

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

**CHURCHILL'S JORC COMPLIANT RESOURCE HITS 1.4 BILLION TONNES**

Churchill Mining Plc is pleased to announce it has now defined 1.412 billion tonnes of JORC compliant resource, in various categories, at the East Kutai Coal Project ("EKCP").

This updated JORC number has significantly exceeded the Company's initial full year 2008 target of 500 million tonnes ("Mt") of thermal coal by 140%.

The latest resource update was derived from a total cumulative drilling of 19,662 metres, including 6,874 metres open hole and 12,788 metres coring in 131 drill hole locations. The drilling programme focused on the Northern and Southern areas of the RTM block, one of four target blocks totalling 35,000 ha. A very small portion of the coal resource number is also derived from along the edge of the new Investama Resources block to the west of RTM.

The drilling completed to date represents only 20% of the total coal target area.

The Company has a minimum coal reserve target of 150Mt and is aiming to bring the EKCP into production by the end of 2009.

Churchill's EKCP drilling and exploration data was modelled by SMG Consultants under the direction of Senior Geologist, Mr. Mark Manners (B.Sc. – University of Newcastle - Member of AusIMM). The revised JORC resource is summarised below.

An updated resource of 1.412 billion tonnes was calculated for EKCP, comprising of:

- Measured resource of 118Mt (up from 44Mt)
- Indicated resource of 322Mt (up from 73Mt)
- Inferred resource of 972Mt (up from 133Mt)

Coal quality to date is defined as medium calorific with low sulphur and ash content.

The following criteria were used to define the resource classification of the East Kutai Coal Project in East Kalimantan, Indonesia:

- Drill holes that were geophysically logged and sampled were considered as valid points of observation for resource calculations.
- Only drill holes that have valid survey collars (not GPS-survey) were used, i.e. those drill holes not surveyed were not considered at this stage.

- Additionally open holes which were verified as intersecting relevant seams based upon the geophysical logs were also used to ensure continuity of the resource calculation along the entire strike length of the deposit.
- Division of the resources into Measured, Indicated and Inferred status was undertaken.
- The following resource dimensions were used:
  - Measured – 250m radius circular polygons around points of observation
  - Indicated – 500m radius circular polygon around points of observation
  - Inferred – 1,000m radius circular polygons around points of observation
- Only drill holes located within the area that has topographical survey data were considered for measured and indicated resource calculations, i.e. sample holes located outside this survey area were only used for inferred resource calculations.
- Note – those holes that currently have not been surveyed and/ or are located outside the area that has been topographically surveyed may be used at a later date for measured and indicated resource calculations.

Paul Mazak, Managing Director of Churchill Mining commented :

“SMG Consultants have done a superb job modelling huge amounts of data from the field. Such significant resource numbers reaffirm the Company’s confidence in the sheer potential size of this project and with only 20% of the coal target area drilled to date, there is still a massive amount of upside at EKCP. Further drilling and exploration work should move much of the current resource into higher level categories and toward the minimum 150mt mining reserve that the Company is targeting.”

**ENDS**

**JORC STATEMENT**

*This resource statement completed during September 2008 has been prepared in accordance with the JORC Code.*

*The information in this statement relates to Coal Resources of the East Kutai Coal Project and is based on information compiled by Mark Manners, who is a Member of the Australasian Institute of Mining and Metallurgy. Mark Manners is employed as a Principal Geologist by SMG Consultants Pty Ltd. Mark Manners has sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the “Australasian Code for Reporting of Mineral Resources and Ore Reserves”. Mark Manners has over 20 years experience in exploration and mining of coal deposits.*

*In accordance with the AIM Guidelines, Mr. Mark Manners of SMG Consultants, is the qualified person that has reviewed the technical information contained in this release.*

## Enquiries:

### Churchill Mining Plc

Managing Director - Paul G. Mazak  
+62 81510539186 / + 62 21 39832398

paul.mazak@churchillmining.com

### Blue Oar Securities

Romil Patel  
+44(0)20 7448 4000

Olly Cairns  
+61 (0)8 6430 1631

### Pelham PR

Candice Sgroi  
+44 (0) 20 7743 6376

## 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 updated JORC Resource Statement defining 1.4 billion tonnes of coal resources substantially surpasses the amount of coal that was expected to be confirmed by the end of 2008.

The various JORC (Joint Ore Reserve Committee) Resource categories are defined as follows:

**A Mining Reserve:** the economically mineable part of a Measured Resource and takes into consideration variables outside of the geological continuity including; mining method, processing, economics, marketing, legal, environmental, social and governmental factors

**Measured Resource:** can be estimated with a high level of confidence with the sample locations spaced closely enough to confirm geological and grade continuity.

**Indicated Resource:** can be estimated with a reasonable level of confidence, with the sample locations spaced too widely apart to confirm geological and/or grade continuity but are spaced closely enough for continuity to be assumed.

**Inferred Resource:** can be estimated with a low level of confidence, being inferred from geological evidence and assumed but not verified geological and grade continuity.

The aim of any exploration and drilling programme is to move the maximum number of tonnes sitting in the Inferred and Indicated Resources categories up to the Measured Resource category and eventually into a Mining Reserve, by continually updating the geological model and other aspects, through additional drilling and other geological exploration work.

## **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 12<sup>th</sup> 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.

**END**