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**20<sup>TH</sup> FEBRUARY 2017**

## **INTERIM STATEMENT FOR THE SIX MONTHS ENDED 31<sup>ST</sup> DECEMBER 2017**

Spitfire Oil Limited (“Spitfire” or “the Company”) is pleased to publish a copy of its condensed consolidated unaudited interim results for the six months ended the 31<sup>st</sup> December 2017.

Spitfire and its subsidiaries (together “the Group”) recorded a loss before tax for the six months ended the 31<sup>st</sup> December 2017 of A\$444,534 (2016: A\$375,923). With cash balances of A\$2.7m, the Group has benefited from interest receipts of A\$15,267 (2016 A\$42,945) in the period. Operating costs were A\$228,510 (2016 A\$188,936) and provision has been made for impairment of exploration and development costs incurred of A\$231,291 (2016 A\$229,302).

### **Chairman’s Statement**

Chairman Mladen Ninkov commented, “The internal process of renewing the retention licence over the Salmon Gums Project has been completed and all the relevant documentation, including a revised JORC Statement in compliance with revised requirements, lodged. A new retention licence is expected to be issued in the near future. Otherwise, as the case has been for some significant time now, the directors continue to investigate, approach, evaluate and negotiate new projects and acquisition opportunities to revitalize the Company. Needless to say, for all the reasons outlined in previous communications, this is a monumental task when attractive assets are involved. The Company is determined to see this task completed to its successful conclusion.”

### **Further Information**

SPITFIRE OIL LIMITED  
Mladen Ninkov – Chairman  
Roger Goodwin – Director

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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](http://www.spitfireoil.com)

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**  
**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS**  
**OR OTHER COMPREHENSIVE INCOME**  
**FOR THE SIX MONTHS ENDED 31 DECEMBER 2017**  
**(EXPRESSED IN AUSTRALIAN DOLLARS)**

	<b>Half-year</b>		<b>Full-year</b>
	<b>31 December</b>	<b>31 December</b>	<b>30 June</b>
	<b>2017</b>	<b>2016</b>	<b>2017</b>
	<b>Unaudited</b>	<b>Unaudited</b>	<b>Audited</b>
<b>Note</b>	<b>A\$</b>	<b>A\$</b>	<b>A\$</b>
<b>OTHER INCOME</b>	<b>15,267</b>	42,945	81,588
<b>EXPENDITURE</b>			
Corporate and other expenses	<b>(228,510)</b>	(188,936)	(464,423)
<b>OPERATING LOSS</b>	<b>( 213,243)</b>	( 145,991)	( 382,835)
Impairment – exploration and evaluation costs	<b>( 231,291)</b>	( 229,302)	(3,376,906)
<b>LOSS BEFORE INCOME TAX</b>	<b>( 444,534)</b>	( 375,293)	( 3,759,741)
<b>INCOME TAX</b>	-	-	-
<b>LOSS AFTER INCOME TAX</b>	<b>( 444,534)</b>	( 375,293)	(3,759,741)
<b>OTHER COMPREHENSIVE INCOME, NET OF TAX</b>	-	-	-
<b>TOTAL COMPREHENSIVE LOSS FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF SPITFIRE OIL LIMITED</b>	<b>( 444,534)</b>	( 375,293)	( 3,759,741)
Basic and diluted loss per share for loss attributable to the ordinary equity holders of the Company (cents per share).	6	<b>( 1.7)</b>	<b>( 1.4)</b>
		<b>( 1.4)</b>	<b>( 14.5)</b>

The above consolidated statement of profit or loss or other comprehensive income should be read in conjunction with the accompanying notes.

