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(Formerly known as Centralian Minerals Limited)

ABN 71 058 436 794

Half Year Financial Report

31 December 2007

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2007, and any public announcements made by Firestone Energy Ltd during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

FIRESTONE ENERGY LIMITED (Formerly known as Centralian Minerals Limited)

CORPORATE DIRECTORY

DIRECTORS

Lee Boyd
Non Executive Director

Malcolm Smartt
Non Executive Director

Daryl Henthorn
Non Executive Director

COMPANY SECRETARY

Lee Boyd

REGISTERED OFFICE

Level 1, 63 Hay Street
SUBIACO WA 6008

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Facsimile: (08) 6380 1278
Email: enquiries@firestoneenergy.net

SOLICITORS TO THE COMPANY

Steinepreis Paganin
Level 4
16 Milligan Street
PERTH WA 6000

SHARE REGISTRY

Computershare Investor Services
Level 2, Reserve Bank Building
45 St Georges Terrace
PERTH WA, 6000
Ph 08 9323 2000
Fax 08 9323 2033

AUDITORS

BDO Audit and Assurance (WA)
128 Hay Street
SUBIACO WA 6008

ASX CODE

"FSE" previously "CME" (Centralian Minerals Limited)

FIRESTONE ENERGY LIMITED (Formerly known as Centralian Minerals Limited)
Half yearly report for 6 months ended 31 December 2007

DIRECTORS' REPORT

The Directors present their report together with the consolidated financial report for the half-year ended 31 December 2007 and the audit review report thereon.

Directors

The names and details of the Directors of Firestone Energy Limited at the date of this report are:

MR LEE BOYD BBus, Dip Mgmt, Adv Cert Bus, CPA, FAICD, ACSA
Non-Executive Director

Experience: Lee Boyd has considerable Directorial, Company Secretarial and Corporate Financial experience with a number of listed and unlisted public and private companies in the resources and industrial sectors. He is currently a director and company secretary of ASX listed GSF Corporation Limited and Gleneagle Gold Limited and a director of Australian Wine Holdings Limited. He has been a past director and company secretary of ASX listed Hydrotech International Limited, a director of Cell Aquaculture Limited and company secretary of St Barbara Mines Limited and NuStar Mining Corporation Limited. Lee is company secretary of Firestone Energy.

Lee is a CPA member of CPA Australia, a Fellow of Australian Institute of Company Directors and an Affiliate of Chartered Secretaries Australia.

MR DARYL HENTHORN BSc, MAIPM, MAICD
Non-Executive Director

Experience: Daryl Henthorn holds a Bachelor of Applied Science and has completed business studies at MBA Level. He is a Director of a number private companies, sits on the compliance committee for a Responsible Entity and is a Member of the Australian Institute of Company Directors and the Australian Institute of Project Management.

Daryl was previously Chief Operating Officer of a funds management division of public listed company. He has a strong commercial background in corporate finance, project management and operations.

MR MALCOLM SMARTT BBus, Dip Corp Management, FCPA, FCIS, FCIM
Non-Executive Director

Experience: Mal Smartt is a Corporate Consultant to listed and unlisted public companies. He is a qualified accountant and company secretary having had considerable experience in Directorial, Financial and Company Secretarial roles with a number of listed companies in the resource sector in Australia, South East Asia and Africa.

Mal is a Fellow of CPA Australia and a Fellow of Chartered Secretaries Australia. He is currently a director of Gleneagle Gold Limited (GLN) and unlisted Discovery Capital Limited and African Strategic Minerals Limited and Company Secretary for Crossland Uranium Mines Limited and Burleson Energy Limited.

FIRESTONE ENERGY LIMITED (Formerly known as Centralian Minerals Limited)
Half yearly report for 6 months ended 31 December 2007

DIRECTORS' REPORT - CONTINUED

Results of Operations

The net loss of the consolidated entity for the six months to 31 December 2007, amounted to \$1,608,696 which included an amount of \$1,110,000 being non cash expense of options issued to Directors. (Half year ended 31 December 2006: Net Profit \$13,986,701).

Review of Operations

As reported to the ASX, the Company has no active project and has been seeking new projects.

Activities Post 31st December 2007

There were no activities post 31 December 2007 that need to be disclosed.

DIRECTORS' REPORT - CONTINUED

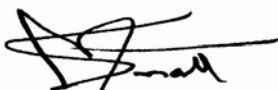
Auditors' Independence Declaration

A copy of the auditor's independence declaration as required under Section 307C of the Corporations Act is set out on page 11.

