

**21 November 2006**

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

**Sendawar Coal Project, Indonesia - Update**

**Highlights:**

- *Churchill to drill 64 holes by February 2007*
- *Three more drill rigs to be commissioned*

The Directors of Churchill Mining Plc (AIM: CHL) announce that the Company has now begun drilling on the primary coal resource targets in the northern portion of the Sendawar project and plans to drill 64 new holes by February 2007.

The programme, which will concentrate on the top end of the tenements, is designed to test possible seam extensions from the abutting Gunung Bayan mine onto the Sendawar ground. The Gunung Bayan project has a resource of 300 million tonnes of high-grade steaming coal and is producing at a rate of approximately 3.4 million tonnes per annum.

The new programme follows an initial 4-hole stratigraphic drilling campaign conducted at Sendawar which has helped Churchill's geologists better understand the area's structural controls and lithological character.

The 64-hole drilling program will be conducted with two rigs using 500 x 500 spacing and each hole will average between 50-75 metres in depth using touch-coring (when coal is touched, coring commences for sampling), rather than full core. All holes will continue to be logged using geophysics.

The programme is part of a 23,000 metre drilling plan Churchill is conducting on the 1000 square kilometre Sendawar project which is located in Kalimantan. The Company is currently sourcing another three rigs to further accelerate drilling in 2007.

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 may be in 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.

**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**

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.