**SPITFIRE OIL LIMITED**  
**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2017**  
**(EXPRESSED IN AUSTRALIAN DOLLARS)**

	31 December 2017 Unaudited A\$	31 December 2016 Unaudited A\$	30 June 2017 Audited A\$
<b>Note</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	2,671,088	3,571,897	3,170,851
Accrued revenues	24,540	13,250	10,512
Other current assets	24,297	33,956	21,385
<b>TOTAL CURRENT ASSETS</b>	<b>2,719,925</b>	<b>3,619,103</b>	<b>3,202,748</b>
<b>NON-CURRENT ASSETS</b>			
Plant and equipment	164	163	164
Capitalised exploration and evaluation costs	1,250,000	4,340,000	1,250,000
Other non-current assets	45,000	45,000	45,000
<b>TOTAL NON-CURRENT ASSETS</b>	<b>1,295,164</b>	<b>4,385,163</b>	<b>1,295,164</b>
<b>TOTAL ASSETS</b>	<b>4,015,089</b>	<b>8,004,266</b>	<b>4,497,912</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	38,289	198,484	76,578
<b>TOTAL CURRENT LIABILITIES</b>	<b>38,289</b>	<b>198,484</b>	<b>76,578</b>
<b>TOTAL LIABILITIES</b>	<b>38,289</b>	<b>198,484</b>	<b>76,578</b>
<b>NET ASSETS</b>	<b>3,976,800</b>	<b>7,805,782</b>	<b>4,421,334</b>
<b>EQUITY</b>			
Issued capital	5 19,289,284	19,289,284	19,289,284
Accumulated losses	( 15,312,484)	( 11,483,502)	( 14,867,950)
<b>TOTAL EQUITY</b>	<b>3,976,800</b>	<b>7,805,782</b>	<b>4,421,334</b>

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

**SPITFIRE OIL LIMITED**  
**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE SIX MONTHS ENDED 31 DECEMBER 2017**  
**(EXPRESSED IN AUSTRALIAN DOLLARS)**

	<b>Issued Capital A\$</b>	<b>Accumulated Losses A\$</b>	<b>Total A\$</b>
<b>BALANCE AT 31 DECEMBER 2015</b>	<b>19,289,284</b>	<b>(10,945,501)</b>	<b>8,343,783</b>
Loss for the period	-	(162,708)	(162,708)
<b>TOTAL COMPREHENSIVE LOSS</b>	-	(162,708)	(162,708)
<b>BALANCE AT 30 JUNE 2016</b>	<b>19,289,284</b>	<b>(11,108,209)</b>	<b>8,181,075</b>
Loss for the period	-	(375,293)	(375,293)
<b>TOTAL COMPREHENSIVE LOSS</b>	-	(375,293)	(375,293)
<b>BALANCE AT 31 DECEMBER 2016</b>	<b>19,289,284</b>	<b>(11,483,502)</b>	<b>7,805,782</b>
Loss for the period	-	(3,384,448)	(3,384,448)
<b>TOTAL COMPREHENSIVE LOSS</b>	-	(3,384,448)	(3,384,448)
<b>BALANCE AT 30 JUNE 2017</b>	<b>19,289,284</b>	<b>(14,867,950)</b>	<b>4,421,334</b>
Loss for the period	-	(444,534)	(444,534)
<b>TOTAL COMPREHENSIVE LOSS</b>	-	(444,534)	(444,534)
<b>BALANCE AT 31 DECEMBER 2017</b>	<b>19,289,284</b>	<b>(15,312,484)</b>	<b>3,976,800</b>

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

**SPITFIRE OIL LIMITED**  
**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE SIX MONTHS ENDED 31 DECEMBER 2017**  
**(EXPRESSED IN AUSTRALIAN DOLLARS)**

	Half-year		Full-year
	31 December 2017 Unaudited A\$	31 December 2016 Unaudited A\$	30 June 2017 Audited A\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Payments to suppliers and employees	( 268,418)	( 133,360)	( 459,221)
Interest received	1,239	93,582	81,588
<b>Net cash (outflow) from operating activities</b>	<b>( 267,179)</b>	<b>( 39,778)</b>	<b>( 377,633)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for exploration and evaluation expenditure	(231,291 )	(229,302 )	(286,906)
<b>Net cash (outflow) from investing activities</b>	<b>(231,291 )</b>	<b>(229,302 )</b>	<b>(286,906 )</b>
<b>NET (DECREASE) IN CASH AND CASH EQUIVALENTS</b>			
	( 498,470)	( 269,080)	( 664,539)
Cash and cash equivalents at the beginning of the period	3,170,851	3,840,977	3,840,977
Effects of exchange rate changes on cash and cash equivalents	(1,293)	-	(5,587)
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>2,671,088</b>	<b>3,571,897</b>	<b>3,170,851</b>

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

**SPITFIRE OIL LIMITED**  
**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**NOTE 1: BASIS OF PREPARATION OF THE SIX MONTH FINANCIAL REPORT**

This condensed consolidated interim financial report for the six month reporting period ended 31 December 2017 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting*.

