

15 October 2012

AIM: CHL

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

International Arbitration against the Republic of Indonesia Moves Forward

Appointment of Arbitral Panel

The Directors of Churchill Mining PLC (AIM: CHL) are pleased to advise of the constitution of the arbitral panel at the International Centre for Settlement of Investment Disputes (ICSID) in Washington D.C. that will hear Churchill’s international arbitration claim against the Republic of Indonesia lodged in May of this year.

“Indonesia first seemed to be in denial about its obligation to respond to the ICSID arbitration, so it is positive that Indonesia now appears to have accepted that Churchill is entitled to have its case heard,” said Churchill’s Managing Director Nicholas Smith.

Following the appointment by Churchill of Professor Albert Jan van den Berg of the Netherlands as one member of the three-member arbitral panel, Indonesia has appointed Mr Michael Hwang SC of Singapore as the second member. Both parties agreed to appoint Professor Gabrielle Kaufmann-Kohler of Switzerland to be the third (and presiding) member of the arbitral panel. Professor Kaufmann-Kohler has accepted the appointment.

“Indonesia recently issued two Presidential Decrees that appear to place the responsibility for the ICSID arbitration with the East Kutai regional government. While I can’t speak to the Indonesian government’s reasoning for doing this, the principles of international law are clear. The primary liability to satisfy any judgement or arbitral award will always be the responsibility of the Republic of Indonesia, i.e. the central government, which acts as a guarantor for its regional or provincial governments,” said Nicholas Smith.

With the ICSID arbitral panel formally constituted, the next phase of the international arbitration, namely the investigation and determination of the merits of Churchill’s claim, can proceed.

Planet Mining Pty Ltd (Churchill 100%)

Churchill’s 100% owned Australian subsidiary Planet Mining Pty Ltd “Planet” (which via its 5% shareholding in PT Indonesia Coal Development held an interest in the East Kutai Coal Project), has through its attorneys recently written to His Excellency the President of Indonesia stating that the expropriation of its interest in the East Kutai Coal Project breached Planet’s rights under the Australia-Indonesia Bilateral Investment Treaty.

In this letter Planet has invited the Republic of Indonesia to enter into consultations and negotiations with a view to reaching an amicable resolution of this dispute.

In the absence of there being an amicable resolution to this Planet/Republic of Indonesia dispute, Planet will file its own Request for Arbitration before ICSID pursuant to the Australia-Indonesia Bilateral Investment Treaty.

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