15th October 2008 CHL:AIM

CHURCHILL MINING PLC

("Churchill" or "the Company")

UPDATE ON EAST KUTAI COAL PROJECT & COMPANY FINANCES

Churchill Mining Plc, the Indonesia focussed mining company with a JORC resource of 1.4bn tonnes of thermal coal at its East Kutai Coal Project ("EKCP"), is pleased to provide an update on the project including the expansion of the feasibility study to accelerate bringing the project into production.

Fast Track Production Priority

The Company has progressed well in fast tracking the development programme for the East Kutai Coal Project to bring the first stage of the mine into production by the end of Q4 2009.

To that end, heavy equipment has been brought into the area to clear access and speed up the drilling programme. In addition to this, to complete the intense in-fill drilling programme ahead of schedule, all drill rigs have been moved to the mine pit. This phase of the drilling programme will also include the aerial survey of the resource area in order to convert the inferred resource to the measured category.

Project Finance and Cash

Churchill has a strong balance sheet position with £7.2m of cash in the bank. The directors believe that this will enable the Company to complete its present programme which has already resulted in significant exploration results and the expectation that the project can be brought into production ahead of its original schedule.

Even in light of the fast tracking of the EKCP development programme, the Company's expenditure rate has been less than budgeted due to the consistency and efficiency of the exploration programme.

On completion of the feasibility study, further capital will be required by the Company to bring the project into production. In addition to discussions with three international investment banks regarding project finance, Churchill's Managing Director and technical staff are accompanying a number of non-banking investment and coal groups to the EKCP site during October, as part of their due diligence investigations on the project. The Directors are confident that production capex funding will be available to the Company and further announcements will be made when negotiations and agreements are finalised.

Additional Haulage and Infrastructure Options

The feasibility study is progressing well with the appointment of Technical Director John Clayton to manage the process. In light of the large resource tonnage and the potential life of mine reserve being much higher than originally anticipated, Churchill is assessing a number of haulage options and routes. These options include opening discussions with other potential users of such infrastructure in the region and the building or utilisation of multi-user port and transport facilities.

Under Mr Clayton's direction, the Company is completing much of the preliminary feasibility work in-house. Engineering firms and construction companies have been short-listed for the next phase of the project development and an appointment will be made in due course.

Coal Enhancement

The Company will be investigating a number of treatment processes that have the potential to move the energy content of EKCP's thermal coal from the current range of kcal 4700 – 5600 ADB (Air Dried Basis) to over kcal 6000. This would enable the Company to achieve additional pricing for its thermal coal. A decision on whether to proceed with this enhancement process will be made in due course.

Paul Mazak, Managing Director of Churchill Mining commented:

"Not withstanding the current global financial turmoil, there is still plenty of capital available for the right projects in the right sector, with investments into coal and energy at the top of the list. Churchill has been working with a number of diverse parties in regard to potential joint ventures, off-take agreements and the funding of the EKCP mine and infrastructure development; many of whom are now visiting Jakarta and the project site with their advisors. The Company will work with these interested parties with the aim of selecting a partner who not only provides a solid financial backing for the project but also provides the greatest upside for Churchill and its shareholders."

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Notes to editors

Churchill Mining Plc listed on AIM in April 2005.

East Kutai Coal Project

In May 2007 Churchill announced a sales agreement had been entered into to purchase a 75% interest in the East Kutai Coal Project from PT Techno Coal Utama. Churchill has now extended the size of the project by 200 square kilometres by acquiring a 75% interest in the abutting tenements to the west of EKCP from the Investmine Group of Indonesia. Exploration and resource drilling continue along with scoping and pre-feasibility work.

EKCP has a JORC compliant resource of 1.4 billion tonnes, on only 20% of the coal target area drilled, substantially surpassing the amount of coal that was expected to be confirmed by the end of 2008.

Sendawar – CBM

The Sendawar 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 resitivity 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%) 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 trillion cubic feet. Churchill is currently conducting further studies on the CBM project before starting detailed field work.

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 12th December 2007, has the option to purchase the remaining equity in the project but must spend AUD$1.5 million on exploration. Aside from its large shareholding in Spitfire, Churchill also retains a price-indexed mining royalty over the South Woodie Woodie project.

The South Woodie Woodie project covers approximately 490 square kilometres (with a further 899 square kilometres under application) in the East Pilbara region of Western Australia, and sits approximately 400km southeast of Port Hedland in the highly prospective Pilbara manganese province. Spitfire has identified multiple drill targets and shall begin its new drill programme shortly.

In March 08 Spitfire announced that it had secured the strategic support of the diversified Norwegian-based industrial, trading and metals & alloys group, Tinfos AS ("Tinfos"), as its new major shareholder via a share placement.