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 condensed consolidated statement of financial position at 30 June 2017 and the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and the condensed 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' have opined that they were unable to obtain sufficient appropriate audit evidence concerning the carrying value of capitalised exploration and evaluation costs totalling \$4,340,000 in relation to the Salmon Gums Project for the year ended 30 June 2016 and qualified their prior year audit opinion accordingly. As a result of this matter, the auditors were unable to obtain sufficient appropriate audit evidence concerning the opening balance as at 1 July 2016. Since opening capitalised exploration and evaluation costs balance affects the determination of the profit or loss for the year, the auditors were unable to determine whether adjustments to the consolidation profit or loss and other comprehensive income and accumulated losses might be necessary for the year ended 30 June 2016. The audit opinion on the financial statements for the year ended 30 June 2016 was modified accordingly. The audit opinion on the financial statements to 30<sup>th</sup> June 2017 was also modified because of the possible effect of this matter on the comparability of the current year's figures and the corresponding figures. Apart from the possible effects of the foregoing the auditor's opinion is unqualified.

This condensed consolidated interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2017 and any public announcements made by Spitfire Oil Limited during the interim reporting period in accordance with the continuous disclosure requirements.

Copies of this interim report are available from the Company's London office, 8<sup>th</sup> Floor, 54 Jermyn Street, London, SW1Y 6LX.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

***Adoption of new and revised accounting standards***

In the six months ended 31 December 2017, the Group has reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2017.

It has been determined by the Group that, there is no material impact of the new and revised standards and interpretations on its business and therefore no change is necessary to the Group's accounting policies.

The Group has also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the half-year ended 31 December 2017. As a result of this review the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change necessary to Group accounting policies.

No retrospective change in accounting policy or material reclassification has occurred requiring the inclusion of a third Statement of Financial Position as at the beginning of the comparative financial period, as required under AASB 101.

**SPITFIRE OIL LIMITED**  
**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS.**

**NOTE 2: SEGMENT INFORMATION**

Management has determined the operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions. For management purposes, the Group has identified only one reportable segment, being the exploration and mining for valuable resources that produce energy in Australia.

**NOTE 3: DIVIDENDS**

The Company has not declared any dividends in the period ended 31 December 2017.

**NOTE 4: CONTINGENCIES**

There has been no change in contingent liabilities or contingent assets since the last annual reporting date.

**NOTE 5: ISSUED CAPITAL**

	31 December 2017		31 December 2016		30 June 2017	
	No	A\$	No	A\$	No	A\$
<u>Issued and Paid Up Capital</u>						
Fully Paid Ordinary Shares	<b>25,884,001</b>	<b>19,289,284</b>	25,884,001	19,289,284	25,884,001	19,289,284
<b>Total Issued Capital</b>		<b><u>19,289,284</u></b>		<b><u>19,289,284</u></b>		<b><u>19,289,284</u></b>

**NOTE 6: LOSS PER SHARE**

	31 December 2017	31 December 2016	30 June 2015
Basic and diluted loss per share (cents)	<b>(1.7)</b>	<b>(1.4)</b>	<b>(14.5)</b>
a) Net loss used in the calculation of basic and diluted loss per share (A\$)	<b>(444,534)</b>	<b>(375,293)</b>	<b>(3,759,741)</b>
b) Weighted average number of ordinary shares outstanding during the period used in the calculation of basic and diluted loss per share	<b>25,884,001</b>	25,884,001	25,884,001

**NOTE 7: SUBSEQUENT EVENTS**

No matter or circumstance has arisen since 31 December 2017, which has significantly affected, or may significantly affect the operations of the Group, the result of those operations, or the state of affairs of the Group in subsequent financial years.