

30 October 2014

AIM: CHL

CHURCHILL MINING PLC
(“Churchill” or “the Company”)

Arbitration Update - ICSID Tribunal denies Indonesia’s application for dismissal of Churchill’s claims

The Directors of Churchill (AIM: CHL) wish to provide an update on the international arbitration cases the Company and its wholly owned subsidiary Planet Mining Pty Ltd (“Planet”) are pursuing against the Republic of Indonesia (“Indonesia”) at the International Centre for Settlement of Investment Disputes (“ICSID”) in Washington DC. The arbitration before the ICSID Tribunal (“Tribunal”) arises from the revocation of the mining licenses relating to the East Kutai Coal Project in East Kalimantan (“EKCP”), Indonesia, in which Churchill and Planet held a 75% interest.

Indonesia’s Request for a Stand Alone Hearing and Application for Dismissal of Churchill and Planet’s Claims

As noted in the Company’s announcement of 30 September 2014, Indonesia sought a separate hearing on its allegations of forgery and fraud in connection with the licenses and other documents.

In response to Indonesia’s submissions, the Company requested the Tribunal to reject any attempt by Indonesia to litigate piecemeal the merits of the case and to direct Indonesia to complete its submissions on the merits by 12 November 2014 as set out in the Tribunal’s procedural schedule.

A Tribunal hearing (via teleconference) took place on Tuesday 21 October to consider the application by Indonesia for a separate hearing of the forgery/fraud issue.

Following this teleconference hearing the Tribunal has now issued its Procedural Order No 12 by which it has:-

- Dismissed Indonesia’s application for a separate hearing on the forgery/fraud allegations;
- Directed Indonesia to file its Counter-Memorial on the Merits (limited to liability) by 12 November 2014;
- Ordered that the existing timetable shall apply to the liability phase which includes a full hearing in October 2015;
- Directed, on its own motion, that the quantum of damages due to Churchill/Planet will be determined separately after the conclusion of the liability phase of the proceedings.

The Tribunal has stated that it may consider a reasonable extension for Indonesia to file its Counter-Memorial on the Merits (limited to liability) on condition that any such extension will not affect the merit hearing dates in October 2015.

A full copy of the Tribunal's Procedural Order No.12 can be found at the website of the International Centre for Settlement of Investment Disputes at <https://icsid.worldbank.org/ICSID/Index.jsp> (under cases for "Churchill").

Churchill's Application For Provisional (Protective) Measures

As was noted in the Company's 30 September 2014 announcement, the Company applied to the Tribunal for provisional (protective) measures arising out of Indonesia's decision to initiate Police raids on the Company's Jakarta offices on 29 August 2014 during which the Indonesian Police seized and removed documentary records and computer equipment.

During the 21 October Tribunal hearing, Indonesia's Lead Counsel, Mr Didi Dermawan stated the Indonesian Police operate under the authority and direction of the President of the Republic of Indonesia.

The Tribunal has not yet issued any ruling in relation to the Company's application for provisional measures.

"We are pleased that the Arbitral Tribunal has rejected Indonesia's effort to derail the procedural timetable with its attempts to litigate piecemeal the merits of the case. We are, accordingly, looking forward to having our case determined by the ICSID tribunal in the most expedient manner possible" said Churchill's Chairman David Quinlivan.

END

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