

17 October, 2006

CHURCHILL MINING PLC
(“Churchill” or “the Company”)

Sendawar Coal Project – Update

Highlights:

- *Drilling teams deployed to start resource drilling at primary coal targets*
- *Initial pilot drilling programme and appraisal work of secondary areas completed*
- *Soft Coking Coal target area identified, with further work to continue*

The Directors of Churchill Mining Plc (AIM: CHL) announce that the Company has now deployed its two drilling rigs to the primary coal resource targets in the northern and central areas of the main tenements at the Sendawar Coal Project in Kalimantan.

The Company is looking to further accelerate the drilling programme by contracting a minimum of another three drilling rigs with the aim to outline as quickly as possible an initial mining reserve of five million tonnes, as part of an overall target of a first resource of 200 million tonnes in the primary target area.

To this end, Churchill has brought in another three senior geologists and six geological support staff, along with another 12 field staff, to help step up the programme.

Churchill has just completed the initial pilot phase drilling programme and appraisal work at the south east of the main tenement area and on the tenement known as AAM, which is separate and to the east of the main tenement area. This work on secondary areas was undertaken at this time and ahead of the primary coal resource targets, so as to take advantage of the dry season.

Due to the nature of the exploration techniques used when coal outcrops and other coal indications have not yet been identified, dry weather is required and thus this part of the Company’s programme was completed first. (Dry weather will not be of such critical importance in the primary coal resource targets in the northern and central areas of the main tenements, as a bank of coal targets has already been identified).

A total of 1,412 metres were drilled for the initial pilot phase drilling programme, comprising 431 metres of open hole and 981 metres of coring. These holes were all drilled in the southern and eastern areas of the AAM tenement, to test the continuation of a number of high-quality coal seams located during the programme on the eastern boundary of the tenement. Results confirm that the AAM block remains highly prospective for semi-soft coking coal.

Two samples were analysed from coal outcrops during the month (see table below). One sample was taken from the eastern lease boundary of AAM whilst the other was collected from Sungai Gusi in the AAM block. The results are encouraging and confirm the presence of high quality coal in the AAM area.

In particular, the samples are notable for their high calorific value but low sulphur content:

	Total Moisture	Inherent Moisture	Ash	Volatile Matter	Fixed Carbon	Total Sulphur	Kcal/kg
	As Received	Air Dried Basis (ADB)					ADB
	%	%	%	%	%	%	
Sample 1	4.00	1.97	2.31	38.58	57.14	0.92	8,209
Sample 2	7.91	5.70	10.68	27.49	56.13	0.43	6,433

An exploration team will remain in the AAM block to continue mapping along strike from the areas tested by pilot drilling and, by utilizing this data, will continue to expand the geological model of the coal occurrences in the area. In particular, the effects of faulting within the prospective sediment formation are yet to be fully determined and this will be critical in optimizing future drilling programmes. Teams have only covered 25% of the AAM block to date and drilling will recommence in the block when the geological coverage has been completed and the geological model confirmed.

Notwithstanding that Churchill is accelerating its drilling programme, the Company remains well within its budgetary requirements.

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%. To date much of the project area has never been explored due to the presence of surface cover.

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 via 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 press release.