will keep shareholders of both WCC and FSE updated as to the progress of this matter in due course.

8. DIRECTOR APPOINTMENTS

On 5 April 2013, WCC appointed two new directors to WCC, Messrs Stephen Miller and Scott Funston.

Stephen Miller – Executive Director

Mr Miller has 25 years' experience investing and executing corporate finance, mergers and acquisitions opportunities in the resources sector.

Mr Miller established Resource Venture Capital Partners (**RVCP**) which is dedicated to investment opportunities in the natural resources sector. Mr Miller has overseen several company reorganizations, restructurings, direct investments plus substantial debt and equity capital raisings for project start-ups, developments, and corporate takeovers in the natural resources sector.

Mr Miller has also been a director, founder and chief executive officer of a number of successful resource companies listed in the Australian and North American exchanges including East Africa Gold Corporation, Western Metals Limited and Defiance Mining Corporation.

Mr Miller is a member of the Australian Institute of Chartered Accountants, a Fellow of the Australian Institute of Company Directors and previously a Director on the Australian Gold Council.

Mr Miller's qualifications include a CA, BBus and FAICD. Mr Miller currently has voting power in WCC of approximately 11.26%

Scott Funston – Finance Director

Mr Funston is a qualified Chartered Accountant and Company Secretary with more than 10 years' experience in the mining industry and the accounting profession. His expertise is financial management, regulatory compliance and corporate advice. Mr Funston possesses a strong knowledge of the ASX requirements and currently assists or has previously assisted a number of resources companies operating throughout Australia, South America, Asia, USA and Canada with financial accounting, stock exchange compliance and regulatory activities.

Mr Funston is currently a director of Lindian Resources Limited, Highfield Resources Limited, Oakland Resources Limited and Avanco Resources Limited.

9. NEW CLOSING DATE

The Offer has been extended to comply with the Takeovers Panel's orders dated 17 May 2013 and the Offer will now close at 7pm (AEST) 7 June 2013 (unless further extended).

10. WITHDRAWAL RIGHTS

Pursuant to orders dated 17 May 2013 made by the Takeovers Panel, each person to whom WCC has made an Offer and who has accepted the Offer before the date of this Third Supplementary Bidder's Statement, has the right to withdraw their acceptance within 10 days of the date of dispatch of this Third Supplementary Bidder's Statement. A Withdrawal Form is enclosed.

If you choose to exercise this withdrawal right and return the Withdrawal Form correctly completed so that it is received by WCC within 10 days of the date of dispatch of this Third Supplementary Bidder's Statement, your acceptance of the Offer will be cancelled. Your FSE shares will be transferred back into your name(s) and the WCC shares issued to you as consideration under the Offer will be removed from your name(s) and will be cancelled.

Withdrawal Forms must be mailed to:

The Waterberg Coal Company
c/o Computershare Investor Services Pty Limited
GPO Box 52
Melbourne Victoria 3001
Australia

If a shareholder withdraws an acceptance in this manner, and is legally entitled to withdraw their acceptance, WCC must, before the end of 14 days after the day it receives the withdrawal notice:

- (a) return to the shareholder any documents that were sent by the shareholder to WCC with the acceptance of the Offer or destroy such documents, at WCC's discretion;
- (b) transfer into the shareholder's name in FSE's issuer sponsored subregister that number of FSE shares to which the Withdrawal Notice relates; and
- (c) remove and cancel the WCC shares issued to the shareholder (or to the Sale Nominee in the case of an ineligible foreign shareholder) as consideration under the Offer.

By submitting to WCC a Withdrawal Form, you acknowledge that the WCC Shares issued to you as consideration under the Offer are immediately cancelled and WCC is authorised by you as your agent to take all steps necessary to give effect to such cancellation.

Words defined in the ASX Settlement Operating Rules have the same meaning in this section of the document entitled "Withdrawal Rights", unless the context requires otherwise.

11. APPROVAL OF SUPPLEMENTARY BIDDER'S STATEMENT

This Third Supplementary Bidder's Statement has been approved unanimously by a resolution passed by all of the directors of WCC on 24 May 2013.

Signed for and on behalf of
The Waterberg Coal Company Limited



Mr Jonathan Hart
Director and Company Secretary

The Waterberg Coal Company Limited

ABN 64065480453

Withdrawal Form

THIS DOCUMENT IS IMPORTANT. IF YOU DO NOT UNDERSTAND IT PLEASE CONSULT YOUR PROFESSIONAL ADVISER.

Please insert the name and address details of the former FSE registered shareholder

Please insert your FSE Securityholder Reference Number (SRN) or Holder Identification Number (HIN).

If you are unable to provide your SRN / HIN, we will need to contact you on the contact details below in order to process your withdrawal. Your withdrawal will be treated as received on the date it is first received by us.

Please insert the number of FSE Shares in the holding

Please provide your contact details in case we need to speak to you about your Withdrawal Form:

_____	_____ / _____	_____ / _____
Contact Name	Contact Daytime Telephone Number	Date

Please sign with the appropriate boxes below.

Individual or Joint Shareholder 1

**Sole Director &
Sole Company Secretary**

Joint Shareholder 2

Director/Company Secretary

Joint Shareholder 3

Director