

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

**Churchill Adds Potential New Blocks to East Kutai Coal Project
in Kalimantan, Indonesia**

Highlights:

- *153sq.km southern extension to the East Kutai project investigated*
- *Large tonnage in-situ coal potential identified*
- *Redesigned drilling programme planned to test new ground*

As part of its due diligence on the East Kutai coal project in Kalimantan, Churchill has focused its recent exploration work on a 153 square kilometre southern extension to its ground package.

The extension, offered to the Company under the sale and purchase agreement it struck in May this year with PT Techno Coal Utama Prima, is contiguous to Churchill's existing ground position and potentially lifts the total project area to 552 square kilometres.

Initial technical due diligence and geological reconnaissance of the potential new area has located 46 coal seam outcrops ranging in thickness of between less than 2 metres and more than 20 metres. The ease of discovery of the coal outcrops highlights the exceptional coal prospectivity of the areas being investigated.

In outcrop, the seams are sub-bituminous in nature and structural mapping in conjunction with satellite imagery and geological interpretations have determined the outcrops are extensions of the previously drilled coal seams at the East Kutai project, where significant intercepts of coal were recorded from an initial 21 drill hole verification programme conducted by the Company.

The location of the outcrops and the thickness of the seams in the new tenement areas are consistent with data reported by previous investigations in the area conducted by others, including a report compiled by the coal geological consultants, PT Rimineco Geological and Mining Services.

Fieldwork and data reviews by PT Rimineco resulted in a calculation of a large, in-situ coal resource within one section of the coal-bearing stratigraphy (contained in the area under investigation). However, the methodology and basis of the calculation are not yet

to a recognised international standard and Churchill maintains that a comprehensive programme of JORC-compliant drilling is needed to verify the PT Rimineco work.

Churchill is consequently redesigning its drilling programme to test the southern extension. However, on advice from the Company's geological and technical team, Churchill has requested that its drilling contractors substitute the current drilling rigs for bigger rigs and is currently working with the contractor on delivery dates for 3 new rigs. The Company expects any possible time lost in the changeover to be quickly regained due to the faster drilling rates of the more powerful rigs.

In May 2007, Churchill entered into a formal sale and purchase agreement with PT Techno Coal Utama Prima, to buy 75% of the East Kutai Coal project, subject to standard due diligence. Under the terms of the agreement, 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, including the two new extensions referred to herein.

No Churchill shares shall be issued as part of the consideration.

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.

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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 mineralisation 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. In May 2007 Churchill announced a sales agreement which will see it purchase a 75% interest in the Project.