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ASX/Media Release – 11 September

## FSE ANNOUNCES A\$25 MILLION CAPITAL RAISING TO FUND GROWTH PLANS

### Highlights:

- **Successful A\$25m capital raising for funding full scale Bankable Feasibility Study for Waterberg coal project and financial commitments due to JV partner Sekoko Coal Ltd.**

**Firestone Energy Limited** (ASX:FSE / JSE:FSE) (“Firestone” or “the Company”) is pleased to announce that it has executed a term sheet for the underwriting of a \$25m capital raising involving the issue of convertible notes with a conversion price of **A\$0.04 cents** per share.

It is expected that legally binding documentation in respect of the transaction will be settled within the next few days, when further details will be advised on the execution of this documentation. BBY Limited is the Underwriter to the entire Issue.

### Use of proceeds

Firestone intends to allocate the net proceeds of the raising towards:

- The Bankable Feasibility Study for a large scale 18Mt per annum coal mining operation at the Company’s Waterberg coal project in South Africa.
- Meeting all financial commitments due to its Joint Venture partner, Sekoko Coal (Pty) Limited.
- Additional working capital requirements.

### Comments from Firestone Director, Colin McIntyre:

“The Board and Senior Management are pleased to finalise the transaction. It puts Firestone in a very strong position to develop its potential world-class Waterberg coal project in South Africa.”

“The raising will enable the company to move to the next level in implementing its growth strategy, bringing us closer to realising our vision of becoming a leading coal producer in South Africa”.

### About Firestone Energy

*Firestone Energy Limited is a Perth based exploration company listed on the Australian Stock Exchange (ASX: FSE) and the Johannesburg Stock Exchange (JSE:FSE). The Company sources and develops viable mineral projects with a particular focus at this time on coal prospects in the Waterberg Coal Field, South Africa.*

*The Company has joint ventures with Sekoko Coal over six farms located in the Waterberg coalfield in the Limpopo Province of South Africa, with in-situ indicated and inferred JORC resource of 3.5 billion tonnes (1.4 billion tonnes of coal after*



washing). This coalfield is becoming increasingly important as coal reserves in the Witbank, Highveld and Ermelo coalfields of the Mpumalanga Province, which currently supply the majority of Eskom's coal power stations, become depleted over the next 20-30 years.

The Company has recently received government approval to commence a small scale mining operation producing approximately 60,000 ROM tonnes per month (equivalent to approximately 30-40,000 tonnes per month of saleable coal after washing), providing a platform from which it plans to commence a large scale operation producing up to 18Mt per annum by 2011.

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