

# Form 604

Corporations Act 2001 Section 671B

## Notice of change of interests of substantial holder

To Company Name/Scheme : Firestone Energy Limited

ACN/ARSN: 71 058 436 794

### 1. Details of substantial holder(1)

Name Sekoko Resources (Pty) Ltd  
ACN/ARSN (if applicable) N/A

There was a change in the interests of the substantial holder on : 04 February 2011  
The previous notice was given to the company on : 06 October 2010  
The Previous notice was dated: 04 October 2010

### 2. Previous and present voting power

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate had a relevant interest in when last required, and when now required, to give a substantial holding notice to the company or scheme, are as follows:

Class of securities (4)	Previous notice		Present notice	
	Person's votes	Voting power (5)	Person's votes	Voting power (5)
Fully Paid Ordinary Shares	917,937,832	39.37%	1,052,645,091	33.80%

### 3. Changes in relevant interests

Particulars of each change in, or change in the nature of, a relevant interest of the substantial holder or an associate in voting securities of the company or scheme, since the substantial holder was last required to give a substantial holding notice to the company or scheme are as follows:

Date of change	Person whose relevant interest changed	Nature of change (6)	Consideration given in relation to change (7)	Class and number of securities affected	Person's votes affected
4 February 2011	Sekoko Resources (Pty) Ltd	Issue of 200,000,000 shares as part of the T3 transaction for the sale of assets (prospecting Rights) to Firestone Energy Limited	200,000,000 ordinary Shares were issued to BBY Nominees Pty Ltd and beneficially held on behalf of Sekoko Resources (Pty) Ltd for the sale of Prospecting rights	200,000,000 ordinary shares	200,000,000 ordinary shares

			over the Swanepoelpan and Duikerfontien properties. (See notice of General Meeting held 4 January 2011)		
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**4. Present relevant interests**

Particulars of each relevant interest of the substantial holder in voting securities after the change are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Nature of relevant interest (6)	Class and number of securities	Person's votes
Sekoko Resources Pty (Ltd)	Sekoko Resources Pty (Ltd)	Sekoko Resources Pty (Ltd)	Direct	852,645,091 ordinary	852,645,091
Sekoko Resources Pty (Ltd)	BBY Nominees Pty Ltd	BBY Nominees Pty Ltd	Indirect	200,000,000 ordinary	200,000,000

**5. Changes in association**

The persons who have become associates (2) of, ceased to be associates of, or have changed the nature of their association (9) with, the substantial holder in relation to voting interests in the company or scheme are as follows:

Name and ACN/ARSN (if applicable)	Nature of association

**6. Addresses**

The addresses of persons named in this form are as follows:

Name	Address
Sekoko Resources Pty (Ltd)	20 Georgian Crescent, Bryanston Gauteng 2140 South Africa

**Signature**

print name Timothy Tebeila

sign here



Capacity Chairman / Director

date 08 May 2012

## DIRECTIONS

(1) If there are a number of substantial holders with similar or related relevant interests (eg. a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 6 of the form.

(2) See the definition of "associate" in section 9 of the Corporations Act 2001.

(3) See the definition of "relevant interest" in sections 608 and 671B(7) of the Corporations Act 2001.

(4) The voting shares of a company constitute one class unless divided into separate classes.

(5) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.

(6) Include details of:

(a) any relevant agreement or other circumstances because of which the change in relevant interest occurred. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and

(b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).

See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.

(7) Details of the consideration must include any and all benefits, money and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included of any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.

(8) If the substantial holder is unable to determine the identity of the person (eg. if the relevant interest arises because of an option) write "unknown".

(9) Give details, if appropriate, of the present association and any change in that association since the last substantial holding notice.



**WERKSMANS**  
INCORPORATING  
JAN S. DE VILLIERS

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**SECOND ADDENDUM TO JOINT VENTURE AGREEMENT**

between

**SEKOKO COAL (PROPRIETARY) LIMITED**

and

**LEXSHELL 126 GENERAL TRADING (PROPRIETARY) LIMITED**

and

**FIRESTONE ENERGY LIMITED**

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Johannesburg South Africa  
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## SECOND ADDENDUM TO JOINT VENTURE AGREEMENT

between

SEKOKO COAL (PROPRIETARY) LIMITED

and

LEXSHELL 126 GENERAL TRADING (PROPRIETARY) LIMITED

and

FIRESTONE ENERGY LIMITED

### 1 INTERPRETATION

In this Addendum, clause headings are for convenience and shall not be used in their interpretation and, unless the context clearly indicates a contrary intention, -

