

CHURCHILL MINING PLC

("Churchill") or ("the Company")

Update on New Indonesian Mining Laws

Churchill wishes to inform the market that after due consideration of the Indonesian Bill on Mineral and Coal Mining ("New Mining Law") passed in Jakarta on 16 December 2008, the Company's legal advisers believe that there should be no material effect at this stage on its East Kutai Coal Project.

Whilst the law makes reference to existing Contracts of Work to be amended to conform with the provisions of the New Mining Law, Churchill's East Kutai Coal Project is based upon mining licences (Kuasa Pertambangan). The New Mining Law makes no reference to Kuasa Pertambangan being revoked, amended or adjusted in any way. If further Government regulations do require Kuasa Pertambangan to comply with the new forms of licence contemplated under the New Mining Law (in relation to matters such as maximum mining area size, term of licences etc), Churchill's review of the provisions of the New Mining Law demonstrate that any such amendment will not have a material impact on the project.

Churchill shall continue to monitor legal and other developments in Indonesia and any resulting effect on its business within the country.

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