This report is made in accordance with a resolution of directors.

Dated at Perth this 11th day of March 2008

Signed in accordance with a resolution of the Directors.



.....
Malcolm Smartt
Director

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FIRESTONE ENERGY LIMITED (Formerly known as Centralian Minerals Limited)
 Half yearly report for 6 months ended 31 December 2007

CONDENSED INCOME STATEMENT
 For the Half-Year Ended 31 December 2007

	Note	31 Dec 07 \$	31 Dec 06 \$
Continuing operations			
Revenue from ordinary activities		49,107	11,048
Rental revenue		77,362	-
Occupancy costs		(20,590)	(4,029)
Professional fees		-	(32,096)
Personnel costs		(102,594)	(19,620)
Administration costs		(159,637)	(37,888)
Directors Fees		(61,537)	-
Project Generation costs		(280,807)	-
Equity-based payments		(1,110,000)	(2,350,000)
Loss from continuing operations before income tax		(1,608,696)	(2,432,585)
Income tax expense		-	-
Loss from continuing operations after income tax		(1,608,696)	(2,432,585)
Discontinued operations			
Profit/(Loss) from discontinued operations after income tax		-	16,419,286
Net Profit/(Loss) attributable to members of Company		(1,608,696)	13,986,701
<i>Earnings per share on loss from continuing operations attributable to the ordinary equity holders of the company</i>			
Basic profit/(loss) per share (cents per share)		(0.026)	1.3
Diluted loss per share (cents per share)		N/a	1.3

The above income statement should be read in conjunction with the accompanying notes.

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FIRESTONE ENERGY LIMITED (Formerly known as Centralian Minerals Limited)
Half yearly report for 6 months ended 31 December 2007

CONDENSED BALANCE SHEET

As at 31 December 2007

	Note	31 Dec 07 \$	30 Jun 07 \$
Current Assets			
Cash and cash equivalents	5	1,536,658	1,127,076
Trade and other receivables		77,362	649
Prepayments		33,492	-
Other assets		2,281	-
Total Current Assets		1,649,793	1,127,725
Non-Current Assets			
Property, plant and equipment		46,076	40,319
Receivable		26,758	46,110
Intangible		19,351	-
Total Non-Current Assets		92,187	86,429
Total Assets		1,741,980	1,214,154
Current Liabilities			
Trade and other payables		52,189	88,167
Other		-	-
Total Current Liabilities		52,189	88,167
Total Liabilities		52,189	88,167
Net Assets		1,689,791	1,125,987
Equity			
Issued capital	8	56,819,282	55,756,782
Reserves	4	2,590,000	1,480,000
Accumulated losses		(57,719,491)	(56,110,795)
Total Equity		1,689,791	1,125,987

The above balance sheet should be read in conjunction with the accompanying notes.

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FIRESTONE ENERGY LIMITED (Formerly known as Centralian Minerals Limited)
 Half yearly report for 6 months ended 31 December 2007

CONDENSED STATEMENT OF CHANGES IN EQUITY

For the Half-Year Ended 31 December 2006

	Issued Capital	Accumulated losses	Reserves	Total
	\$	\$	\$	\$
Balance at beginning of the half-year (1 July 2006)	52,452,654	(69,621,940)	-	(17,169,286)
Net profit for the period	-	13,986,701		13,986,701
Total Income and expense recognised in period		13,986,701		13,986,701
Equity-based payments	-	-	1,480,000	1,480,000
Issue of Shares	3,330,000			3,330,000
Share issue costs	(227,503)	-	-	(227,503)
Balance at end of the half-year	55,555,151	(55,635,239)	1,480,000	1,399,912

For the Half-Year Ended 31 December 2007

	Issued Capital	Accumulated losses	Reserves	Total
	\$	\$	\$	\$
Balance at beginning of the half-year (1 July 2007)	55,756,782	(56,110,795)	1,480,000	1,125,987
Net loss for the period	-	(1,608,696)		(1,608,696)
Total Income and expense recognised in period		(1,608,696)		(1,608,696)
Equity-based payments	-	-	1,110,000	1,110,000
Issue of shares (Option Conversions)	1,062,500	-	-	1,062,500
Balance at end of the half-year	56,819,282	(57,719,491)	2,590,000	1,689,791

The above statement of changes in equity should be read in conjunction with the accompanying notes.