- 1.1 the following expressions shall bear the meanings assigned to them below and cognate expressions shall bear corresponding meanings -
  - 1.1.1 "**this Addendum**" - this addendum to the JV Agreement;
  - 1.1.2 "**ASX**" - the Australian Securities Exchange;
  - 1.1.3 "**Commencement Date**" - the first Business Day following the fulfilment or waiver (as the case may be) of the last of the Suspensive Conditions;
  - 1.1.4 "**Evaluation Period**" - the period commencing on the Signature Date and ending on 30 June 2011;
  - 1.1.5 "**Evaluation Work Program**" is as defined in 4.1;

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- 1.1.6 "FSE" - Firestone Energy Limited, an Australian public company with ABN No. 71 058 436 794, admitted to the official list of ASX and whose shares are admitted to trading on ASX;
- 1.1.7 "JV Agreement" - the written joint venture agreement concluded on or about 30 June 2009 amongst Sekoko Coal, Lexshell 126 and FSE;
- 1.1.8 "Lexshell 126" - Lexshell 126 General Trading (Proprietary) Limited (registration number 2009/005363/07), a company duly registered and incorporated in accordance with the laws of the RSA;
- 1.1.9 "Parties" - the parties to this Addendum, and "Party" shall mean any one of them, as the context may indicate;
- 1.1.10 "Sekoko Coal" - Sekoko Coal (Proprietary) Limited (registration number 2004/010887/07), a company duly registered and incorporated in accordance with the laws of the RSA;
- 1.1.11 "Suspensive Conditions" - the suspensive conditions set out in 3.1;
- 1.1.12 "Remaining Properties" - the farms Swanepoelpan 262 LQ and Dulkerfontein 263 LQ situated in the Waterberg Administrative District and measuring 1411.83 hectares in extent;
- 1.1.13 "Signature Date" - the date of signature of this Addendum by the signatory which signs it last;
- 1.1.14 "Waterberg Prospecting Right" - the Prospecting Right granted to Sekoko Coal over, inter alia, the Waterberg Properties and the Remaining Properties, registered in the Mining and Petroleum Titles Registration Office and later amended on 9 May 2007, under PR681/2007;
- 1.2 terms defined in the JV Agreement and not otherwise defined in this Addendum shall bear the same meaning herein as assigned to them in the JV Agreement.



## 2 INTRODUCTION AND RECORDAL

2.1 It is recorded that -

2.1.1 on or about 30 June 2009 the Parties concluded the JV Agreement; and

2.1.2 the Parties wish to, Inter alia, expand the Joint Venture to include the Remaining Properties, to increase the consideration payable by Lexshell 126 and to introduce a procedure which will be applicable to new business opportunities.

2.2 In order to give effect to the provisions of 2.1.2, the Parties agree to amend the JV Agreement as set out herein.

2.3 This Addendum constitutes the second amendment to the JV Agreement.

## 3 SUSPENSIVE CONDITIONS

3.1 This Addendum (other than the provisions of 1, this 3, 4 and 6 by which the Parties shall be bound with effect from the Signature Date) is subject to the fulfilment of the Suspensive Conditions that on or before 30 June 2011 (or such later date as may be agreed in writing between the Parties) -

3.1.1 Lexshell 126 advising Sekoko Coal in writing that it has completed and is satisfied with a legal, technical and commercial due diligence in relation to the Remaining Properties;

3.1.2 the shareholders of Lexshell 126, FSE and Sekoko Coal passing all the necessary resolutions to approve the Implementation of the transaction contemplated in this Addendum, which in relation to FSE shall include resolutions for the purposes of ASX listing rules 10.1 and 10.11 and item 7, section 611 of the Corporations Act 2001 (Commonwealth of Australia);

3.1.3 the boards of directors of Lexshell 126, FSE and Sekoko Coal passing all the necessary resolutions to approve the implementation of the transaction contemplated in this Addendum;



- 3.1.4 Lexshell 126 advising Sekoko Coal in writing that it has completed and is satisfied with the Evaluation Work Programme;
- 3.1.5 all regulators (including the Reserve Bank of the RSA), whose approval is required for the Implementation of the transaction contemplated in this Addendum, approve the provisions of this Addendum; and
- 3.1.6 BBY Limited consenting to the issue of shares in FSE as contemplated by this Addendum in accordance with the underwriting agreement entered into between BBY Limited and FSE.
- 3.2 Each Party shall use its reasonable endeavours to procure the fulfilment of the Suspensive Conditions.
- 3.3 The Suspensive Conditions set out in 3.1.1, 3.1.4 and 3.1.6 are expressed to be for the benefit of Lexshell 126 and may be waived by Lexshell 126 by way of written notice to the other Parties.
- 3.4 The Suspensive Conditions in 3.1.2 and 3.1.3 are expressed to be for the benefit of all the Parties and may be waived by way of written agreement between the Parties, only to the extent that such Suspensive Conditions are not required by law.
- 3.5 The Suspensive Condition in 3.1.5 is required by law and may not be waived by the Parties.
- 3.6 If any Suspensive Condition is not fulfilled for any reason whatever and is not waived in terms of 3.3 or 3.4, then –
- 3.6.1 this whole Addendum (other than the provisions of 1, this 3, 4 and 6 by which the Parties shall remain bound) shall be of no force or effect;
- 3.6.2 the Parties shall be entitled to be restored as near as possible to the positions they would have been, had this Addendum not been entered into, which will require Sekoko Coal to repay any payments already made pursuant to the clauses referred to in clause 5.5 of this Addendum plus compound interest calculated at the 90 (ninety) day bank bill business



loan base rate published by Westpac Banking Corporation (calculated daily) on those amounts; and

