



CLINE ACQUIRES A 40% INTEREST IN UMC ENERGY PLC MORONDAVA URANIUM PROJECT

Toronto, Ontario, September 26, 2006. Cline Mining Corporation ("Cline") (TSX: CMK) is pleased to announce that today it has entered into a Share Purchase Agreement (the "SPA") with UMC Energy plc ("UMC"), a London Stock Exchange AIM listed company pursuant to which, Cline will acquire 12,272,667 shares of UMC, representing an approximate 40% interest in UMC, in exchange for Cline's 80% controlling share interest in its uranium subsidiary URAMAD SA ("URAMAD") of Madagascar. Under the terms of the SPA, UMC will pay Cline approximately US\$341,000 in repayment of advances made by Cline to URAMAD. Cline will also be entitled to maintain its level of interest in UMC on a pre-emptive basis unless it chooses to reduce its interest below 30%. The acquisition of URAMAD by UMC constitutes a reverse take over under the AIM Rules.

UMC has also agreed to immediately advance US\$480,000 to URAMAD as funding towards the Phase 1 of the planned exploration program on its Morondava Uranium Project. The Chairman and President of Cline will join the Board of Directors of UMC following closing. The transaction is subject to the approval of the shareholders of UMC at an extraordinary general meeting anticipated to be held in October, 2006 and the final registration of the Moronadava uranium permits in the name of URAMAD. Closing is anticipated by October 31, 2006.

The remaining 20% interest in URAMAD is owned by L'OFFICE DES MINES NATIONALES ET DES INDUSTRIES STRATEGIQUES ("OMNIS"), an Agency of the Government of Madagascar. UMC has no significant assets other than cash. URAMAD's only significant asset is its Morandava uranium property permits and it has no material unfunded liabilities.

Morondava Exploration Project

The URAMAD Morondava Uranium Project comprises eight permits with a combined area of some 9,993.75 square kilometers. The Property is located in the Morondava Basin of western Madagascar, which is filled with the uranium favourable Karoo Supergroup continental sediments. The Uranium Properties were earlier held by Cogema (CEA) of France which carried out extensive exploration work, with additional work being carried forward by the United Nations Development Programme ("PUND") and OMNIS. URAMAD has obtained the databases from this work which include an extensive earlier airborne survey (some 7,000 radioactive anomalies) and 83,000 metres of drilling in 790 drill holes with indicated uranium values and visible uranium mineralization.

UMC will fund, from its current working capital, the initial US\$2.3 million two phase extended exploration program on the Morondava Uranium Project, including drilling existing targets and implementing a new technological airborne survey, as well as provide for URAMAD's ongoing working

capital requirements. The URAMAD Phase I uranium exploration program is now proceeding with the mobilization of the airborne survey and drilling of existing targets. Cline will make available operational personnel to URAMAD, including a Project Manager, geologists and in-country labour and support, which will be under the management and control of the UMC Board of Directors and Chief Executive Officer.

Caracle Creek International Consulting Inc. ("CCIC"), an independent consulting firm, was engaged by UMC to review the URAMAD Morondava Uranium Project (the "Property") and prepare a Competent Person's Report (the "CCIC Report" or "CPR") in accordance with the guidelines of the London Stock Exchange ("LSE"), and in particular AIM Notice 16 "Guidance Note for Mining, Oil and Gas Companies", dated March 2006.

CCIC reports “ *In general, Madagascar has seen punctuated uranium exploration over several decades which has targeted the Karoo Supergroup. Previous work did demonstrate the presence of uranium mineralization (uranium vanadates carnotite and francevillite) in several places in western Madagascar, with most of the uranium showings thus far discovered, located in the Folakara District. The final report of the IAEA and International Uranium Resources Evaluation Project ("IUREP") states, "The Karoo system of Madagascar is considered to have the potential for several moderately sized sedimentary sandstone types deposits (i.e. 5,000-10,000 tonnes U each)" (Meyer and Brinck, 1984, p.110.)*”

Reported geological observations suggest the application of the geological model referred to as "Colorado Plateau Uranium Vanadium" deposits or "CPUV". The CPUV deposits represent a large part of uranium production in the USA and have been described in several countries across the world. These deposits are generally tabular and differ from the "roll-type" deposits in their geometry and composition. In the CPUV deposits, sedimentary permeability, fractures and associated fluid flows are important factors in their genesis. Scientific investigations on the CPUV deposit type (eg. Finch, 1996) indicate that nearby uraniferous granites and rhyolites can easily be leached of their uranium content by aqueous solutions, which in turn flow into favourable geological structures and deposit their uranium content in the form of uraniferous minerals. Favourable structures may include faults, fractures, unconformities and various vuggy rocks.

Seven of the eight permits (Makay District) are situated in the central part of the Morondava Basin, with the eighth (Folakara District) located in the northern part of the basin; a significantly larger area is covered by the Makay exploration permits.”

The CCIC Report recommends “*that the uranium prospects within the permit areas be advanced by applying modern airborne and surface exploration surveys, followed by ground truthing of anomalous areas and surface geological and geochemical surveys, and as warranted, a combination of diamond and reverse circulation (RC) drilling aimed at testing the priority targets. Previous exploration work and delineation drilling by the CEA outlined a historic aggregate resource of 400 tonnes of uranium metal in the Folakara permit area and these mineralized areas should be evaluated through confirmation drilling and sampling, and updated resource calculations (i.e. updated to National Instrument 43-101 or JORC code standards). As the majority of the exploration permits cover the highly prospective Makay area, it is recommended that this area become the primary focus for uranium exploration.*”

Readers are cautioned that the “historic aggregate resources” referred to above and reported by the French Commissariat à l'Énergie Atomique (“CEA”), the parent company of Cogema, are historical in nature, and were compiled prior to the guidelines of "National Instrument 43-101 Standards of Disclosure for Mineral Deposits". Cline has not explored this potential or independently analyzed the CEA report, and the historical results, therefore, should not be relied upon. Cline believes these historical results provide an indication of the potential of the property and are relevant to ongoing exploration.

The complete CCIC Report will be posted on SEDAR at www.sedar.com and the Cline website at www.clinemining.com shortly. A PowerPoint presentation will be posted on the Cline website summarizing the Morondava Uranium Project and displaying maps and photographs.

Cline Mining Corporation is a mine development company focused on the exploration and development of metallurgical coal in Canada for the international seaborne coal trade market and uranium and iron-ore in Madagascar. The Company website is at www.clinemining.com. Shares of the company trade on the Toronto Stock Exchange under the symbol CMK.

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