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6th December 2017

PRELIMINARY RESULTS

FINANCIAL

Spitfire Oil Limited ("the Company") and its wholly owned subsidiary, Spitfire Oil Pty Ltd ("Spitfire"), together ("the Group"), recorded a loss before tax for the year ended 30th June 2017 of A\$3,759,741 (2016 A\$623,614), after providing \$3,376,906 (2016: \$275,194) for diminution in value of the Salmon Gums tenements. The Group benefited from interest receivable of A\$81,588 (2016 A\$125,328). Operating costs of A\$464,423 (2016 A\$473,748) were incurred. A\$286,906 (2016 A\$275,194) was incurred and capitalised on licence fees and tenement management.

Although a resource has been defined, and title to the Salmon Gums mineral tenements has been secured for the foreseeable future, with active development and exploration work now suspended and having considered market prices for fuel products, the directors are of the opinion that further provision be made against the carrying value of the Salmon Gums mineral tenements to \$1,250,000, being in conformity with a review undertaken by independent consultants for the purposes of this report.

The directors, supported by independent advice, remain of the opinion that the recoverable amount of the Salmon Gums tenements is at least equal to the carrying value in the financial statements.

OPERATIONS

The Salmon Gums Lignite Project remains on hold. In September 2017 Spitfire Oil Pty Limited applied for a renewal of the retention licence over the Salmon Gums Tenements for a further five years. New regulations were introduced and became effective from 1 December 2013, requiring inter alia a JORC resource report under the 2012 rules, which has been prepared and submitted to the Western Australia Department of Mines and Petroleum. Whilst the directors believe the application for a new retention licence is fully compliant and are confident that a new retention licence will be granted, to date a new retention licence has yet to be granted.

The directors continue to pursue potential joint ventures for the development of facilities to process the Salmon Gums lignite.

The Company has continued to keep its running costs to a minimum while reviewing possible new projects. A number have been considered during the year but have so far not met requirements.

CHAIRMAN'S STATEMENT

The environment for junior oil companies continues to be extraordinarily difficult and vindicates the decision made last year by the Company to expand its search for new projects in the gas and hard rock mining sectors. Nevertheless, the Company has re-applied to extend its Retention Licence over the Salmon Gums project. It is a significant ground holding and an asset worth retaining. The extension licence application is pending but it is envisioned that it will be extended in due course.

The focus of the Company during the year has been the investigation of many and varied gas and mining projects in multiple jurisdictions. The vast majority are grass roots exploration assets with little or no hope of exploration success and others are old assets exhausted of resources with no hope of any further exploration potential. A number have resources which, at first glance, look promising, but on further due diligence are uneconomic on any reasonable economic assumptions. Nevertheless, the Company continues to evaluate multiple projects in multiple jurisdictions, remaining hopeful that a transaction may be undertaken to breathe new life into the Company.

Of course, the Company is well aware of the overheads required to maintain a listing and operating costs of a listed company. To enable the Company to retain enough working capital to be able evaluate available projects, the directors have agreed to forgo their directors' fees or consultancy fees until a project is successfully acquired by the Company. The directors remain fully committed to ensuring such a transaction occurs.

All that remains to be added is that everyone involved with Spitfire is singularly committed with forging ahead with a new and exciting chapter in the Company's life. All our efforts are directed in striving towards that day.

Further information

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Roger Goodwin – Director

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The information contained within this announcement is deemed to constitute inside information as stipulated under the Market Abuse Regulations (EU) No.596/2014.

Spitfire Oil Limited's shares are quoted on the Alternative Investment Market (AIM) of the London Stock Exchange (symbol SRO).

The Company's news releases are available on the Company's web site: www.spitfireoil.com

Spitfire Oil Limited

Consolidated Statement of Profit or Loss and Other Comprehensive Income

YEAR ENDED 30 JUNE 2017	2017	2016
	A\$	A\$
OTHER INCOME	81,588	125,328
EXPENDITURE		
Corporate expenses	(353,675)	(346,012)
Other expenses	(110,748)	(127,736)
OPERATING LOSS	(382,835)	(348,420)
Impairment - exploration and evaluation costs	(3,376,906)	(275,194)
LOSS BEFORE INCOME TAX	(3,759,741)	(623,614)
INCOME TAX	-	-
LOSS AFTER INCOME TAX	(3,759,741)	(623,614)
OTHER COMPREHENSIVE INCOME, NET OF TAX	-	-
LOSS AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO OWNERS OF SPITFIRE OIL LIMITED	(3,759,741)	(623,614)
Basic and diluted loss per share for loss attributable to the ordinary equity holders of the Company (cents per share)	(14.5)	(2.4)

