

23 July 2009

CHL: AIM

CHURCHILL MINING PLC

(“Churchill” or “the Company”)

PROJECT UPDATE & NEW APPOINTMENTS

Churchill Mining PLC (AIM: CHL), the Indonesia focused mining company with a JORC-compliant resource of 3.18 billion tonnes of thermal coal at its East Kutai Coal Project (“EKCP”), would like to provide the following update on the resource and activities at the EKCP.

JORC Resource Upgrade

Churchill is presently finishing the upgrade into categories of its 3.18 Billion tonne JORC-compliant resource and has experienced delays. The Company had already announced JORC-compliant classifications for 1.412 Billion tonnes (Measured 118Mt, Indicated 322Mt, Inferred 972Mt) of this global resource with the balance due to be modelled by July 2009.

The remaining 1.768 Billion tonnes is currently an Inferred resource under the JORC Code and is being moved into Indicated and Measured where appropriate. This is now expected sometime in August 2009.

Importantly, it is anticipated that the EKCP’s first JORC-compliant coal reserve statement will be available within one month of the JORC category update.

Paul Mazak, Managing Director of Churchill commented:

”I am disappointed that the JORC category upgrades are taking longer than anticipated and would like to thank investors for their patience and appreciation of the vast volume of data, which needs to be analysed to make the calculations.

“Our independent consultants are currently checking through 40,000 metres of drilling and down-hole logs, coupled with approximately 2,500 coal data sets. These inputs along with a full understanding of coal quality are critical to the correlation and benchmarking of all data in readiness for the final JORC modelling.

“Churchill remains confident that the JORC-compliant resource number will support a mining operation producing 20 million tonnes per annum for a minimum of 20 years. We are making significant progress towards this target having reached a number of engineering and development milestones as well as with the appointment of David Gibbs and Andrew Davies, who bring with them significant experience in developing mines through to production.”

Experienced Managers Appointed

Churchill has appointed David Gibbs as Project Manager and Andrew Davies as Technical Manager, to its Jakarta-based mining and infrastructure team as the Company continues to ready the EKCP for financing and development.

Mr Gibbs is a highly experienced mine planning and mine manager who has worked in a direct international and consulting capacity and has considerable experience in Indonesia. Most recently, he spent three years managing, evaluating and planning a new 5 million tonne per annum coking coal mine in Central Kalimantan. Prior to this, he was Manager of Mine Planning for Bumi Resources at Indonesia's largest coal mine, Kaltim Prima Coal. His core task was to plan the expansion of KPC's operations from 17Mtpa to 54Mtpa.

Mr Davies is an accomplished technical manager and engineer who has worked throughout the world setting up and managing systems for mines, refineries, process plants, airports and industrial buildings. Most recently, he was the project manager for an Indonesian coal mine upgrade and was responsible for the commissioning of a new overland conveyor system. Prior to this, he was construction manager for the Central Queensland Port Authority's new A\$5 billion coal handling facility in Australia.

Both men will be Indonesian-based and will work from Churchill's office in Jakarta.

Engineering Milestones

Whilst awaiting final JORC-compliant numbers, Churchill has continued to move ahead with mine and infrastructure planning at the EKCP. The Company is on schedule to have a comprehensive mine-to-port feasibility study completed by the end of 2009

During the quarter to 30 June 2009, the Company continued to complete detailed engineering plans for the mine, the haulage route, the multi-flight conveyor system and the port. A peer review process of these plans will commence shortly. Concurrently, the Company has completed a detailed field survey of the haulage and conveyor routes and begun land acquisition negotiations. Churchill's geologists are currently now examining areas which will form the future supply of limestone and road base aggregate.

Geotechnical drilling in the north of the RTM block has already been completed to measure rock competency for future open pit mining. Geotechnical drilling is also now underway in the southern area of the block. Further holes will soon be drilled to sterilise an area near the middle of the resource envelope, which has been identified as the location for the coal processing plant.

Joint Venture Partners

As advised previously, Churchill continues to engage large coal and energy groups about potential joint venture opportunities at the EKCP. To date, four groups have completed extensive investigations into the project and are between 50% - 70% of their way through their respective detailed due diligence, including having appointed investment banks and others to complete valuations based on the project. Whilst these groups are substantially advanced in their investigations, Churchill can give no assurance on whether this will lead to an offer or whether any potential offer will be to the satisfaction of Churchill. The Company also continues to have ongoing discussions with a number of investment and project financing institutions.

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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 has been completed and detailed scoping and pre-feasibility work has begun.

In 2008, the Company released an updated JORC-compliant Resource Statement defining 1.4 billion tonnes of thermal coal resources.

This updated JORC-compliant 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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