

4 May 2012

AIM: CHL

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

**Letter to the President of Indonesia and update on International  
Arbitration against the Republic of Indonesia**

Churchill Mining plc (AIM: CHL) ("Churchill" or the "Company") advises that it has filed a further formal letter to his Excellency the President of the Republic of Indonesia, seeking support and legal protection in order to achieve an amicable and commercial resolution to the Company's investment dispute in the East Kutai Coal Project ("EKCP") (Churchill 75%).

The letter highlights the Company's investment in Indonesia and the subsequent actions of various Indonesian parties, both government and private, aimed at illegally expropriating the Company's legitimate rights to develop the project. Churchill believes these actions to be in direct breach of both Indonesian law and Indonesia's obligations under the Bilateral Investment Treaty between the United Kingdom and the Republic of Indonesia.

The letter follows initial formal correspondence in November 2011 and also the recent notations on the Indonesian Supreme Court's register of cases, that indicates the Supreme Court intends to reject the appeal by Churchill/Ridlatama in relation to the revocation of the four mining licenses that comprise the EKCP (Please refer to the RNS dated 3 April 2012).

Churchill Mining's Chairman, David Quinlivan commented, "We are determined to continue to seek a full and legitimate remedy for our shareholders and have provided the opportunity for government intervention to protect our rights as a foreign investor in Indonesia."

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

Churchill continues to prepare its claim against the Republic of Indonesia for direct breaches of Indonesia's obligations under the Bilateral Investment Treaty between the United Kingdom and the Republic of Indonesia. As previously advised the Company will file its claim at the International Centre for Settlement of Investment Disputes in Washington D.C in late May 2012.

Churchill will be seeking full relief owed to it under the provisions of the United Kingdom / Indonesia Bilateral Investment Treaty and under customary International law.

A copy of the letter will be made available on the company's website at [www.churchillmining.com](http://www.churchillmining.com)

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

**END**

For further information, please contact:

**Churchill Mining Plc**  
David Quinlivan/Russell  
Hardwick  
+ 61 8 6382 3737

**Northland Capital  
Partners Limited**  
Shane Gallwey / Luke Cairns  
+44(0)20 7796 8800

**Travistock Communications**  
Paul Youens / Jos Simson /  
Lydia Eades  
+44(0)20 7920 3150