Spitfire Oil Limited

Consolidated Statement of Financial Position

AS AT 30 JUNE 2017

	2017	2016
	A\$	A\$
CURRENT ASSETS		
Cash and cash equivalents	3,170,851	3,840,977
Trade and other receivables	-	798
Accrued revenues	10,512	63,887
Other current assets	21,385	19,533
TOTAL CURRENT ASSETS	3,202,748	3,925,195
NON-CURRENT ASSETS		
Capitalised exploration and evaluation costs	1,250,000	4,340,000
Office equipment	164	164
Other non-current assets	45,000	45,000
TOTAL NON-CURRENT ASSETS	1,295,164	4,385,164
TOTAL ASSETS	4,497,912	8,310,359
CURRENT LIABILITIES		
Trade and other payables	76,578	129,284
TOTAL CURRENT LIABILITIES	76,578	129,284
TOTAL LIABILITIES	76,578	129,284
NET ASSETS	4,421,334	8,181,075
EQUITY		
Issued capital	19,289,284	19,289,284
Reserves	-	-
Accumulated losses	(14,867,950)	(11,108,209)
TOTAL EQUITY ATTRIBUTABLE TO THE EQUITY HOLDERS OF THE PARENT	4,421,334	8,181,075

Spitfire Oil Limited

Consolidated Statement of Changes in Equity

YEAR ENDED 30 JUNE 2017

	Issued Capital A\$	Accumulated Losses A\$	Total A\$
BALANCE AT 30 JUNE 2015	19,289,284	(10,484,595)	8,804,689
Loss for the year	-	(623,614)	(623,614)
TOTAL COMPREHENSIVE LOSS	-	(623,614)	(623,614)
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS			
Transaction with owners	-	-	-
BALANCE AT 30 JUNE 2016	19,289,284	(11,108,209)	8,181,075
Loss for the year	-	(3,759,741)	(3,759,741)
TOTAL COMPREHENSIVE LOSS	-	(3,759,741)	(3,759,741)
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS			
Transaction with owners	-	-	-
BALANCE AT 30 JUNE 2017	19,289,284	(14,867,950)	4,421,334

Spitfire Oil Limited

Consolidated Statement of Cash Flows

YEAR ENDED 30 JUNE 2017

	2017	2016
	A\$	A\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments to suppliers and employees	(459,221)	(463,010)
Interest received	81,588	155,788
NET CASH FLOWS USED IN OPERATING ACTIVITIES	(377,633)	(307,222)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for exploration and evaluation expenditure	(286,906)	(275,194)
NET CASH OUTFLOWS USED IN INVESTING ACTIVITIES	(286,906)	(275,194)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(664,539)	(582,416)
Cash and cash equivalents at the beginning of the financial year	3,840,977	4,428,982
Effects of exchange rate changes on cash and cash equivalents	(5,587)	(5,589)
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	3,170,851	3,840,977

Spitfire Oil Limited

Independent Auditor's Report

To the Members of Spitfire Oil Limited

Qualified Opinion

We have audited the financial report of Spitfire Oil Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2017, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial report of Spitfire Oil Limited:

- a. presents fairly, in all material respects, the consolidated entity's financial position as at 30 June 2017 and of its performance and cash flows for the year then ended; and
- b. complies with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB).

Basis for Qualified Opinion

We were unable to obtain sufficient appropriate audit evidence concerning the carrying value of capitalised exploration and evaluation costs totalling \$4.340 million in relation to the Salmon Gums Project for the year ended 30 June 2016 and we qualified our prior year audit opinion accordingly. As a result of this matter, we were unable to obtain sufficient appropriate audit evidence concerning the opening balance for the current year as at 1 July 2016. Since opening capitalised exploration and evaluation costs balance affects the determination of the profit or loss for the year and cash flows, we were unable to determine whether adjustments to the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the net cash flow from operating activities reported in the consolidated statement of cash flows might be necessary for the year ended 30 June 2017.

