

5th September, 2007

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

Churchill Awarded Indonesia's First Coal Bed Methane JEA License

Highlights:

- *Project area in East Kalimantan has the potential to host Gas-in-Place of 5,626.3 billion cubic feet*
- *No vendor payment in cash or shares required by Churchill to acquire the Project*
- *Discussions underway with a number of major international oil, gas and CBM companies for involvement in the CBM Project*

Churchill Mining Plc (AIM: CHL) announces that the Company and its Indonesian partner, PT Ridlatama Mining Utama, (RMU) which together form the "Ridlatama Consortium", have been awarded Indonesia's first Coal Bed Methane (CBM) Joint Evaluation Agreement ("JEA") license in Kalimantan, Indonesia.

Churchill and RMU were not required to tender for the JEA, which was issued to them by direct appointment from the Indonesian Oil and Gas government regulator, DIRJEN MIGAS. Under new regulations in Indonesia, companies holding coal tenements in potential CBM areas have the right to direct appointment CBM licenses, known as a JEA. However, the granting of a JEA is not automatic and Churchill and RMU were put through a rigorous pre-qualification and application process by DIRJEN MIGAS, before the JEA was confirmed.

This system of JEA direct appointment has enabled Churchill and its consortium partner to by-pass the standard tender method (JSA) for CBM blocks, where it would have been required to bid against a number of large multinational companies who had already expressed an interest in the same project area.

Consequently no vendor payment in cash or shares was required to be made by Churchill to another party as the license was granted directly and this was not an asset purchase.

Following the JEA Agreement with DIRJEN MIGAS, Churchill and RMU will create a Joint Operating Company (JOC) and will conduct a full investigation of the 800 square kilometre block in the Kutai Basin, East Kalimantan. The Company would then proceed to a Production Sharing Agreement with the Indonesian Government at the appropriate time. Churchill will hold 70% of the JOC and RMU 30%, with expenditure by each party proportional to their holding.

Following geophysical work conducted by Churchill in and around the Sendawar Coal Project and prior to applying for the CBM license, Churchill appointed a CBM specialist team headed by Dr A. Haris, to investigate the CBM potential of the area. Dr Haris is recognised for his work and expertise in the interpretation of seismic and down-hole data sets for the oil and gas industry.

This study by Dr Haris was based on existing seismic and drill-hole data, from work which was previously undertaken by a number of multinational companies to assess the potential of conventional oil and gas in the area. This initial Churchill study identified a number of coal seams located within the appropriate depth range and Dr Haris reported that the CBM Project area has the potential to host Gas-in-Place of 5,626.3 billion cubic feet.

Churchill has begun discussions regarding the CBM Project with a number of major international oil, gas and CBM companies concerning technical assistance, off-take agreements and financial matters.

“The demand for CBM for use in power stations, the chemical and fertilizer industries, liquefaction and the hydrogen fuel industry is growing rapidly,” said Mr Paul Mazak, Joint Managing Director of Churchill. “The CBM Project is an extraordinary opportunity for the Company and fits perfectly into Churchill’s strategy of developing into a significant coal and energy company.”

ENDS

Dr A. Haris who has a Doctorate in Geophysics from the University of Kiel, Germany, is the qualified person that has reviewed the information contained in this release.

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Notes to editors

Churchill Mining Plc listed on AIM in April 2005. Its principle operations are the South Woodie Woodie manganese project in Australia and the Sendawar and East Kutai coal projects in Indonesia.

South Woodie Woodie

The South Woodie Woodie project covers approximately 490 square kilometres in the East Pilbara region of Western Australia. Owned via Churchill Mining’s wholly-owned subsidiary, Planet Mining Pty Ltd, the project sits approximately 400km

southeast of Port Hedland in the highly prospective Pilbara manganese province. Churchill owns the project 100%. To date much of the project area has never been explored due to the presence of surface cover. Churchill has conducted a versatile time-domain electromagnetic (VTEM) geophysics survey to define targets for drilling. VTEM is a leading heli-borne technology that can detect conductive mineralisation and related structures to depths of 400m below surface.

Sendawar

The Sendawar project in Kalimantan, Indonesia, covers more than 1,000 square kilometres of prospective ground and lies in close proximity to two operating open-cut mines: Thai miner Banpu's newly commissioned Trubaindo operation, which will shortly be producing at a rate of approximately six million tonnes per annum (tpa); and the privately-owned Gunung Bayan mine which has been operating since 1998 and produces approximately 3.4 million tpa. Coal from these mines is transported by barge via the Mahakam River to the port of Samarinda. The Sendawar project is located approximately 50km from the Mahakam River.

East Kutai

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.