

Churchill Mining plc ('Churchill')

Spitfire Update - Spitfire Increases East Pilbara Land Holding

Churchill Mining Plc is pleased to draw shareholders' attention to the following update released by Spitfire Resources Limited ('Spitfire') on the ASX, in which Churchill holds a 40.1% interest.

- **Applies for new 899 square kilometre ground package**
- **New ground lies 13 km south-east of South Woodie Woodie Project**
- **Geological interpretation indicates potential to host strike extensions of manganese corridor**

Australian exploration company Spitfire Resources Limited (ASX Code: **SPI**) is pleased to advise that it has moved to secure a substantial portfolio of new exploration tenure near its **South Woodie Woodie Manganese Project**, more than doubling its existing land holdings in the prospective East Pilbara region of Western Australia.

The Company has lodged applications for four strategic tenements, covering a total area of 899 square kilometres, which are located approximately 13km south-east of the South Woodie Woodie Project.

Some of the new ground package abuts tenements managed by Consolidated Minerals, which was recently acquired by Ukrainian group Palmary Enterprises.

Spitfire selected the ground after completing interpretive geological work illustrating that the area to the south east contains strike extensions of a potential corridor of manganese host rocks.

Until now the area applied for has been subjected to very little modern exploration, partly due to transported sands obscuring some of the geology. Spitfire has consequently begun to investigate the use of geophysics as a means to identify the extent of these units and their potential to host manganese mineralisation.

Spitfire's existing South Woodie Woodie Project comprises three granted Exploration Licences covering an area of approximately 490 square kilometres.

The Company plans to drill its first targets at South Woodie Woodie at the beginning of this field season. In parallel with this drilling program, Spitfire will also undertake an expanded regional mapping program to deliver a pipeline of targets for further drilling.

ENDS

The information in this release relating to exploration is based on information compiled by Mr. N. Cull. Mr. Cull is Exploration Manager for Spitfire Resources Ltd, and consents to the inclusion in this 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.

Enquiries:

Churchill Mining Plc
Managing Director - Paul G. Mazak
+61 (0)8 9388 0377

paul.mazak@churchillmining.com

Blue Oar Securities
Romil Patel
+44(0)20 7448 4000

Olly Cairns
+61 (0)8 6430 1631

Parkgreen Communications
Justine Howarth
+44 (0) 20 7851 7480

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, will have the option to purchase the remaining equity in the project after spending AUD\$1.5 million on exploration. *(See announcement 4 October 2007)*

The South Woodie Woodie project covers approximately 490 square kilometres in the East Pilbara region of Western Australia, and sits approximately 400km southeast of Port Hedland in the highly prospective Pilbara manganese province. Churchill has recently completed a heliborne versatile time-domain electromagnetic geophysics programme and interpretive work, and a follow up dipole-dipole IP survey which identified multiple drill targets.

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.