- 3.6.3 no Party shall have any claim against any other Party in terms of this Addendum except for such claims (if any) as may arise from a breach of this 3 or any other provision of this Addendum by which the Parties remain bound.

#### 4 EVALUATION WORK PROGRAM

- 4.1 Lexshell 126 shall be entitled to conduct, at its own expense, during the Evaluation Period, such drilling and/or other work ("**Evaluation Work Program**") that it (in its sole and absolute discretion) deems necessary to evaluate the potential of the Remaining Properties.
- 4.2 Any work performed in relation to the Evaluation Work Program shall be done in strict adherence to the terms of the Waterberg Prospecting Right.
- 4.3 During the Evaluation Period, Sekoko Coal shall –
- 4.3.1 do all such things necessary to ensure that Lexshell 126 has free and unrestricted access to the Remaining Properties; and
- 4.3.2 be responsible to maintain the Waterberg Prospecting Right in good standing with the DME in accordance with its terms.

#### 5 AMENDMENT

With effect from the Commencement Date, the Parties hereby amend the JV Agreement by –

- 5.1 the deletion of the existing clause 1.1.37 and the substitution therefor by the following new clause 1.1.37 –

"1.1.37 "**Waterberg Properties**" – collectively, the farms Hooikraal 315 LQ, Massenberg 305 LQ, Smitspan 306 LQ, Minnasvlakte 258 LQ, Swanepoelpan 262 LQ and Dulkerfontein 263 LQ in the

A handwritten signature in black ink, appearing to be a stylized name or set of initials.



Waterberg Administrative District and measuring 5752.33 hectares in extent;"

- 5.2 the deletion of the fullstop at the end of clause 1.1.38 and the substitution therefor by a semi-colon;
- 5.3 the insertion of the following new clauses numbered 1.1.39 and 1.1.40 immediately following the existing clause 1.1.38 –
- "1.1.39 **"Commencement Date"** – the first Business Day following the fulfilment or waiver (as the case may be) of the last of the suspensive conditions to the Second Addendum;
- 1.1.40 **"Second Addendum"** – the written second addendum to the JV Agreement concluded on or about 26 January 2010 amongst Sekoko Coal, Lexshell and FSE.";
- 5.4 the deletion of the fullstop at the end of clause 5.1.3.3 and the substitution therefor by a semi-colon;
- 5.5 the insertion of the following new clauses numbered 5.1.4, 5.1.5, 5.1.6 and 5.1.7 immediately following the existing clause 5.1.3.3 –
- "5.1.4 a cash non-refundable payment of A\$100 000 (one hundred thousand Australian Dollars), on or before 31 January 2010;
- 5.1.5 a cash non-refundable payment of A\$100 000 (one hundred thousand Australian Dollars), on or before 1 July 2010;
- 5.1.6 a cash payment of A\$1 800 000 (one million eight hundred thousand Australian Dollars), on or before the later of (i) 30 June 2011; or (ii) the date 18 (eighteen) months after the date of signature of the Second Addendum;
- 5.1.7 as soon as reasonably practicable after the Commencement Date, and subject to obtaining any further shareholder approvals required under ASX listing rule 7.1 or 10.11, FSE



undertakes to issue 200 000 000 (two hundred million) fully paid ordinary shares in FSE at A\$0.05 per share to Sekoko Coal or its nominee."

- 5.6 the insertion of the following new clause numbered 5.4 immediately following the existing clause 5.3 –

"The Parties acknowledge and agree that FSE will not issue the shares in FSE referred to in clause 5.1.7 for the purpose of Sekoko Coal (or its nominee) transferring the shares, or granting, issuing, or transferring interests in, or options or warrants over, them, and that Sekoko Coal (or its nominee) will not acquire the shares for such a purpose."

