



MEDIA / ASX RELEASE

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SPITFIRE COMMENCES KEY COAL DRILLING PROGRAMS IN TASMANIA

COAL DRILLING UNDERWAY AHEAD OF MAJOR MANGANESE EXPLORATION PUSH IN 2010

Highlights

- 10-hole diamond drilling/RAB program commences at **Langloh Coal Project** to:
 - *test coal quality (7 diamond holes)*
 - *test extensions to the existing **10Mt Inferred thermal black coal resource** (3 RAB holes)*
 - 23-hole RAB and 2 hole diamond drilling program to follow at **Avoca Coal Project** to:
 - *test coal quality*
 - *test the area's coal bearing potential with the aim of establishing an initial JORC compliant resource*
 - Full coal quality analysis to be conducted on coal from both projects
 - Results to determine the optimum strategy for progressing Spitfire's **thermal coal portfolio**
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Spitfire Resources Limited (ASX: **SPI** – “Spitfire” or “the Company”) is pleased to announce the commencement of programs of diamond and RAB drilling at its **two key thermal coal projects** in the Derwent Valley and Fingal Tier regions of Tasmania.

The new drilling programs mark the commencement of Spitfire's 2010 exploration field season and come ahead of the commencement of a major new manganese exploration program at the Company's flagship South Woodie Woodie Project in Western Australia's East Pilbara.

An initial 10-hole drilling program has commenced at the Langloh (Hamilton) Coal Project, representing the first exploration program to be conducted in this area since the early 1980s.

The Langloh Project comprises a granted tenement covering an area of 103 square kilometers in the Derwent Valley region. The project area was extensively drilled and sampled by Capricorn Resources and Petrecon Australia between 1981 and 1982, with a total of 28 holes completed for 1,413 metres of drilling.

This resulted in the definition of an initial JORC compliant In Situ Inferred black coal resource of 10 million tonnes within an area approximately 7.25km long by 4.5km wide. Three seams were delineated averaging 3.6 metres in cumulative width and lying within a maximum 45 metres below surface.



Three RAB holes will test for extensions to the existing resource, which remains open both along strike and at depth. A further seven diamond holes will be drilled to extract samples for coal quality analysis.

The Langloh Project is favourably located with respect to infrastructure. Historical and recent analysis of the coal suggests that it is of medium calorific value, possibly suitable for export markets in Asia.

Following completion of the Langloh drilling a second program comprising 23 holes of Rotary Air Blast (RAB) drilling and 2 diamond drill holes will be undertaken at the Avoca Project. The key objectives of the drilling are to extract samples for coal quality analysis and test the area's coal bearing potential.

Coal has been mined in the area surrounding Avoca almost continually since 1923. The historically worked seams display significant thickness of up to 3.6m in places.

Extensive exploration was conducted in the region by Western Mining Corporation (TAS) Pty Ltd in 1977, Shell Company of Australia in 1980 and by the Avoca Transport Company Pty Ltd in the late 1980's. Western Mining Corporation stated that "coal analysis has indicated some of the coal to possess coking properties."

Spitfire's Managing Director, Mr James Hamilton, said the Company was pleased to commence the first drilling program on its Tasmanian coal properties since acquiring the projects from Black Rock Energy Pty Ltd in 2008.

"The current drilling program follows extensive and detailed planning in conjunction with our consultants over the past 12 months," he said.

"Drilling will target the opportunity to expand the existing resource at Langloh and to test the extent and quality of outcropping coal seams at Avoca. In addition, diamond drilling will be undertaken to extract samples for a detailed 3-month program of coal quality analysis which will be crucial to determining the next steps.

"We intend to fully evaluate the development potential of the Tasmanian coal assets once we have a full suite of data available on coal quality and resource potential," Mr Hamilton added.

Manganese Update

Spitfire is currently awaiting analysis of assay results and final metallurgical test work from the Diamond and RC Drilling program completed at its Tally-Ho Deposit, part of the South Woodie Woodie Manganese Project, last Quarter. This drilling successfully delineated a north-eastern extension of the mineralisation.

Once this information has been properly analysed, an updated JORC compliant resource estimate will be completed.



The Company is also gearing up for a major 2010 exploration push at South Woodie Woodie after identifying multiple priority targets from geophysical and geological work. A further announcement will be made detailing the scope and objectives of this program ahead of the commencement of drilling, which is anticipated in April 2010.

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Competent Person's Statement

The information in this Report relating to Exploration Results and Mineral Resources is based on information compiled by Mr. N. Cull who is a Member of the Australian Institute of Geoscientists. Mr. Cull is Exploration Manager for Spitfire Resources Ltd, and consents to the inclusion in this type of report of the information as presented. He has sufficient experience relevant to the style of mineralisation and to the type of activity described to qualify as a competent person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.'

Competent Person's Statement

The information in this Report relating to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Neil Fraser who is a Member of The Australasian Institute of Mining and Metallurgy. Neil Fraser is employed by Marston International Pty Ltd and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Neil Fraser consents to the inclusion in the Report of the matters based on his information in the form and context in which it appears.

About Spitfire Resources

Spitfire Resources Limited (ASX Code: SPI) is an emerging Australian resource development company focused on the carbon steel materials sector. Spitfire's flagship asset is the South Woodie Woodie Manganese Project, which is located approximately 50km down-strike to the south from the 1Mtpa Woodie Woodie Manganese Mine in the East Pilbara region of Western Australia.

Spitfire's initial exploration success at South Woodie Woodie has been within the Southern Target Area, where it has defined a near-surface manganese deposit at the Tally-Ho Prospect, in an area which has had little historical exploration.

Spitfire's principal focus will remain the exploration and evaluation of manganese deposits in the East Pilbara, although it has also acquired a portfolio of advanced thermal coal projects in Tasmania and prospective base metals tenure in the Northern Territory which offer the potential for future diversification.