

12<sup>th</sup> December 2007

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

**First coal volume calculations at the East Kutai Coal Project  
Kalimantan- Indonesia**

**Highlights:**

- **First 85-90 million tonnes (Mt) of coal outlined**
- **Currently infill drilling to further define the coal tonnage and allow the classification of the coal according to JORC requirements**
- **Exploration and drilling programme ahead of target**

Following 4,000 metres of drilling from a total 65,000 metres planned at the East Kutai Coal Project (EKCP), Churchill advises that it has completed its first specific volume calculations at the project, well ahead of the programmed schedule.

Internal modeling by the Company's geological team has identified between 85-90 Mt of coal within the first sector of the initial drilling envelope of the EKCP. The geological data and model will be sent to independent coal geological experts for review and for the compilation of an ongoing JORC compliant Resource Statement, with the first stage of the Statement expected to be completed by the end of Q1 - 2008. (At this point in time the volume calculations do not form a JORC compliant resource and should not be considered as such.)

These initial volume calculations have focused on the first three coal seams which can be correlated across the area drilled to date, currently being conducted in the northwest area of the RTM block. The intersected coal seams dip to the east-northeast at 10° and infill drilling is closing the drill spacing from the current 750-1,000 metres to 250-500 metres. This drill spacing will add data to the geological model currently being developed and allow the correlation of a number of other seams intersected in the drilling to date, which have not yet been considered in the calculations.

Drilling continues at the EKCP with further coal intercepts recorded in the most recent holes, consistent with previous drilling. It is expected that the target previously set for the exploration programme, being 100Mt of JORC compliant resources by the end of March 2008, can be achieved at the current rate of drilling and exploration.

Paul G. Mazak, Churchill's Managing Director, confirmed that, "The Company is well on its way to defining 500 million tonnes of JORC compliant coal Resources by the end of 2008, inclusive of a Mining Reserve of 100 million tonnes."

## **ENDS**

*In accordance with the AIM Guidelines, Mr Brett Gunter, of PT GMT Services, is the qualified person that has reviewed the technical information contained in this release.*

## **Enquiries:**

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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"). Spitfire, which listed on the ASX on the 12<sup>th</sup> 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.