

30 January 2008

AIM:CHL

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

**Tonnage increased at Churchill's East Kutai Coal Project  
Kalimantan- Indonesia**

**Highlights**

- Outlined coal tonnage increased to between 135-140 million tonnes
- JORC classification work to commence in Feb 2008
- Exploration and drilling programme expected to come in under budget
- Churchill Research Note now available at [www.churchillmining.com](http://www.churchillmining.com)

Following 1800 metres of infill drilling and other technical work in December 2007 – January 2008 at the East Kutai Coal Project ("EKCP"), Churchill confirms that the Company's internal coal tonnage calculations have exceeded board expectations at the current stage of the programme.

Internal modeling by the Company's geological team within the first sector of the initial drilling envelope of the EKCP, has identified an additional 50 million tonnes of coal, bringing the total defined to date up from the 85Mt – 90Mt calculated in December 2007 to between 135-140 Mt of coal.

The updated geological data will be sent to independent coal geological experts SRK for review and for inclusion in the compilation of an ongoing JORC compliant Resource Statement, the work for which shall start in February 2008 and continue throughout the remainder of the year. The first stage of the JORC Statement is still expected to be completed by the end of Q1 2008. At this point in time the volume calculations do not form a JORC compliant resource and should not be considered as such.

The additional tonnages of coal interpreted have resulted from a series of infill drill holes completed since the last drilling announcement (12 December 2007) that have intercepted the known coal seams closer to the surface in the west, and added confidence to the position of the southern extensions of the seams, previously intersected in widely spaced drilling. The seams continue to the south, with drill holes to date identifying two major coal seams (between 8-14 metres in thickness) together with a number of lesser seams over a strike length of more than 6 kilometres. The seams also appear to be more gently dipping in the southern areas tested to date and the next programme of broad spaced drilling will continue to test at depth the outcropping coal occurrences in the south.

The consistent lateral extent of the coal seams, coupled with the ease of correlating the major seams during interpretation, is expected to reduce the drilling requirements to achieve the exploration targets

set for 2008 of defining 500 million tonnes of JORC compliant coal Resources by the end of 2008, inclusive of a Mining Reserve of 100 million tonnes.

Paul G. Mazak, Churchill's Managing Director, commented, "Whilst the classification of the coal occurrences by SRK will guide the drilling requirements through the next two quarters, the Company expects that the cost of the exploration and drilling at EKCP will be under budget due to the consistency of the coal seams system".

A Blue Oar Securities research note on Churchill, its projects and the coal market is available at [www.churchillmining.com](http://www.churchillmining.com)

## ENDS

*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.*

## Enquiries:

### **Churchill Mining Plc**

Managing Director - Paul G. Mazak  
+61 (0)8 9388 0377

paul.mazak@churchillmining.com

### **Blue Oar Securities**

Romil Patel  
+44(0)20 7448 4000

Olly Cairns  
+61 (0)8 6430 1631

### **Parkgreen Communications**

Justine Howarth  
+44 (0) 20 7851 7480

## Notes to editors

Churchill Mining Plc listed on AIM in April 2005.

## 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 12<sup>th</sup> December 2007, will have the option to purchase the remaining equity in the project after spending AUD\$1.5 million on exploration.

The South Woodie Woodie project covers approximately 490 square kilometres in the East Pilbara region of Western Australia, and sits approximately 400km southeast of Port Hedland in the highly prospective Pilbara manganese province. Churchill has recently completed a heliborne versatile time-domain electromagnetic geophysics programme and interpretive work, and a follow up dipole-dipole IP survey which identified multiple drill targets.

## Sendawar – CBM

The Sendawar Coal 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% of the

CBM project) applied for and 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 TCF. Churchill is currently conducting further studies on the CBM project before starting detailed field work.

### **East Kutai Coal Project**

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 had been entered into to purchase a 75% interest in the Project, which has now been finalised. Exploration and resource drilling continue at the project.