

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

CHURCHILL RAISES COAL RESERVE TARGET BY 50% AT EAST KUTAI COAL PROJECT

Highlights

- Coal reserve target at East Kutai project increased by 50% to 150 Mt
- 1st potential mine-pit area drilling expected to be completed in 3 months
- Annual drilling programme ahead in terms of metres drilled versus results gained
- Review of total initial coal resource target underway
- Scoping study on schedule for completion end of June 2008

Churchill Mining (AIM: CHL) is pleased to announce that as part of the ongoing review of the drilling and exploration programme at its East Kutai Coal Project (EKCP), the company has lifted its overall project initial coal reserve target by 50% from 100 Mt to 150 Mt.

A review of the total initial coal resource target is also being conducted and Churchill will advise the market of the result in due course.

The Company, under guidance from its coal-competent advisors, is now deploying 2 of its rigs to concentrate on an intensive drilling programme covering an area approximately 6 kms by 2 kms, which has the potential to form part of the project's first mine-pit. The mine-pit target drilling is in an area that includes part of the new blocks added to the project in April, 2008. The 6200m of drilling in the mine-pit target area is expected to be completed in 3 months, enabling calculations on the mining reserve to be brought forward.

The drilling programme is well ahead in terms of metres-drilled versus results-gained with 9,000 metres drilled to date against the annual plan to drill 65,000 metres.

A third rig continues drilling at the southern extension of the current drilling area at EKCP, expanding the coal resource and determining potential areas for any further mine-pits. A fourth rig is expected to be added in due course.

Trans Tek Engineering is in the process of completing the General Scoping Study on the EKCP, with emphasis on the transportation and infrastructure requirements from mine-site to port. The results of the Study are expected to be completed at the end of June and no technical hurdles have arisen that would prevent a coal mine from being developed.

Paul G. Mazak, Churchill's Managing Director, commented:

"Churchill is still ahead of schedule and ahead of budget in its exploration programme. The Company is very focused on getting to a mining reserve as quickly as possible so that we can move to mine construction and production".

ENDS

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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 release.

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.

This initial JORC Resource Statement defining 250 Mt of coal resources more than doubled the amount of coal expected by the end of Q1 2008 and a review of the target coal resource is being completed to see if the goal of 500Mt of coal by the end of 2008 should be increased.

Drilling now continues to define the 1st potential mining area at the project.

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 resistivity 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.