

5 May 2016

AIM: CHL

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

UPDATE ON INDONESIA'S DEFAULT IN ICSID PROCEEDINGS

Further to the announcement of 20 April 2016, Churchill provides the following update on the default by the Republic of Indonesia ("Indonesia") following Indonesia's failure to pay its share of the fifth advance payment sought by the International Centre for the Settlement of Investment Disputes ("ICSID").

Overnight the ICSID Tribunal Secretary has advised Churchill that a wire transfer in the sum of US\$200,000 had just been received from Indonesia which ICSID understands to be the payment of Indonesia's share of the fifth advance of ICSID's fees and expenses. The Tribunal Secretary has also advised that the sum of US\$200,000 paid earlier by Churchill to address Indonesia's default will now be refunded to Churchill.

By its letter dated 25th April 2016, the ICSID Tribunal invited Indonesia to provide an explanation for its failure to pay its share of the fifth advance payment of ICSID's fees and expenses and to make any comments it may have on Churchill's Rule 42 Application by COB Monday, 9 May 2016. Churchill is not aware that any explanation has yet been given by Indonesia for the almost two month delay in paying its share of the fifth fee advance or for its apparent disengagement from the arbitral process.

The ICSID Tribunal has also advised that it has made good progress in its deliberations on Indonesia's Forgery Dismissal Application and will revert around mid-June with an indication of when its ruling will be issued.

Churchill has reserved all rights, including (but without limitation) as to costs.

Churchill Chairman David Quinlivan said "We are pleased that the issuing of the ruling on Indonesia's Forgery Dismissal Application is close. Obviously it is also pleasing that, albeit belatedly, Indonesia has paid its share of the fifth advance on the Tribunal's fees. We still do not understand why Indonesia defaulted but we trust an explanation will be provided."

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