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

Sendawar Coal Project, Indonesia - Update

Commissioning of second drill rig brought forward to accelerate drilling programme

The Directors of Churchill Mining Plc (AIM: CHL) announce that recent geological field results at the Sendawar thermal coal project in Kalimantan, Indonesia, have been particularly encouraging and that, as a result, the commissioning of a second drill rig has been brought forward to accelerate the exploration programme.

The Company expects its drilling contractor, PT Maxidrill Indonesia, to complete building the rig at its Jakarta workshop within two weeks, ready for field commissioning at the end of the month.

Churchill already has a drill rig at site which has completed four stratigraphic holes necessary to aid in the geological understanding of the Sendawar project before the drilling of actual coal targets begins. This rig has now been relocated and Churchill's geologists have begun the drilling of specific coal outcrop areas.

Shortly, Churchill's geological advisors shall decide whether the newly commissioned drill rig will be deployed either to expand drilling on the current coal outcrop targets or be moved to drill in the north of the Sendawar project.

Whilst Churchill's ultimate project target is an eventual JORC-compliant resource of 200 million tonnes, the first resource milestone is a target of five million tonnes. At this threshold, the Company believes it should be in a position to begin trial mining. Any profits from this operation will be re-circulated back to the project by way of an expanded exploration programme.

Churchill will send its drill core to an internationally accredited assay laboratory in Samarinda for independent analysis. This process, coupled with the targeting of the prospective locations, is being overseen by SRK Consulting, which was appointed technical supervisor to the project in June 2006.

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 program at South Woodie Woodie as part of target generation program. 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.

In June 2006 Churchill announced the first test results, albeit early stage and limited, from outcrop samples gathered at Sendawar; these confirmed the presence of high calorific coal, i.e a calorific value above 6,300 Kcal/kg.