

5 April 2013

# <u>Firestone Maintains Shareholders Reject RNG's Second</u> <u>Supplementary Bid</u>

**Firestone Energy Limited** (ASX/JSE: FSE) (the "Company" or "Firestone") reaffirms its advice to shareholders to <u>REJECT</u> the offer by Range River Gold Limited (ASX: RNG)("Range River" or "RNG") for the acquisition of all ordinary shares in Firestone (in consideration of 1.25 Range River share for every 2 Firestone shares) following the receipt of RNG's Second Supplementary Bidder's Statement on 27 March 2013 ("Offer").

The Company will ask its independent expert to opine on the second supplementary bid. The board expects that this view will be received within a week and will advise shareholders accordingly.

In the interim the board of Firestone recommends that shareholders <u>REJECT</u> the Offer on the grounds that it remains inadequate and opportunistic. Whilst the Offer has been increased by RNG, it remains inadequate for the following reasons:

- 1 RNG's Offer is a scrip bid which is an **inadequate** form of consideration
- The Offer does **NOT** compensate Firestone's Shareholders for the strategic nature and the inherent value of Firestone's assets
- RNG is paying a significantly higher price to acquire its interest in FSE and FSE's assets from Sekoko
- The Offer will **dilute** existing FSE shareholders in their effective ownership of the assets of Firestone
- The FSE Board believes that the FSE share price will re-rate over the longer term as FSE moves closer to production

### **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 Vetleegte 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: 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
Oren Zohar

## Officers: Mr David Knox CEO Ms Amanda Matthee CFO Mr Jerry Monzu Company Secretary

Jack James

Contact: Suite B9, 431 Roberts Road Subiaco, Western Australia 6008 Tel: +61 (08) 9287 4600 RNG's Offer has been timed opportunistically to:

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- coincide with the settlement of the Ariona transaction, designed to destabilise and distract FSE; and
- (ii) transfer the value in Firestone to Range River at a time just prior to Firestone achieving critical milestone events
- **7** RNG's Offer may have adverse taxation implications for FSE Shareholders

The second supplementary bidders statement received from RNG has addressed a few of the reasons above being the proposed listing on the JSE AltX secondary board, removal of conditions and increasing value to shareholders by revising the consideration amount to be 1.25 pre-consolidation RNG shares for every 2 FSE shares. The consideration however remains in RNG shares, which the Firestone Board believes is inadequate. Furthermore, FSE believes that the JSE provides better access to capital, more corporate credibility and better liquidity for shareholders than being listed on the AltX.

The Firestone Board reaffirms its recommendation that FSE shareholders <u>REJECT</u> the Offer. Shareholders should do nothing in relation to any documents received from RNG.

All Firestone announcements are available on the Company's website on <a href="www.firestoneenergy.com.au">www.firestoneenergy.com.au</a> and via <a href="www.asx.com.au">www.asx.com.au</a>.

Shareholders can also receive further information on the Offer by calling the Firestone shareholder information line on: 1800 643 977 or for international calls +61 2 8256 3363.

Yours sincerely,

**David Knox** 

**Chief Executive Officer** 

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