

FEASIBILITY STUDY DELIVERED TO ESKOM AND FINAL BURN TEST NEARING COMPLETION

Highlights

- **Eskom Feasibility Study delivered**
- **Final bulk sample burn test presently underway**
- **Final Coal Supply Agreement negotiations continue**

The Waterberg Coal Joint Venture Partners (**WCJVP**) are very pleased to report that they have completed a Feasibility Study (**Study**) into the development of an opencast mining operation to produce 10 million tonnes of coal (**Product**) per annum for Eskom for an initial term of 30 years.

The Study was completed pursuant to the Memorandum of Understanding (**MOU**) with Eskom for the proposed Coal Supply Agreement (**CSA**) and is confidential.

The WCJVP are presently updating the Study which will be released as a full Bankable Feasibility Study (**BFS**) on completion.

A condition precedent of the CSA is for Eskom to complete a burn test on a bulk sample of approximately 200,000 tonnes of Product. Eskom has now taken delivery of this bulk sample and it is expected that this Product will be tested over the course of the next 30 days.

Discussions between the WCJVP and Eskom as to the terms of the CSA are well advanced.

Yours sincerely

Stephen Miller
Chief Executive Officer

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 Vettelegte 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:
3,549 million ordinary shares

Major Shareholders:
The Waterberg Coal Company Ltd

Directors and Officers

Non Executive Directors:
Brian McMaster
George Oupa Magashula

Officers:
Mr Stephen Miller CEO and Executive
Director
Ms Amanda Matthee CFO
Mr Jonathan Hart Company Secretary

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