

CHURCHILL MINING PLC

("Churchill" or "the Company")

Drilling commences at Sendawar Coal Project

Highlights:

- *Drilling starts at Sendawar – Phase 1*
- *Programme targets initial resource position of 5 million tonnes*

The Directors of Churchill are pleased to announce that drilling has begun at Churchill's Sendawar thermal coal project in Kalimantan, Indonesia.

Churchill has contracted an Indonesian drilling company, PT Maxidrill Indonesia, to sink an initial 5000 metres of diamond core and open holes. The programme is the first phase of the planned 18-month campaign in which approximately 23,000 metres will be drilled.

Churchill is targeting an initial JORC-compliant resource of 5 million tonnes. At this threshold the Company believes it should be in a position to begin trial mining. Any cash flow from this operation would be re-circulated back to the project by way of an expanded exploration programme.

Churchill will send its drill core to an accredited assay laboratory in Samarinda, Borneo. This process, coupled with the targeting of the prospective locations is being overseen by SRK Consulting. SRK was appointed technical supervisor to the project in June this year.

The Company currently has 40 people in the field and plans are in place to grow this upto 100. Many of the field team are locals who have been employed to support the drilling crew, help with access and prepare the drilling pads. To this end, local community support for the Company and its plans have been excellent.

ENDS

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Notes to editors

Churchill Mining Plc listed on AIM in April 2005. It has two projects and in early 2006 raised GBP5.25 million to acquire and explore the Sendawar coal project.

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%. The Company recently completed a 6600 line kilometre airborne magnetics programme at South Woodie Woodie as part of target generation programme. To date much of the project area has never been explored due to the presence of surface cover.

Sendawar

Churchill Mining's Sendawar project in Kalimantan 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 be shortly producing at a rate of approximately 6 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 via barge via the Mahakam River to the port of Samarinda. The Sendawar project is located approximately 50km from the Mahakam River.