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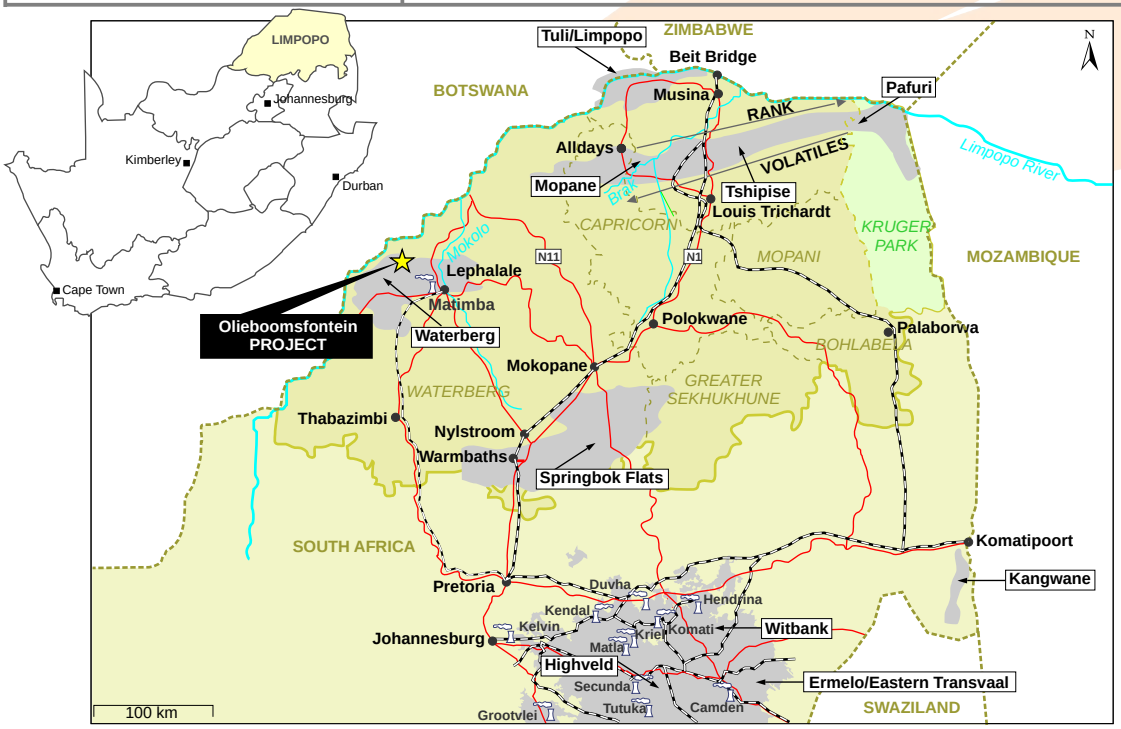
Firestone ENERGY

TECHNICAL STATEMENT

Firestone Energy Ltd. - Olieboomsfontein Coal Project South Africa as at 11th JULY 2008