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FIRESTONE ENERGY LIMITED (Formerly known as Centralian Minerals Limited)
 Half yearly report for 6 months ended 31 December 2007

CONDENSED CASH FLOW STATEMENT

For the Half-Year Ended 31 December 2007

	Note	31 Dec 07	31 Dec 06
		\$	\$
Cash flows from operating activities			
Receipts from product sales			
Cash payments in the course of operations		(298,278)	(807,718)
Payments for project generation and due diligence.		(280,807)	-
Interest received		15,616	11,048
Net cash flows (used in) operating activities		(563,469)	(796,670)
Cash flows from investing activities			
Loans to other entities		(77,362)	-
Payments to acquire fixed assets		(12,087)	-
Net cash flows (used in) investing activities		(89,449)	-
Cash flows from financing activities			
Proceeds from issue of shares		1,062,500	2,250,000
Capital raising costs		-	(15,808)
Net cash flows from financing activities		1,062,500	2,234,192
Net increase / (decrease) in cash and cash equivalents		409,582	1,437,522
Cash and cash equivalents at beginning of the half-year		1,127,076	-
Cash and cash equivalents at end of the half-year	5	1,536,658	1,437,522

The above cash flow statement should be read in conjunction with the accompanying notes.

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NOTES TO THE FINANCIAL STATEMENTS
For The Period Ended 31 December 2007

1 Basis of preparation of half-year report

This general purpose financial report for the interim financial half-year reporting period ended 31 December 2007 had been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Act 2001.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2007 and any public announcements made by Firestone Energy Ltd during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

Going Concern

The ability of the company to continue as a going concern in the future will be dependent on the ability to raise further funds as required to facilitate the progress of the commercialisation of its projects.

	31 Dec 07	31 Dec 06
	\$	\$
2. Revenue		
Interest received	<u>49,107</u>	<u>11,048</u>
3. Expenses		
Legal fees	2,310	19,919
Audit fees	10,034	8,500
Share registry costs	41,713	25,867
Directors remuneration	61,538	50,564
Equity-based payments	<u>1,110,000</u>	<u>2,350,000</u>
4 Reserves		
Option Reserve		
	31 Dec 07	31 Dec 06
	\$	\$
Option Reserve	1,480,000	1,480,000
Options issued to Directors 30 November 2007	<u>1,110,000</u>	<u>-</u>
Total	<u>2,590,000</u>	<u>1,480,000</u>
	31 Dec 07	30 Jun 07
	\$	\$
5. Cash & Cash Equivalents		
Cash at bank	<u>1,536,658</u>	<u>1,127,076</u>
6. Dividends		
No dividend has been paid during or is recommended for the financial period ended 31 December 2006		

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NOTES TO THE FINANCIAL STATEMENTS
For The Period Ended 31 December 2007

7. Commitments

There were no outstanding commitments, which are not disclosed in the financial statements as at 31 December 2007 other than:

Office Lease

No later than 1 year	46,000
Later than 1 year but not later than 5 years	153,316
	199,316

31 December 2007

Shares **\$**

8. Contributed Equity

Reconciliation of movement in issued capital attributable to equity holders of the Company.

(a) Movements in Ordinary Shares

At 1 July 2007	502,958,879	55,756,782
31 Jul 07 – Options converted	50,000,000	500,000
17 Aug 07 – Options converted	50,000,000	500,000
19 Nov 07 – Options converted	6,250,000	62,500
Share issue costs	-	-
	609,208,879	56,819,282

Ordinary shares at end of period

(b) Movements in Options

At 1 July 2007	350,000,000	-
Converted as above	106,250,000	-
Issued to Directors	30,000,000	-
	273,750,000	-

Options at end of period

9. Discontinued Operations (Re 2006 balance)

On 27 January 2006, Bryan Hughes and Vincent Smith were appointed as administrators of the Company pursuant to Section 436A of the Corporations Act (Deed Administrators). On 31 July 2006, the Deed Administrators and the Company entered into an amended Deed of Company Arrangement (DOCA). The Deed Administrators accepted a proposal by an investment group for the restructuring and recapitalisation of the company, including the settlement of all creditor claims. The proposal was accepted by creditors and the DOCA was subsequently executed.

At a meeting of shareholders held on 28 September 2006, the shareholders of the Company approved the various resolutions required to complete the restructuring and recapitalisation of the Company. Following the meeting, on 3 October 2006, the DOCA was terminated and the management of the Company was returned to the new Directors.

As part of the administration process, a large proportion of the Company's assets were sold to a third party including tenements; mining information; property, plant and equipment; subsidiary shares; and properties.

