

17th March 2008

AIM: CHL

CHURCHILL MINING PLC
("Churchill" or "the Company")

Tinfos AS makes strategic placement in Spitfire Resources

Highlights

- Tinfos AS of Norway invests AUD\$1.73M in Spitfire Resources Limited ("Spitfire") at original IPO share price of AUD 20 cents and at premium to the market price at the time of placement
- Churchill's holding in Spitfire moves from 40.1% to 35.65% but remains the company's largest shareholder

Churchill Mining is pleased to advise shareholders that the large Norwegian manganese alloy and metals producer Tinfos AS, has taken a 14% strategic shareholding in the recently listed ASX-company, Spitfire Resources, of which Churchill is the largest shareholder.

Churchill's Managing Director Paul Mazak commented, "the decision to spin the South Woodie-Woodie manganese asset out of Churchill and to give it its own focus in Spitfire is already paying off, as evidenced by the Tinfos placement."

Originally established in the 19th century as a hydro-electric power generation company, Tinfos is today a leading diversified industrial, trading and metals & alloys group which generated sales revenue of in excess of NOK7 billion (US\$1.367 billion) in 2007 and a pre-tax profit of approximately NOK575 million (US\$112.3 million).

The Group's industrial operations are conducted through Tinfos Jernverk AS, which produces manganese alloys, and Tinfos Titan & Iron, which produces titanium slag and pig iron. Tinfos Jernverk AS is a major player in the production of silico-manganese, an alloy used in the making of steel. The Company is a world leader in the production of low-carbon silico-manganese for primarily stainless steel.

Tinfos's manganese plant is located in Kvinesdal on the southern tip of Norway making it ideally placed to ship alloy products into Europe. The plant most regularly produces about 180,000 tonnes of silico-manganese per annum but the plant's furnaces are able to be converted to produce high carbon ferro-manganese at a production rate of 240,000tpa.

Churchill Mining draws shareholders' attention to the following update released by Spitfire on the ASX today.

SPITFIRE SECURES NORWAY'S TINFOS AS STRATEGIC SHAREHOLDER

KEY POINTS

- **Tinfos to acquire 14% stake in Spitfire through \$1.73M share placement at 20 cents.**
 - **Tinfos to consider providing future strategic support to Spitfire including technical assistance and funding.**
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Australian exploration company Spitfire Resources Limited (ASX Code: **SPI** – “Spitfire”) is pleased to announce that it has secured the strategic support of the diversified Norwegian-based industrial, trading and metals & alloys group, **Tinfos AS** (“Tinfos”), as its new major shareholder via a 14% share placement.

Spitfire has agreed to make a placement of **8.65 million shares at 20 cents per share** to Tinfos, raising **\$1.73 million**. The proceeds of the share placement will further strengthen Spitfire’s cash position to in excess of \$7 million and will be used to accelerate the Company’s manganese exploration activities in the East Pilbara region of Western Australia.

In addition to acquiring the strategic interest in Spitfire, Tinfos has agreed:

- to consider assisting Spitfire with future financing either by way of project mining finance or direct company capital injection to help Spitfire evaluate, explore and develop other manganese projects; and
- to consider providing technical and funding support to Spitfire to assist it in evaluating and developing its **South Woodie Woodie Manganese Project** in Western Australia.

Spitfire’s Managing Director, Mr James Hamilton, said the Company was delighted to have secured the involvement of Tinfos, a leading supplier of metals and alloys and key player in the global manganese business, as a supportive major shareholder.

“We are pleased to welcome Tinfos as a new major shareholder and strategic partner to help us with our manganese ambitions,” Mr Hamilton said.

“In addition to strengthening our cash position during a particularly difficult period in global equity markets, this share placement introduces a strong strategic partner to the Company to support our forthcoming manganese exploration activities,” he continued.

“Tinfos also understands and is supportive of Spitfire’s secondary corporate goal, which is to bring in other assets to the company – even if they are non-manganese related, Mr Hamilton said.

“Ultimately, this partnership significantly increases the range of development options we have available to us at South Woodie Woodie should our forthcoming exploration programs be successful.

“With the global manganese market continuing to strengthen on the back of strong demand from the steel industry and tightening high-grade ore supply, Spitfire is now ideally placed to capitalise given the support and knowledge of Tinfos,” he added.

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Notes to editors

Churchill Mining Plc listed on AIM in April 2005.

South Woodie Woodie

Given the increased prospectivity of South Woodie Woodie and Churchill's increasing focus on its Indonesian coal and coal bed methane projects, the Company sold 80% of the project to Australian company Spitfire Resources Limited ("Spitfire"). Spitfire, which listed on the ASX on the 12th December 2007, has outlined plans for an extensive drilling and mapping campaign during the upcoming 2008 field season.

The South Woodie Woodie project covers approximately 1,390 square kilometres in the East Pilbara region of Western Australia, and sits approximately 400km south-east of Port Hedland in the highly prospective Pilbara manganese province.

To read more about Spitfire go to: www.spitfireresources.com

Sendawar – CBM

The Sendawar Coal CBM project in Kalimantan, Indonesia, covers more than 800 square kilometres of prospective ground and lies in close proximity to two operating open-cut coal mines. The project is located approximately 50km from the Mahakam River.

During Churchill's coal exploration programme, data collected during geophysical and resistivity work, along with data collected from previous oil and gas exploration in the area; indicated that the area was highly prospective for Coal Bed Methane. Churchill (70% of the CBM project) along with its Indonesian partner RMU (30% of the CBM project) applied for and were granted Indonesia's first CBM JEA license in September 2007. The CBM project has the potential to host Gas-in-Place of 5.6 TCF. Churchill is currently conducting further studies on the CBM project before starting detailed field work.

East Kutai Coal Project

Churchill announced on 15 February 2007 that it had signed an Exclusivity Agreement with PT Techno Coal Utama to enable it to conduct due diligence work on the thermal coal project. In May 2007 Churchill announced a sales agreement had been entered into to purchase a 75% interest in the Project, which has now been finalised. Exploration and resource drilling continue at the project.

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