

23 May 2012

AIM: CHL

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

Filing of International Arbitration against the Republic of Indonesia

Churchill Mining plc (AIM: CHL) ("Churchill" or the "Company") advises that it has filed a claim in an international arbitration against the Republic of Indonesia for breaches of Indonesia's obligations under the Bilateral Investment Treaty between the United Kingdom and the Republic of Indonesia (the "UK-Indonesia BIT").

The claim was filed on 22 May 2012 at the International Centre for Settlement of Investment Disputes ("ICSID") in Washington D.C. and relates to the Company's dispute with Indonesia over the East Kutai Coal Project ("EKCP"), of which Churchill holds a 75% interest.

In the international arbitration at ICSID Churchill is seeking the full relief owed to it under the provisions of the UK-Indonesia BIT and under International law.

Churchill's Chairman, David Quinlivan commented, "The Board of Churchill is concerned that it has had to resort to international arbitration with an emerging economy such as the Republic of Indonesia. At all levels there seems to be a lack of support from Indonesia with regard to our contentions on the EKCP. We look forward to now addressing and rectifying these issues on the balanced platform that international arbitration at ICSID provides foreign investors."

When further information is available, the Company will provide an update to the market.

Background to International Arbitration under the Bilateral Investment Treaty between the United Kingdom and the Republic of Indonesia

Churchill filing for international arbitration at ICSID follows Indonesia's failure to rectify the issues described in two previous letters to the President of Indonesia. Both letters to the President emphasized that following a significant investment in the EKCP Churchill identified a world class thermal coal deposit in East Kalimantan. Shortly thereafter, Churchill became the subject of a sustained campaign designed to divest Churchill's legitimate rights to develop this deposit and the EKCP.

The international arbitration will run in parallel with the current proceedings at the Supreme Court of Indonesia that seek to overturn lower administrative tribunal and court decisions in relation to the revocation of four mining licenses that cover the EKCP (in which Churchill has a 75% interest).

Further information on both the Appeal and processes can be found in the RNS announcements made from March 2011 onwards, most recently those of 3 April 2012 and 4

May 2012. Additionally, the AGM presentation made in December 2011 by the Company outlines the facts of the EKCP case and can be found at www.churchillmining.com.

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