



MEDIA / ASX RELEASE

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DIVESTMENT OF TASMANIAN THERMAL COAL PROJECTS

Key Points

- *Agreement with coal group Advaita Power Resources Pty Ltd to purchase Spitfire's portfolio of Tasmanian coal projects for \$1.5 million in cash*
 - *Divestment consistent with Spitfire's enhanced focus on its South Woodie Woodie Manganese Project in Western Australia, where a further major drilling program is planned*
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Spitfire Resources Limited (ASX: **SPI** – “Spitfire” or “the Company”) is pleased to advise that it has reached agreement with coal exploration and development company Advaita Power Resources Pty Ltd (“Advaita”) to divest its portfolio of coal assets in Tasmania for **\$1.5 million** in cash.

Under the terms of the agreement, Advaita will acquire all of the shares in Spitfire's 100%-owned subsidiary, Black Rock Energy Pty Ltd. The cash consideration has already been transferred into a trust account with settlement to occur within ten days.

The proceeds from the sale will further strengthen Spitfire's existing cash resources (last reported cash was \$4.61 million at the end of the March 2011 Quarter), underpinning its core focus which is exploration and resource development drilling at the Company's flagship South Woodie Woodie Manganese Project in the East Pilbara region of Western Australia.

Spitfire's Managing Director, Mr. John Mackenzie, said he was pleased to have concluded an agreement with a specialised coal-focused company to purchase the Tasmanian assets, enabling Spitfire to crystallise immediate value from the assets for its shareholders and strengthen its funding capability for ongoing manganese exploration.

“Given the recent manganese discoveries made at South Woodie Woodie we have decided to concentrate much of our management time and cash resources on the continued evaluation and development of South Woodie Woodie as our flagship project,” Mr Mackenzie said.

“The sale of our Tasmanian leases provides the company with a timely boost to cash resources and will enable Spitfire to maintain its exploration tempo during the balance of the East Pilbara field season.”

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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 70km down-strike to the south from the 1.2Mtpa Woodie Woodie Manganese Mine in the East Pilbara region of Western Australia.

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 prospective base metals tenure in the Northern Territory which offer the potential for future diversification.