



3 September 2012

Significant Advance of the Financial Restructure

On 25 July 2012 the Board of **Firestone Energy Limited** (ASX/JSE: FSE) (the "Company" or "FSE") announced that an Investment Agreement with Ariona Company SA and the Company had been executed. Under the Investment Agreement, Ariona will provide funding to the Company for up to A\$40.7 million through a new convertible note facility.

The Company is pleased to announce that it has been advised by Ariona that it has completed technical, legal and financial due diligence to its satisfaction.

The new convertible note facility is still subject to other conditions precedent, with the most significant being:

- 1) Obtaining all necessary regulatory approvals in Australia and South Africa; and
- 2) Obtaining Firestone shareholder approval to the issue and for the conversion of the new convertible notes to be issued to Ariona.

The Company expects to call a Shareholders meeting to approve the transaction in the near future.

Yours sincerely,

David Knox
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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 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
Ms Amanda Matthee CFO
Mr Jerry Monzu Company Secretary

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