

23 May 2007

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

**Further coal intercepts at the East Kutai project in Kalimantan, Indonesia**

**Highlights:**

- *9 further holes drilled – 7 intersected coal.*
- *Best intercepts include coal seams of 14.2m, 8.25m and 5.2m thickness*
- *Final purchase terms agreed*

Churchill Mining Plc (AIM: CHL) announces that the Company's due diligence drill programme at the East Kutai coal project in Kalimantan, Indonesia, has continued to intersect occurrences of thermal coal in multiple seams.

**Drilling Results**

The Company has drilled a further nine holes, seven of which intersected coal seams (greater than or equal to 0.5 metres in thickness). Best intercepts included 14.2 metres in drill hole RP-013 from 14.70m to 28.90m; RP-011 which intersected 8.25m of coal between 18.75m and 27.00m; and RP-012B which hit 5.20m from 24.0m to 29.2m. Churchill has now drilled 19 holes at East Kutai, 15 of which have intercepted coal seams ranging from 0.5m to 19.25m in thickness.

A full summary of the latest results is set out below:

Hole Details		Coal		
Hole	Depth	From	To	Thickness
RP-011	70.00m	18.75	27.00	8.25
		27.75	28.75	1.00
		29.25	31.00	1.75
RP-012	60.50m	6.90	12.00	5.10
RP-012B	32.00m	24.00	29.20	5.20
RP-013	70.00m	14.70	28.90	14.20
RP-014	150.00m	32.10	32.80	0.70
		100.70	104.27	3.57
		138.25	139.60	1.35
RP-015	102.10m	27.60	28.30	0.70
		95.60	99.10	3.50
RP-016	70.00m	7.87	12.47	4.60
		52.43	53.68	1.25
RP-017	146.50m	Thin laminations		
RP-018	100.00m	5.77	6.27	0.50
		25.35	26.32	0.97
		89.40	91.70	2.30
RP-019	70.00m	Thin laminations		

*Note: RP-012 was re-drilled as RP-012B due to poor core recovery*

Drill core samples taken from the project were subsequently sent for analysis at Intertek Caleb Brett's laboratory in Samarinda, East Kalimantan and analyses received subsequent to the Company's previous RNS announcement on April 5 have confirmed the preliminary coal quality data reported at that time. Final analyses of the last round of sampling (23 seam samples and composites) have returned the following coal quality ranges with calorific values (air dried basis) ranging from 4,719-5,822 kcal/kg (average 5,370 kcal/kg), a total sulphur range of 0.09-0.27% (average 0.13%), an ash range of 2.08-12.90% (average 4.28%) and an inherent moisture content of between 11.66-24.44% (average 16.93%).

### **Purchase Terms**

The drilling programme at East Kutai is being conducted as part of verification work being undertaken by Churchill designed to test the quality and continuity of coal outcrop targets identified in field work by the Company's consulting groups PT Rimineco Geological and Mining Services and GMT Indonesia. As a result of the positive results from the verification programme, Churchill has entered into a formal sales agreement with the owners of the East Kutai project, PT Techno Coal Utama Prima, to buy 75% of the project. Churchill has made an initial payment of US\$250,000. Churchill will pay a maximum of an additional US\$750,000 for the project, which includes any tenement expansion to the project currently being considered by the Company. This deal is expected to be finalised on or before 90 days from the date of this announcement.

### **The East Kutai Project**

The East Kutai project area covers approximately 399 square kilometres, made up of two blocks, and is situated 110 kilometres northwest of the main population centre of Sangatta in the Regency of East Kutai. The Regency of East Kutai's coal prospectivity has been re-evaluated by several companies in recent times. The catalyst for the renewed interest is a discovery called Pakar, made by a private Indonesian group, which is located 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.

Churchill currently has three drill rigs available at East Kutai and plans to continue drilling shortly after further reconnaissance mapping in areas south of the discovery zone is completed. The Company has also begun an extensive ground resistivity program at its Sendawar project (also in Kalimantan) to refine targets for drilling later this year.

The Company maintains an active sourcing programme for coal exploration and mining opportunities in both Indonesia and elsewhere and will continue to examine more projects throughout 2007.

**ENDS**

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*In accordance with the AIM Guidelines for Mining Companies, Mr Brett Gunter, of PT GMT Services, is the qualified person that has reviewed the technical information contained in this release.*

## **Notes to editors**

Churchill Mining Plc listed on AIM in April 2005. Its principle operations are the South Woodie Woodie manganese project in Australia and the Sendawar and East Kutai coal projects in Indonesia.

### **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.

### **East Kutai**

Churchill announced on 15 February 2007 that it had signed an Exclusivity Agreement with PT Techno Coal Utama to enable it to conduct due diligence work on the thermal coal project, the preliminary drilling results from which are announced above.