

CHURCHILL MINING PLC

(“Churchill” or “the Company”)

Update on Strategic Process and timing of Administrative License Review

Churchill Mining Plc (AIM: “CHL” or “the Company”) advises that it has received significant interest in the East Kutai Coal Project (“EKCP” or “the Project”) and has received a growing number of specific proposals, as part of the ongoing strategic process to determine the most beneficial path forward to fund and develop the Project.

Prospective Partners

Initial proposals have ranged from an emphasis on direct entry into the Project at the local Indonesian company level (in which the mining licenses are held), through to procuring a large equity stake in the Company. Further, certain potential investment partners have proposed that the mining and infrastructure elements of the EKCP should be separated, so as to be dealt with and funded on a separate basis.

Additionally, a number of investors have expressed interest in either buying out the 25% of the Project held by Churchill’s Indonesian partners, the Ridlatama Group (“Ridlatama”) or providing funding to Churchill to complete this action itself and to bring the Project under the Company’s sole control.

In all cases, prospective partners have been required to address their ability to fund the capital required to develop the project.

Whilst a short list has not yet been compiled, the Company is currently examining three early specific proposals from Indonesia, India and the Middle East respectively, in which the acquisition in some form, of Ridlatama’s 25% holding in the EKCP, is an integral component.

The due diligence process being conducted by various potential investor partners is at different stages of completion and as with the nature of such processes, Churchill may be required to offer some flexibility regarding completion schedules.

Administrative License Review

In September 2010, the Company and Ridlatama, in consultation with the Company’s Advisory Board and its Indonesian lawyers, initiated an administrative review, to further protect the legal standing of the four mining licenses which constitute the Project, so as to underpin the licenses during this crucial period of development and valuation of the assets.

Churchill and Ridlatama initiated the administrative review of the EKCP's licenses in order to ensure that the full valuation of the East Kutai Coal Project is derived from the strategic process. The review will address ongoing irregular actions and misrepresentations by third parties in Indonesia in respect to the mining licences for the East Kutai Coal Project.

The regional Administrative Tribunal in Samarinda, East Kalimantan, indicated last Thursday that the results of this process in respect of the licenses held by the EKCP will be announced by mid-March 2011.

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