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NOTES TO THE FINANCIAL STATEMENTS
For The Period Ended 31 December 2007

Note 9 (Continued re 2006 Balance)

The results of the discontinued operations which have been included in the income statement are as follows:

	31 Dec 07	31 Dec 06
	\$	\$
Profit from discontinued operations		
Revenue	-	-
Expenses	-	-
Loss before income tax expense	-	-
Gain on disposal of operation	-	16,419,286
Attributable income tax expense	-	-
Profit from discontinued operations	-	16,419,286

There were no assets of the disclosed operation and the gain above was created from the waiver of all liabilities.

10. Related Party Transactions

During the period Mr Boyd's directors fees of \$30,235 as well as fees for the provision of Company Secretarial and associated administrative services by him of \$62,169 were paid to The Elovadae Trust and Agri Project Services Pty Ltd (AP Partners) a Company in which Mr Henthorn is a shareholder and a Director was paid \$30,969 being his Directors fees. In addition Mr Henthorn shares the office with Firestone and was charged rental of \$19,337 during the period.

There were 10,000,000 options issued to each of the three Directors on 30 November 2007 after approval at an Annual General Meeting on that date.

11. Events occurring after balance sheet date

There were no events occurring after balance date that need to be disclosed.

12. Contingent Liabilities

The Company does not have any contingent liabilities.

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NOTES TO THE FINANCIAL STATEMENTS
For The Period Ended 31 December 2007

DIRECTORS' DECLARATION

The Directors of the Company declare that:

1. the financial statements and notes are in accordance with the Corporations Act 2001 and:
 - (a) comply with Accounting Standards and the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - (b) give a true and fair view of the financial position as at 31 December 2007 and of the performance for the period ended on that date of the Company;
2. in the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



Malcolm Smartt
Director

Dated at Perth this 11th day of March 2008

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11 March 2008

The Directors
Firestone Energy Limited
C/- SAS Capital Partners
Level 1, 63 Hay Street
SUBIACO WA 6008

Dear Sirs

**DECLARATION OF INDEPENDENCE BY BRAD MCVEIGH TO THE DIRECTORS OF
FIRESTONE ENERGY LIMITED**

As lead auditor for the review of Firestone Energy Limited for the half-year ended 31 December 2007, I declare that to the best of my knowledge and belief, there have been:

- no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- no contraventions of any applicable code of professional conduct in relation to the review.



BG McVeigh
Partner



BDO Kendalls Audit & Assurance (WA) (formerly BDO)
Perth, Western Australia

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INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF FIRESTONE ENERGY LIMITED

We have reviewed the accompanying half-year financial report of Firestone Energy Limited, which comprises the balance sheet as at 31 December 2007, and the income statement, statement of changes in equity and cash flow statement for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes and the directors' declaration (in order for the disclosing entity to lodge the half-year financial report with the Australian Securities and Investments Commission).

Directors' Responsibility for the Half-Year Financial Report

The directors of the disclosing entity are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the disclosing entity's financial position as at 31 December 2007 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Firestone Energy Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

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Basis for Qualified Conclusion

As stated in Note 9, the company was placed in Voluntary Administration on 27 January 2006 and came out of Administration on 3 October 2006. The company did not prepare audited accounts whilst the company was under a Deed of Company Arrangement. Accordingly, the comparative financial information included for the company for the half year ended 31 December 2006 is qualified due to the limitations on the financial records of the company as a result of the Administration. We are unable to perform sufficient retrospective audit procedures to express an audit opinion on this information.

We are therefore not in a position and do not express an opinion on the comparative financial information for 31 December 2006.

Qualified Conclusion

Except for the effect, if any, on the comparatives for the preceding corresponding half-year that may result from the qualification in the preceding paragraph, based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Firestone Energy Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the disclosing entity's financial position as at 31 December 2007 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and Corporations Regulations 2001.

Material Uncertainty Regarding Continuation as a Going Concern

Without qualification to our review conclusion, attention is drawn to the following matter. As a result of the matters described in Note 1, the company will be required to raise further funds to progress the company's projects. Without this additional funding, there is significant uncertainty whether Firestone Energy Limited will be able to continue as a going concern and therefore whether it will realize its assets and extinguish its liabilities in the normal course of business and at amounts stated in the financial report.

BDO Kendalls Audit and Assurance (WA) (formerly BDO)

BDO Kendalls
B. McVeigh

B McVeigh
Partner

Dated this 11th day of March 2008
Perth, Western Australia