Our opinion on the current year's financial statements is also modified because of the possible effect of this matter on the comparability of the current year's figures and the corresponding figures.

We conducted our audit in accordance with International Standards on Auditing and applicable law. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the independence requirements and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Spitfire Oil Limited

Independent Auditor's Report

To the Members of Spitfire Oil Limited (continued)

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
<p>Exploration and Evaluation Assets – valuation Note 1(l) and 12</p> <p>At 30 June 2017, the carrying value of Exploration and Evaluation Assets was \$1.25 million.</p> <p>In accordance with IFRS 6 <i>Exploration for and Evaluation of Mineral Resources</i>, the Group is required to assess at each reporting date if there are any triggers for impairment which may suggest the carrying value is in excess of the recoverable value.</p> <p>The process undertaken by management to assess whether there are any impairment triggers in each area of interest involves an element of management judgement.</p> <p>This area is a key audit matter due to the valuation of exploration and evaluation assets being a significant risk.</p>	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"> ● Obtaining the management prepared reconciliation of capitalised exploration and evaluation expenditure and agreeing to the general ledger; ● Assessing management's area of interest considerations against IFRS 6; ● Conducting a detailed review of management's assessment of trigger events prepared in accordance with IFRS 6 including; <ul style="list-style-type: none"> – Tracing projects to statutory registers, exploration licenses and third party confirmations to determine whether a right of tenure existed; – Enquiry of management regarding their intentions to carry out exploration and evaluation activity in the relevant exploration area, including review of managements' budgeted expenditure; – Understanding whether any data exists to suggest that the carrying value of these exploration and evaluation assets are unlikely to be recovered through development or sale; ● Assessing the accuracy of impairment recorded for the year as it pertained to exploration interests; and ● Examining the appropriateness of the related disclosures within the financial statements.

Spitfire Oil Limited

Independent Auditor's Report

To the Members of Spitfire Oil Limited (continued)

Information Other than the Financial Report and Auditor's Report Thereon

The Directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2017, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors' for the Financial Report

The Directors of the Group are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and International Financial Reporting Standards, and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:

http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf. This description forms part of our auditor's report.

GRANT THORNTON AUDIT PTY LTD

Chartered Accountants

C A Becker

Partner – Audit & Assurance

Perth, 6 December 2017

Spitfire Oil Limited

Notes to the preliminary results to 30th June 2017

1. This statement has been prepared using accounting policies and presentation consistent with those applied in the preparation of the statutory accounts of the Group.
2. The summary accounts set out above do not constitute statutory accounts as defined by Section 84 of the Bermuda Companies Act 1981 or Section 435 of the UK Companies Act 2006. The summarised consolidated statement of financial position at 30 June 2017 and the summarised consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and the summarised consolidated statement of cash flows for the year then ended have been extracted from the Group's 2017 statutory financial statements upon which the auditors' opinion is unqualified as to the financial position at 30th June 2017 but is qualified as to the of profit or loss and other comprehensive income, consolidated statement of changes in equity and the summarised consolidated statement of cash flows for the year ended 30th June 2017 due to the impact of any potential adjustment as to the value of the Salmon Gums tenements at 30th June 2016 over which the auditors had been unable to obtain sufficient evidence, see below. The statutory financial statements for the year to 30 June 2016 have been prepared in accordance with the requirements of International Accounting Standard IAS1: Presentation of Financial Statements as adopted in Australia. The results for the year ended 30 June 2016 have been extracted from the statutory accounts for that period, upon which the auditors opined that they were unable to obtain sufficient evidence to support the directors assessment of the recoverable amount the capitalised exploration and evaluation costs.
3. The annual report and accounts for 2017 are being sent by post to all registered shareholders. Additional copies of the annual report and accounts are available from the Company's London correspondent office, 8th Floor, 54 Jermyn Street, London, SW1A 6LX and on the Company's web site www.spitfireoil.com.
4. The calculation of the basic and diluted losses per share is based on the loss attributable to ordinary shareholders of A\$3,759,741 (2016 A\$623,614) divided by the weighted average number of shares in issue during the year of 25,884,001 (2016 25,884,001). There is no dilutive effect of share purchase options.