



2 April 2008

NON-RENOUNCEABLE ENTITLEMENTS ISSUE

Dear Shareholder,

I am pleased to inform you that on 1 April 2008, Spitfire lodged a prospectus with the Australian Securities Exchange (ASX) and Australian Securities and Investment Commission (ASIC) for a pro-rata, non-renounceable entitlement issue to existing shareholders of up to 23,383,338 options on a one-for-three basis (one option for every three ordinary shares held).

The options will be offered to shareholders at an issue price of 1 cent per option. The options will have an exercise price of 20c per option prior to the expiry date of 30 June 2010.

All shareholders registered as at 5.00pm WST on 16 April 2008 are entitled to participate in the rights issue of options. The prospectus and a personalised acceptance form will be dispatched to eligible shareholders (registering as holding shares in the Company as at the record date of 16 April 2008) on or around 18 April 2008.

Eligible shareholders who wish to subscribe for options will need to complete and return the personalised Application Form that will accompany the Prospectus.

The closing date for acceptances is anticipated to be 5.00pm WST on 16 May 2008 (unless the Offer is extended) and the Company will apply to the ASX for official quotation of the options. Shareholder approval is not required in relation to the Entitlements issue. The proceeds from the issue will be applied towards the company's exploration activities and for general working capital.

The Prospectus will be available for viewing on Spitfire's website at www.spitfireresources.com as well as the ASX website www.asx.com.au

Timetable and Important Dates *

Event	Date
Lodgement of Prospectus with the ASIC	1 April 2008
Notice to Shareholders	2 April 2008
Shares quoted on an "ex" basis	10 April 2008
Record Date for determining Shareholder entitlements	16 April 2008
Opening Date and dispatch of Prospectus to Shareholders	18 April 2008
Closing Date of Offer	16 May 2008

Options quoted on a deferred settlement basis	19 May 2008
Notify ASX of under subscription	20 May 2008
Underwriters to subscribe and pay for Shortfall	22 May 2008
Company to issue Shortfall to Underwriters	26 May 2008
Allotment and dispatch of holding statements	26 May 2008

* Key dates are subject to change and final confirmation

The entitlements issue will be underwritten by the directors and/or related parties who will not receive any fees for providing the underwriting.

In calculating entitlements under the issue, fractions will be rounded down to the nearest options.

The quoted and unquoted securities on issue in the Company following completion of the entitlements issue are as follows:-

Quoted

Class	Number
Ordinary fully paid shares	42,150,000
Share options (20c) expiring 30 June 2010	23,383,338

Unquoted

Ordinary fully paid shares	28,000,015
Share options (20c) expiring 30 June 2010	1,000,000

I encourage shareholders to read the prospectus carefully when you receive it in the mail and to consider investing in the option entitlements issue.

Yours faithfully,



James Hamilton
Managing Director