

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/2013

Name of entity

Firestone Energy Limited

ABN

71 058 436 794

Quarter ended ("current quarter")

31 December 2015

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (6 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration & evaluation (b) development (c) production (d) administration	- - - (399)	- - - (466)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	-	-
1.5 Interest and other costs of finance paid	(129)	(198)
1.6 Income taxes paid	-	-
1.7 Other – GST and VAT receipts	29	104
Net Operating Cash Flows	(499)	(560)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets	- - -	- - -
1.9 Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets	- - -	- - -
1.10 Loans to other entities	(326)	(487)
1.11 Loans repaid by other entities	-	-
1.12 Other – refund of rehabilitation bond	1,111	1,111
Net investing cash flows	785	624
1.13 Total operating and investing cash flows (carried forward)	286	64

+ See chapter 19 for defined terms.

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1.13	Total operating and investing cash flows (brought forward)	286	64
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, convertible notes, etc.	358	358
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	334
1.17	Repayment of borrowings	(523)	(560)
1.18	Dividends paid	-	-
1.19	Other – share subscription proceeds received in advance	(307)	-
Net financing cash flows		(472)	132
Net increase / (decrease) in cash held		(186)	196
1.20	Cash at beginning of quarter/year to date	388	6
1.21	Exchange rate adjustments to item 1.20	(1)	(1)
1.22	Cash at end of quarter	201	201

Payments to directors of the entity, associates of the directors, related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	105
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

Payment directors' fees,' consulting fees, office occupancy and associated admin costs

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

None

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- 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

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Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	6,555*	4,081
3.2 Credit standby arrangements		

* The Company has in place a project funding loan with its major shareholder The Waterberg Coal Company Limited (A\$6m) and also had bridging finance (A\$425k), loans from a director-related entity (A\$22k) and other loans (A\$108k).

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	100
4.2 Development	-
4.3 Production	-
4.4 Administration	200
Total	300

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	201	388
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	201	388

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Changes in interests in mining tenements and petroleum tenements

	Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed	Nil		
6.2	Interests in mining tenements and petroleum tenements acquired or increased	Nil		

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	Preference + securities (description)	Nil	Nil	
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	Nil	Nil	
7.3	+Ordinary securities	3,586,540,881	3,586,540,881	Fully paid
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	36,842,158	36,842,158	1.0 Fully paid

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7.5	+Convertible debt securities <i>(description)</i>	Unlisted Convertible Notes	Conversion number into shares	Repayment dates	
	Ariona Company SA	Con Note – A\$5million	200,000,000	30 January 2017	
	BBY Nominees Pty Ltd	Con Note – A\$22.145million	885,800,000	30 January 2017	
	Four Oaks Credit Fund Limited	Con Note – US\$2.7million	475,971,429	30 June 2016	
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	Unlisted Convertible Notes	Conversion number into shares	Repayment dates	
7.7	Options	<i>Total number</i> 2,000,000	<i>Number quoted</i> -	<i>Exercise price</i> 0.01	<i>Expiry date</i> 30 April 2017
7.8	Issued during quarter	2,000,000	-	0.01	30 April 2017
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	Debentures <i>(totals only)</i>				
7.12	Unsecured notes <i>(totals only)</i>				

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:

..... Date: 21 January 2016

Lee Boyd
Company Secretary

+ See chapter 19 for defined terms.

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements and petroleum tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement or petroleum tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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