KEY FEATURES

Qualified Persons (NI1):	Mr. M. Tyndall, B.Sc. (Geol), GDE (Min. Eng.), Pr.Sc.Nat, MGSSA, MSAIMM.
Effective Date (NI1):	11th July 2008.
Prepared For (NI4):	Firestone Energy Limited (Firestone).
Purpose (NI4):	Listing the Firestone-Sekoko Coal (Pty) Ltd (Sekoko) Joint Venture vehicle on the Johannesburg Stock Exchange (JSE).
Sources of information (NI4):	Coal intercept data was sourced from the South African Council for Geoscience's database.
Personal Inspection (NI4):	A site visit was conducted by Venmyn during September and October 2006. The purpose of the inspection was to validate the localities of the Sekoko Coal properties and verify borehole findings.
Reliance on Other Experts (NI5):	The authors of this technical statement have reviewed the legal title documentation and, whilst this does not constitute a legal opinion, the authors have satisfied themselves, that the information presented here is materially correct.
Property Description and Location (NI6):	The property is located on the Olieboomsfontein 220 LQ Farm, which has an area of 1,092 ha, approximately 250km north of Pretoria (Tshwane), South Africa and 10km south of the border with Botswana.
Licence Status (NI6):	The mineral rights to the property are held by Sekoko Coal (Pty) Ltd (Sekoko Resources) under a New Order Prospecting Licence No 681/2007 for all minerals, valid from 13th October 2005 until 12th October 2010. An agreement between Uzalile and Sekoko Resources has been concluded which states that Uzalile will ultimately have a 10% stake in Olieboomsfontein once a further agreement, yet to be finalized between Sekoko Resources and Firestone has been signed, wherein Firestone will have a 55% stake, and Sekoko Resources the remaining 45%. The surface owner is Onschuld Beleggings (Pty) Ltd.
Royalties and Payments (NI6):	The Royalty Bill is a proposed piece of South African Legislation with proposed quantum of the revenue royalty on coal remaining under debate. Recent proposals suggest a 1% royalty on coal with an ash content of greater than 15% and a 3% royalty on coal with less than 15% ash. This legislation is anticipated to be enacted in 2009.
Climate (NI7):	The Western Bushveld climatic region is characterised by hot to very hot temperatures in summer with rainfall patterns dominated by summer thundershowers between October and April. Rainfall statistics for Lephalale, approximately 28km east of the project area, indicate an annual rainfall of 435mm. The warm climate ensures that exploration and mining is possible all year round. The vegetation consists of sparse Bushveld and the area is largely utilised for game farming. The Vetleegte Prospect lies at an elevation of 950m above mean sea level (amsl).
Environmental (NI6):	Prospecting operations must be conducted in accordance with an Environmental Management Plan and adequate financial provision must be made for rehabilitation in accordance with the Mineral and Petroleum Resources Development Act, 2002.
Infrastructure & Accessibility (NI7):	No existing mining infrastructure is currently available on the property. The area is accessed via a gravel road extending north-westwards towards the Botswana border from Lephalale. The property is situated 18km north of Grootegeluk Mine. A rail line from Thabazimbi terminates immediately north of Grootegeluk Colliery and power lines from the Matimba Power Station traverse the area.
Deposit Types (NI10):	Cretaceous Karoo Supergroup Coal consisting of the Vryheid and Volksrust Formations.



LOCALITY

The Olieboomsfontein Property is located within 10km of the Grootegeluk Colliery mining lease boundary in the Waterberg Coalfield, and approximately 250km north of Pretoria (Tshwane). The property is accessed via a gravel road running in a north-westerly direction from Lephalale for a distance of approximately 50km. A rail line from Thabazimbi terminates immediately north of Grootegeluk Colliery and power lines from the Matimba Power Station traverse the area.

LEGEND:

- Major Roads
- Major Railways
- Towns/Cities
- Power Stations
- District Boundary
- Limpopo Province
- Coal Fields

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HISTORY

The exploration history in the Waterberg Coalfield dates from 1920, although larger scale exploration did not commence until the 1940's. Coal was first discovered in the north-western part of the Limpopo Province in March 1920 during exploration drilling for water on the farm Grootegeluk 459 LQ. This coalfield later became known as the Waterberg coalfield, but is also referred to as the Ellisras coalfield.

Occurrences of coal intersected in historical boreholes are shown on the map alongside.

