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FIRESTONE/SEKOKO JOINT VENTURE ACQUIRES SURFACE RIGHTS ON SMITSPAN FARM

The Firestone Energy Ltd (FSE)/Sekoko Resources Joint Venture (JV) has entered into an irrevocable agreement with the owner of Smitspan to acquire the surface rights of the Smitspan farm, which includes a total area of 1,166 Hectares located within the Waterberg Coal Region in the Limpopo province in the northern region of South Africa.

The Smitspan property 306LQ contains the majority of the continuous coal sequence contained under all the 6 farms in the Waterberg coal region under the FSE/Sekoko Joint Venture, previously announced to the market on the 3rd July 2009.

The JV has successfully intersected coal sequence in all of the 85 exploration drill holes on this property alone, of which the JV will shortly release a resource update from the last completed drilling program.

Also, the focus of the JV's soon to be completed PFS has been primarily focused and prioritised on our Smitspan property and the highlights from the PFS will be announced shortly to the market.

The Smitspan farm is centrally located to all the farm properties and is 15km west of Exxaro's coal operations, the Grootegeluk massive open pit operation which hosts the largest beneficiation/washing plant in the world. Also, Smitspan is located within 14km from the main rail infrastructure and 15km from the second regional Medupi Power Station, currently under construction.

Firestone's Chairman, Mr John Dreyer today stated "The FSE/Sekoko Joint Venture is absolutely focussed on the evaluation and subsequent development of a major open pit coal mine on the rights controlled by our JV in the Waterberg. Furthermore, the acquisition of the surface rights on Smitspan is a major step forward in enabling the JV to proceed in due course with the establishment of the commencement of this new coal mine."

Please note, approximately 50% of South Africa's known remaining coal reserves are located in the large Waterberg Coal Region.

For more information please contact:

John Dreyer
Non Executive Chairman
+61 (08) 9381-2755
www.firestoneenergy.com.au