CHURCHILL MINING PLC

("Churchill" or "the Company")

PROPOSED SHARE CONSOLIDATION

NOTICE OF EGM

Churchill Mining Plc (AIM: CHL) announces that it yesterday posted a Circular to shareholders with details of a 1 for 10 consolidation (the "Share Consolidation") of the Company's existing ordinary shares, together with notice of an Extraordinary General Meeting ("EGM") of the Company to be held on Friday, 28 April 2006.

The Directors consider that the proposed Share Consolidation is in the best interests of the Company and its Shareholders and accordingly the directors unanimously recommend a vote in favour of the Resolution being proposed at the Extraordinary General Meeting, as they intend to do in respect of their own and their connected persons' beneficial holdings.

David Quinlivan, Chairman of Churchill, said: "The Directors are recommending the share consolidation for two principal reasons. First, the Company wishes to reduce the relative bid-offer spread in the Company's shares, making them more attractive to potential investors. Secondly, following the acquisition of the Sendawar Coal Project in Indonesia, the Company will move to become a miner rather than explorer in the near term; consequently, at the appropriate time, the Board will conduct discussions with potential off-take partners, banks and other finance institutions to aid its next planned phases of development. The Directors believe that these discussions will benefit from the share consolidation."

The Extraordinary General Meeting of the Company will be held at the Company's offices at 55 Gower Street, London WC1E 6HQ at 9.30am on 28 April 2006.

Copies of the circular sent to shareholders are available free of charge from the offices of Corporate Synergy Plc, 30 Old Broad Street, London EC2N 1HT.

Ends

Enquiries

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Notes to Editors

Background to and Reasons for the Share Consolidation

The Company is seeking to consolidate its shares for two primary reasons:

- 1. The Company's middle market share price for existing Ordinary Shares, as at the close of business on 11 April 2006, the latest practicable date before publication of the circular, was 3.625p with a 3.5p 3.75p bid/offer spread. The Board believes that penny stocks and the sometimes high bid/offer spread can deter potential investors by building in an immediate notional loss on every purchase. The share consolidation will reduce the relative bid/offer spread in the shares.
- 2. The recent acquisition of the Sendawar coal project has changed the future outlook and time horizons for the Company. The Company is now seeking to become a miner in the mid-term and as such will begin preliminary discussions with potential off-take partners, banks and other finance institutions at the appropriate time to aid its next planned phases of development.

The Board consequently considers these talks and associated promotion to existing and new institutional backers will benefit from the Share Consolidation.

Details of the Share Consolidation

Upon implementation of the Share Consolidation, Shareholders on the register of members of the Company at the close of business on the record date, which is expected to be 26 April 2006 ("the Record Date"), will exchange 10 existing Ordinary Shares for 1 new Ordinary Share and so in proportion for any other number of existing Ordinary Shares then held. The proportion of the issued ordinary share capital of the Company held by each Shareholder following the Share Consolidation will, save for fractional entitlements and subject to the exercise of share options, be unchanged.

Other than the change in nominal value, the new Ordinary Shares arising on implementation of the Share Consolidation will have the same rights as the existing Ordinary Shares, including voting, dividend and other rights.

No Shareholder will be entitled to a fraction of a new Ordinary Share and where, as a result of the consolidation of existing Ordinary Shares described above, any Shareholder is entitled to a fraction only of a new Ordinary Share in respect of their holding of existing Ordinary Shares at the Record Date (a "Fractional Shareholder") such fractions shall be aggregated with the fractions of new Ordinary Shares to which other Fractional Shareholders of the Company may be entitled so as to form full new Ordinary Shares and sold. This means that any such Shareholder will not have a resultant shareholding of new Ordinary Shares exactly equal to 10% of their holding of existing Ordinary Shares.

Any Shareholder not holding a number of existing Ordinary Shares which is exactly divisible by 10 on the Record Date will be entitled to receive part of the proceeds of this sale in respect of the fractional entitlement.

The Directors will be authorised to sell new Ordinary Shares arising from fractional shareholdings on behalf of the Fractional Shareholders in the market, as soon as reasonably practicable following the passing of the Resolution, for the best price then reasonably available for those shares.

However, in accordance with the first resolution, cash proceeds of less than £3 will not be distributed to Fractional Shareholders but will be retained for the benefit of the Company. In view of the current share price, the Directors do not consider it likely that the due proportion of the proceeds of the sale of any fractional entitlements to be paid to the Shareholders concerned will be £3 or more.

Admission to AIM

The Share Consolidation is conditional upon permission being granted by the London Stock Exchange for the New Ordinary Shares to be admitted to trading on AIM. Application for such Admission will be made so as to enable the new Ordinary Shares to be admitted to trading on AIM as soon as practicable following the Record Date. It is expected that Admission will become effective at 8.00am on 2 May 2006 whereupon the Share Consolidation will be effective.

The Board considers share options a necessary and important way of rewarding, retaining and attracting key Company personal. Consequently the Board proposes that the Directors be authorised to grant/or ratify the grant of options over the authorised share capital of the Company in an amount not exceeding 6,000,000 Ordinary Shares of 1 pence each. The grant of share options is also subject to shareholder approval.

ABOUT CHURCHILL MINING PLC

Sendawar, Indonesia

Churchill Mining announced on 5 April 2006 that it had the Sendawar Coal Project, a large thermal coal exploration project in Kalimantan, Indonesia. Churchill's short term strategy is to delineate a reserve on the Project so that it can begin trial mining with a view to producing immediate cash-flow. Any such revenues from this mining programme will then be redirected back into the Project to work towards defining a large resource base that will support a multimillion tonne mining operation.

Indonesia has approximately 7 billion tonnes of measured coal reserves and 33 billion tonnes of measured and indicated resources (source: Barlow Jonker). The majority of coal produced in Indonesia comes from Kalimantan.

Typically, coal mining operations in Kalimantan are either located near the sea or along major river systems. The Sendawar project is located within close proximity to the Mahakam river via which coal is shipped to the port of Samarinda. Coal barges used on the Mahakam most commonly range in size from 6,000-8,000 tonnes but more recently larger sizes of 10,000-12,000 tonnes have been employed. The barges are used to deliver coal to larger vessels unable to load in shallow coastal waters.

Indonesian coal production and export sales have surged in recent years. In 2004 total coal production grew by 14.2% year-on-year to 136.2 million tonnes (source: Barlow Jonker).

Tight supply in world thermal coal markets coupled with China's flat coal export performance continues to benefit Indonesian producers.

South Woodie Woodie Manganese Project, Western Australia

Churchill's other area of interest is the South Woodie Woodie Managanese Project, where it has three granted exploration licences. These licences cover a total area of approximately 490km², in the highly prospective East Pilbara Craton of Western Australia, an area renowned for its proliferation of manganese deposits.

During 2006, the Company intends to begin a campaign of airborne and ground geophysics to look at mineral bearing structures "under cover" in its Licence area.