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CHL: AIM

CHURCHILL MINING PLC

("Churchill" or "the Company")

CHURCHILL DOUBLES RESOURCE TO HIT 3.18 BILLION TONNES

Churchill Mining Plc (AIM:CHL) is pleased to announce its global resource at the East Kutai Coal Project ("EKCP") has more than doubled to 3.18 billion tonnes of thermal coal. Included in this global resource is the previously reported JORC compliant resource of 1.4 billion tonnes. The balance is expected to be upgraded into JORC compliant categories within a month, once final digital survey data has been processed. A further announcement will be made at this time.

Churchill owns 75% of EKCP, which is one of the largest, development stage coal resources in Indonesia.

Churchill Mining also confirms it has recently obtained its approvals and mining licenses for the EKCP from the Indonesian Government.

This new global resource figure has exceeded the Company's initial 500 million tonne target by more than 600%.

Churchill has so far defined a coal system 18 kilometres long and approximately 3 kilometres wide. To date only 30% of the EKCP area has been drilled and the existing resource remains open along strike.

The latest resource update was derived from a total cumulative drilling of 40,900 metres, including 14,200 metres of open hole and 26,700 metres coring in 287 drill hole locations. The drilling focused in the north-eastern areas of the Investama Resources block and the north-western areas of the Ridlatama Tambang Mineral block.

Coal quality in the latest round of drilling is similar to previous drill samples with the coal defined as medium calorific, with low sulphur and low ash content.

Churchill believes, given the potential world-class size of the EKCP resource, that the project now has the scale to be of strategic value to major Asian power groups – particularly those in Indonesia, India and China.

Due to the large size of the deposit, Churchill has focused its mine and infrastructure planning to create a bulk mining operation producing up to 20 million tonnes of coal per annum. The Company has also set a new JORC reserve target of 500 million tonnes to support this production level; the original target was 150 million tonnes.

To date the Company has completed many of the preliminary technical and Indonesian statutory procedural requirements to ensure mining can go ahead. This technical build-up will continue for the balance of 2009 so that the EKCP is ready for project development financing and/or joint venture partnership next year.

Technical milestones to date include	Status
Obtaining Indonesian Governmental approvals and licenses to mine at the EKCP	Completed
Primary Resource drilling	Completed
LIDAR topographical surveys to aid pit design and determine JORC categories	Completed
Securing ground tenure around the primary port target area	Heads of agreement signed
Pit modelling to produce preliminary mining plans	Ongoing
Engineering design for the coal production mining area (ROM)	Ongoing
Analysis of optimum coal transport routes from EKCP to the coast	Ongoing
Hydrographical surveys to determine future shipping considerations	Ongoing
Obtaining Indonesian Regency approval to secure access from the mine to the port area	Ongoing
Preliminary engineering work for transportation, conveyor systems, barge port, mine stockyard, power plant and power distribution networks	Ongoing

Tender documentation for some of these long-lead infrastructural items will be sent to interested parties in coming months.

Paul Mazak, Managing Director of Churchill Mining Plc commented:

“The new EKCP global resource catapults Churchill Mining to a new level in the coal mining industry in Indonesia. This result confirms our first impression since we started drilling in Kalimantan, that Churchill has discovered a huge new coal system which ultimately will have a significant strategic value to power providers who require big volumes of coal supply. The Company continues to actively engage energy groups with large balance sheets to progress our plans to mine this large resource.”

Mr Mark Manners, (Technical Consultant) of Churchill Mining Plc, is the qualified person that has reviewed the technical information contained in this release.

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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. Resource drilling continues along with detailed scoping and pre-feasibility work.

In 2008 the Company released an updated JORC Resource Statement defining 1.4 billion tonnes of thermal coal reserves and resources.

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.

In May 2009 the Company announced a new global resource of 3.18 billion tonnes of thermal coal.

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 50 km 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.

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 12th 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.

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