REGIONAL GEOLOGY

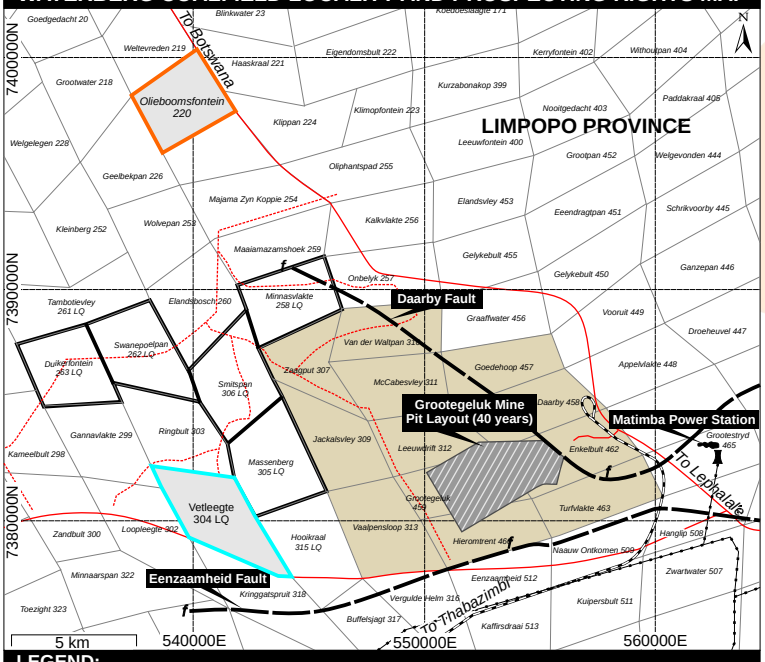
The Prospecting area in the Waterberg is superimposed over the regional geology of the western half of the Limpopo Province as shown on the accompanying map.

The Goedgedacht/Swartrand, Endragtpan and Greenwich Formations form part of the Karoo Sequence and consist of shales, sandstones, mudstones and coal occurrences. Coal in the Waterberg occurs in the Vryheid and Volksrust Formations.

Structurally the stratigraphy appears to be significantly faulted in mainly an east-west orientation. The Waterberg Coalfield is a fault-bounded coal deposit, dividing the deposit into shallow and deep areas. The Eenzaamheid, Zoetfontein and Daarby faults control the regional fault pattern. The Daarby fault is the most significant fault structure, with displacements that vary between 240m and 300m and is situated parallel to the eastern boundary of the farm Olieboomsfontein. The position of the fault could jeopardise the continuity of the coal seams.

Understanding the structural-geological environment of the coalfield can be considered more important than understanding the distribution of the coal quality characteristics.

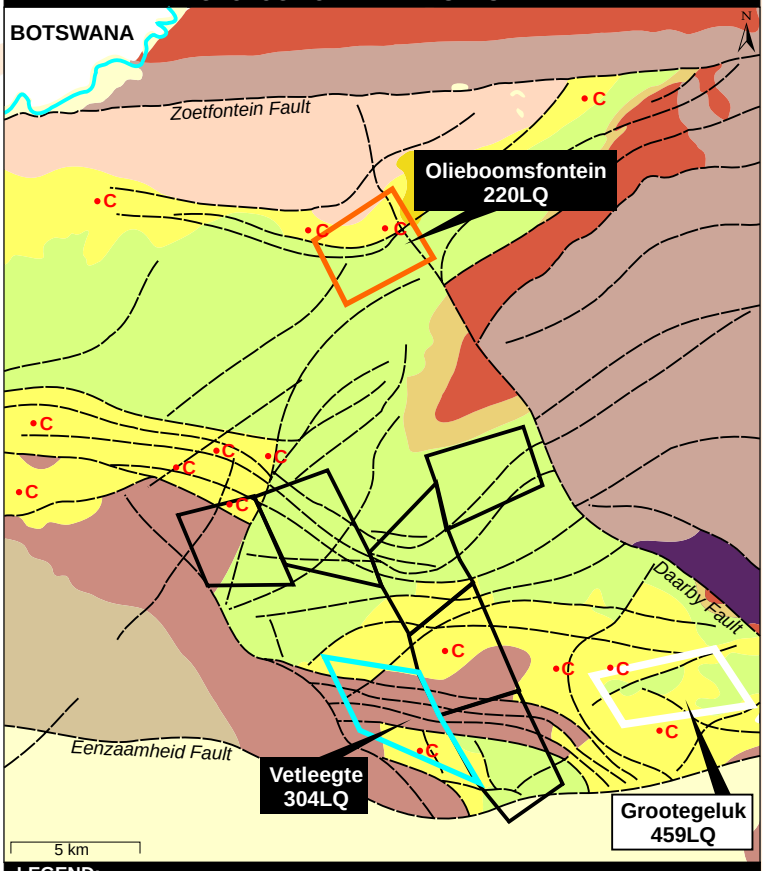
WATERBERG COALFIELD LOCALITY AND PROSPECTING RIGHTS MAP



LEGEND:

