

15 February 2007

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

**Agreement signed with PT Techno Coal Utama
on East Kutai coal project in Indonesia**

Churchill Mining Plc (AIM: CHL) announces that the Company has signed an Exclusivity Agreement with PT Techno Coal Utama to enable it to conduct due diligence work on a thermal coal project located in the East Kutai Regency of Kalimantan, Indonesia.

Highlights:

- *Exploration position expanded by signing Exclusivity Agreement on additional Kalimantan ground at East Kutai*
- *Two rigs to be sent to East Kutai to test coal seam outcrops ranging from two to seven metres thick as part of due diligence*
- *Ground resistivity and drilling continues at Sendawar*

The East Kutai project area covers approximately 399 square kilometres made up of two blocks and is situated 110 kilometres northwest from the main population centre of Sangatta.

Churchill will send two rigs to East Kutai, expected to be on site from approximately 21 February 2007, to begin a 10-15 hole, 1,000 metre verification drilling programme that has been designed to test outcrop targets identified in three previous field reconnaissance surveys. Work conducted by consulting group PT Rimeneo Geological and Mining Services in December 2006 and January 2007 has identified numerous outcrops of coal in the area, which range in thickness from two to seven metres, hosted in a sequence of Tertiary sediments cropping out in the area. The verification programme can be comfortably funded from the Company's existing cash reserves and will be concluded before the Company enters into formal purchase negotiations.

Paul Mazak, Joint Managing Director of Churchill, said: "The East Kutai project could be a significant opportunity for the Company, especially given the changing dynamics of the global thermal coal market which is moving towards sourcing lower energy coals, but coals which have the cleaner burning advantages of low sulphur and low ash."

The Regency of East Kutai's coal prospectivity has been re-evaluated by several companies in recent times. The catalyst for the renewed interest has been a new discovery called Pakar, made by a private Indonesian group, which sits approximately 55 kilometres south-west of Churchill's ground. The Pakar project, as of December 2006, had a JORC compliant resource of 3.3 billion tonnes of thermal coal. The resource is believed to be open in a variety of directions and is still being drilled.

The two rigs being sent to East Kutai will come from Churchill's Sendawar project (also in Kalimantan at West Kutai) where the company is exploring for high-grade thermal coal. To date

the Company has drilled 30 of out the 64 holes planned for the second round drilling campaign. Whilst the Company continues to be encouraged by the regular intersection of coal seams, the initial seam thicknesses intersected to date are considered unsuitable for mining. However, more recent use of ground resistivity surveys has proven to be an excellent interpretive tool for helping predict seam location and thickness and has improved drilling success rates.

Consequently, the Company will modify its exploration programme by conducting an extensive ground resistivity programme in the western blocks of the Sendawar project further to refine drill targets whilst the due diligence process is being carried out in East Kutai. Meanwhile, a third drill rig will continue to test other prospective positions in the east of the Sendawar project.

Churchill maintains an active sourcing programme for coal exploration and mining opportunities both in Indonesia and elsewhere and will continue to examine more projects throughout 2007. The Company believes that by securing large, strategic ground positions and drilling them, it can add significant value before considering partnering or other options to bring resources into production.

ENDS

Enquiries:

Churchill Mining Plc

Paul Mazak/James Hamilton

+61 (0)8 9388 0377

paul.mazak@churchillmining.com

james.hamilton@churchillmining.com

Corporate Synergy

Olly Cairns

020 7448 4400

Parkgreen Communications

Justine Howarth/Brendan McNamara

020 7851 7480

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%. 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 mineralization 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.

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.