

3 May 2011

AIM: CHL

CHURCHILL MINING PLC
("Churchill" or the "Company")
Placement to Indonesian Parties to Raise £7.7 Million

Churchill (AIM: CHL) is pleased to announce that it has agreed a private placement of ordinary shares to Mr. Rachmat Gobel and Ms. Fara Luwia, through a jointly-held company majority owned by Mr. Gobel.

The placement will be for 19,345,000 new ordinary shares ("Subscription Shares") at a price of 40 pence per share, representing a 60% premium to the 20-day volume weighted average share price as of 28 April 2011. The new shares will be issued and admitted to trading on AIM during May. The transaction will raise more than £7.7 million (approximately US\$12.8 million) and brings to Churchill a significant Indonesian shareholder that has both the financial capacity and local presence necessary to help see the East Kutai Coal Project through from its current legal challenges to its production phase. Following completion of the placement, it is anticipated that Mr. Gobel and Ms. Luwia jointly will hold approximately 16.5% of the enlarged issued ordinary share capital of Churchill.

Mr. Gobel is the President Director and majority owner of PT Gobel International. PT Gobel International is a well-known and highly respected company with an impressive track record of partnering with international companies in Indonesia. It recently celebrated the 50th anniversary of its successful partnership with the Matsushita Corporation (now Panasonic Corporation), and is the local representative of Qatar Telecom in PT Indosat Tbk, one of the largest mobile telecommunications providers in Indonesia. Mr. Gobel serves as the director for numerous corporations within the PT Gobel International, as well as Commissioner of PT Indosat Tbk and PT SMART, Tbk. He is the Vice Chairman of the Advisory Board of the Indonesian Chamber of Commerce and Industry, the Vice Chairman of the Employers' Association of Indonesia, and the Chairman of the Patronage Council of the Indonesian-Japan Economic Committee. In addition to his business activities, Mr. Gobel is the Vice Chairman of the Indonesian Red Cross and the Vice Chairman of the Indonesian Olympic Committee, as well as Executive Chairman of the Organizing Committee of the SEA Games for 2011.

Ms. Luwia is a successful Indonesian businesswoman who is currently developing one of the largest modern rice mills in Indonesia in partnership with a large global commodities trader based in Switzerland. Previously, Ms. Luwia was involved in the franchise business of major European brands in clothing and furniture, and was also active in real estate for more than 12 years.

As part of the transaction, Mr. Gobel and Ms. Luwia will be entitled to appoint two directors to the board of Churchill.

Churchill will use the proceeds of the placement for the further development of the East Kutai Coal Project.

Commenting on the placement, David Quinlivan, Executive Chairman of the Company, said, “Churchill welcomes Mr. Gobel and Ms. Luwia as both shareholders and strategic partners. They have a significant on-ground presence in Indonesia and Churchill believes that they will provide the local expertise and experience necessary to advance the East Kutai Coal Project through to its production phase in the most expeditious manner possible.”

Mr. Gobel added, “I am looking forward to working with Churchill to advance the East Kutai Coal Project into development. I believe that this project will be a significant contributor to East Kalimantan’s economy and bring substantial benefits to the region and Indonesia as a whole.”

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