- Farm Boundary
- Main Road
- Secondary Road
- Farm Road
- Railway
- Powerline
- Grootegeluk Mine
- Prospecting Rights:
- Vetleegte
- Olieboomsfontein
- Sekoko Properties
- Grootegeluk Colliery Mining Lease

GEOLOGY OF THE ELLISRAS AREA



LEGEND:

- Goedgedacht/Swartrant Formation
- Endragtpan Formation
- Grootegeluk Formation
- Greenwich Formation
- Limpopo River
- Fault
- C Coal Occurrence
- Sekoko Farms
- Vetleegte Project
- Olieboomsfontein Prosject

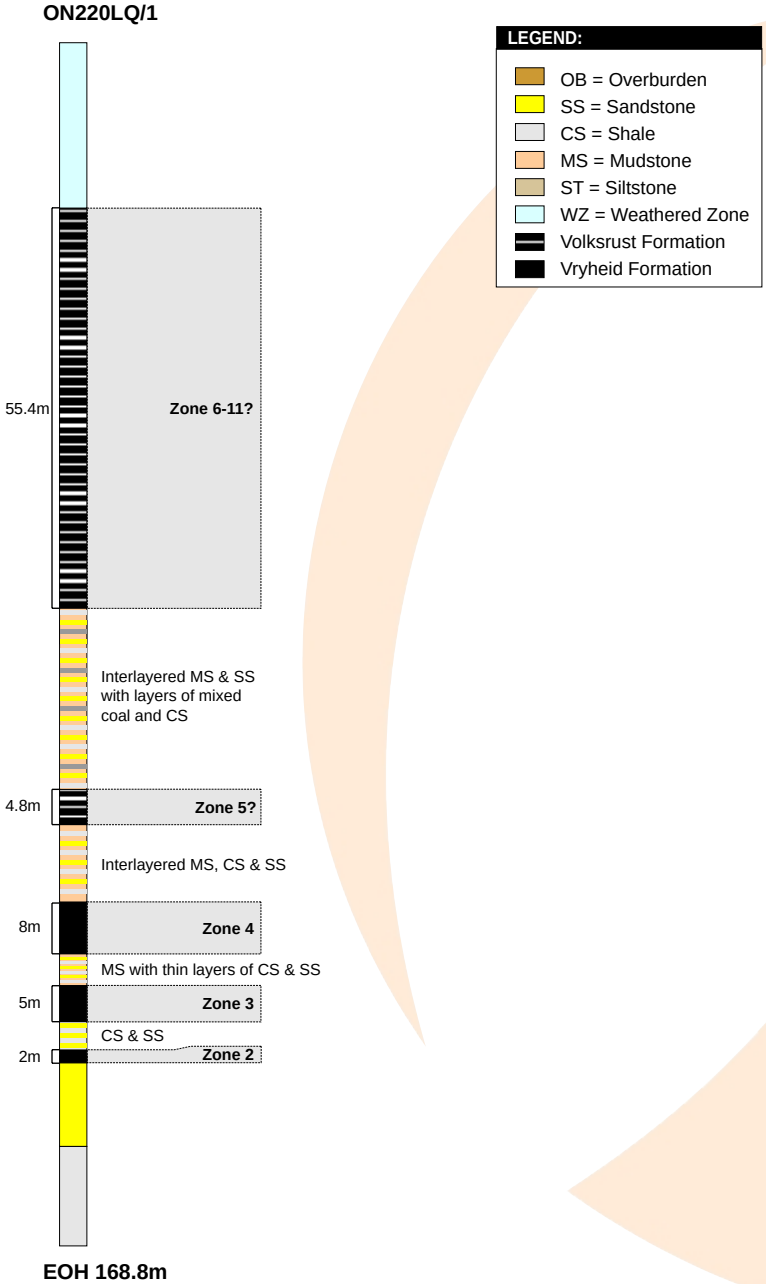
LOCAL GEOLOGY AND MINERALIZATION

Very little information could be obtained on the local geology due to the lack of exploration drilling. The effect of the Daarby Fault and other east-west orientated faulting is not clear. However, it is expected that the farm is situated on the right side of the Daarby Fault. The coal intercepts obtained from the single borehole drilled support this viewpoint.