- 5.7 the insertion of the following new clause numbered 5.5 immediately following the new clause 5.4 –

"Sekoko Coal agrees and warrants to FSE (or must procure that its nominee under clause 5.1.7 agrees and warrants to FSE) that it will not sell, transfer or offer for sale, or grant, issue or transfer any interest in, or options or warrants over, the shares in FSE to be issued in accordance with clause 5.1.7 within 12 months after the date they are issued ("**Dealing**"). This restriction will not apply in respect of any Dealing where the Dealing (and offer of the Dealing) does not need disclosure to investors under Part 6D.2 of the Corporations Act 2001 (Commonwealth of Australia) due to one of the exceptions under section 708 (other than section 708(1)) of that Act or due to section 708A of that Act (including a Dealing in relation to the shares after the date on which FSE has provided a notice in accordance with section 708A(5) of that Act in respect of those shares)."

- 5.8 the insertion of the following new clause numbered 24 immediately following the existing clause 23.12 –

"24 **CORPORATE OPPORTUNITIES**

24.1 **Definitions**

Unless the context clearly indicates a contrary intention, the following expressions shall bear the meanings assigned to them



below (and cognate expressions shall bear corresponding meanings) in this 24 –

- 24.1.1 "Prescribed Area" – 50 (fifty) kilometres from the outside perimeter of any property and/or project in which FSE and/or any of its Subsidiaries have an interest (including, for the avoidance of doubt, the Waterberg Properties);
- 24.1.2 "Prescribed Business" – exploration for coal, and/or the development and operation of a coal mine and/or trading in coal;
- 24.1.3 "Sekoko Coal Affiliate" means: (a) an entity (such as a natural person, body corporate, partnership or trust) that Sekoko Coal controls; (b) a Subsidiary of Sekoko Coal; or (c) a person who is a director, officer, employee or agent of Sekoko Coal or of a Subsidiary of Sekoko Coal.
- 24.1.4 "Subsidiary" – shall have the meaning ascribed thereto in the Companies Act 61 of 1973.

## 24.2 Opportunities

- 24.2.1 Sekoko Coal shall give FSE the opportunity to consider, on a case-by-case basis, any new business opportunities in the same or similar business as the Prescribed Business in the Prescribed Area.
- 24.2.2 Sekoko Coal shall not by itself or through any Sekoko Coal Affiliate become interested in any new business opportunity in the Prescribed Area in the same or similar business as the Prescribed Business unless and until FSE has considered



such opportunity, as set out 24.2.3, and decided against such opportunity.

24.2.3 Sekoko Coal shall advise FSE in writing of any new business opportunity ("**Opportunity Notice**") in the Prescribed Area in a business which is the same or similar to the Prescribed Business within 7 (seven) Business Days of Sekoko Coal becoming aware of such new business opportunity. FSE shall within 14 (fourteen) Business Days after receipt of the Opportunity Notice advise Sekoko Coal in writing ("**FSE Notice**") of its decision as to whether FSE or its nominee shall become involved in the new business opportunity, failing which, FSE shall be deemed to have declined to participate in the new business opportunity.

24.2.4 Should FSE advise Sekoko Coal in the FSE Notice that it does not intend to become involved in the new business opportunity or fails to deliver the FSE Notice within 14 (fourteen) Business Days after receipt of the Opportunity Notice, Sekoko Coal or the Sekoko Coal Affiliate (as the case may be) shall be free to exploit such business opportunity separately, if it so chooses."

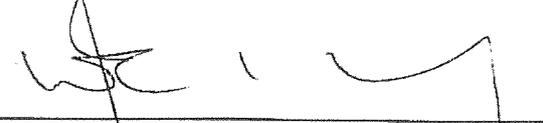
## 6 GENERAL

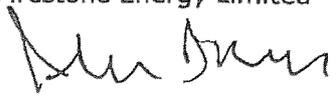
6.1 This Addendum constitutes the sole record of the agreement between the Parties in relation to the subject matter hereof. No Party shall be bound by any express, tacit or implied term, representation, warranty, promise or the like not recorded herein. This Addendum supersedes and replaces all prior commitments, undertakings or representations, whether oral or written, between the Parties in respect of the subject matter hereof.



- 6.2 No addition to, variation, novation or agreed cancellation of any provision of this Addendum shall be binding upon the Parties unless reduced to writing and signed by or on behalf of the Parties.
- 6.3 The signature by any Party of a counterpart of this Addendum shall be as effective as if that Party had signed the same document as the other Party/ies.
- 6.4 Save for the amendment in 5, the provisions of the JV Agreement remain unaltered and of full force and effect.

Signed at Bryanston on 26<sup>th</sup> January 2010  
for Sekoko Coal (Proprietary) Limited  
  
\_\_\_\_\_  
who warrants that he is duly authorised hereto

Signed at Bryanston on 26<sup>th</sup> January 2010  
for Lexshell 126 General Trading (Proprietary) Limited  
  
\_\_\_\_\_  
who warrants that he is duly authorised hereto

Signed at JOHANNESBURG on 28<sup>th</sup> JANUARY 2010  
for Firestone Energy Limited  
  
\_\_\_\_\_  
who warrants that he is duly authorised hereto