

10th December 2007

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

Disposal of South Woodie Woodie Manganese Project to Spitfire Resources complete

Churchill is pleased to announce the completion of the disposal of its South Woodie Woodie Manganese Project ('the Disposal') to Spitfire Resources Limited ("Spitfire", ASX: SPI) which has today been admitted to the Official List of the ASX and will commence trading on December 12.

All conditions have now been met including the issue to Churchill's subsidiary, Planet Mining Pty ("Planet Mining"), of 25 million new ordinary shares in Spitfire and the completion by Spitfire of an A\$6 million capital raising. Planet Mining now holds a 40.1% interest in Spitfire.

Churchill will also be entitled to retain a manganese production royalty should a mine be developed. The production royalty is price indexed so as to ensure Churchill retains substantial leverage to any future mining cash flow.

Churchill's focus remains on its two key Indonesian assets - the East Kutai coal project and the recently announced Sendawar coal bed methane project – both located in Kalimantan.

Churchill Managing Director Paul Mazak said: "The completion of the South Woodie Woodie disposal will enable us to focus on our Indonesian coal and CBM assets, whilst at the same time, through our major holding in Spitfire, ensure our continued exposure to the potential upside of Spitfire's manganese prospects. The Spitfire IPO was a great success with oversubscriptions for the funds that were sought. We look forward to making further announcements on Spitfire's developments in its manganese projects as and when appropriate."

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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, which will list on the ASX on 12 December 2007, will have the option to purchase the remaining equity in the project after spending AUD\$1.5 million on exploration.

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.

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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