Insufficient geological information has been gathered thus far on the Olieboomsfontein prospect. Borehole data from other properties in the Waterberg Coal Field have allowed a certain amount of information to be inferred to Olieboomsfontein. The coal deposit can be assumed to consist of thick successions of multiple, thinly interbedded coal and non-coal layers as shown in the borehole log overleaf.

BOREHOLE LOG INTERPRETATION

ON220LQ/1



EOH 168.8m

DRILLING

Iscor Ltd drilled one borehole on the Farm Olieboomsfontein in March 1982, the results of which are illustrated on the accompanying borehole log. Only raw coal intercept data was supplied to Venmyn. The coal seams identified from the log were related to the coal zones known to the Waterberg area. This is Venmyn's interpretation because the coal zones were not identified on the log itself.

No information was received regarding any sampling undertaken from the drilling, therefore no coal quality data was available.

DATA VERIFICATION

Since the data available is all historical in nature, it is not possible to comment on the data verification process that may have been carried out. However, Venmyn warrants that the data presented is a true reflection of the information made available on the properties.

SAMPLING METHOD AND APPROACH

If any sampling was undertaken, no information regarding the sampling method has been provided.

MINING

No mining is currently taking place on the property. Grootegeluk Colliery is currently the only operating coal mine in the Waterberg Coal Field although the structural complexity and the diverse coal quality characteristics of the numerous coal zones has required a high-volume low-value strategy. The overall coal product yield from Grootegeluk's run of mine production is approximately 50%, with the majority of the product being relatively low-value power-station feed.

MODELLING

The data available from the borehole drilled on the property is insufficient for any kind of geological modelling or volume estimation. Additional drilling will be required to determine the effect of the Daarby fault and other possible block faulting may have disrupted the coal horizons on the property.

MINERAL PROCESSING

No mineral processing is currently taking place on the properties.

MINERAL RESOURCE AND RESERVE STATEMENT

There is currently insufficient sampling and geological data to compile a Mineral Resource Statement. In terms of the definitions of the SAMREC Code, 2007, the data is only sufficient to confirm a Coal Occurrence.

CONCLUSION

The information presented here confirms that coal is present in the Olieboomsfontein Prospect and that there is potential for commercial production. The prospect is also well situated near good infrastructure, including a rail-line within 25 km of the property and an established coal operation, namely Grootegeluk. These features combine to increase the prospectivity of the area and warrant additional exploration work. The current energy crisis both locally and internationally has driven coal prices to record levels and increased demand to such an extent that prospects that did not have a positive economic outlook have become lucrative in the current coal market.

As Exxaro and Eskom are jointly developing the required mining and generating infrastructure for the planned Medupi Power Station adjacent to the existing Matimba plant, there appears to be limited scope for the participation of independent thermal coal suppliers in the Waterberg. The logistics and operating cost challenges specific to the Waterberg will similarly limit the regional competitiveness of an export quality product. As a result, opportunities in the Waterberg will hinge on value being added close to source in a similar manner to power generation.

The influence of the Daarby Fault and possible block faulting in the area on the continuity of the coal seams may prove prohibitive and a systematic drilling and sampling programme will have to be conducted to assess the full potential of this property.

It is Venmyn's opinion that there are reasonable prospects that the Olieboomsfontein property hosts coal of similar qualities and quantities to those of other proximate properties in the Waterberg region. Venmyn is aware that various other companies may have undertaken exploration drilling in and adjacent to the Olieboomsfontein property. Exploration plans need to be designed in such a way as to confirm both the structural and quality continuity before any attempt is made at compiling a SAMREC compliant resource statement.