

23<sup>rd</sup> June 2006

The Directors of Churchill Mining Plc (AIM: CHL) announce that first test results from outcrop samples gathered at its Sendawar coal project in Kalimantan, Indonesia, have confirmed the presence of high calorific coal. Whilst the sampling is early stage and limited, the Directors are encouraged by the results of testing from 2 x 3kgs samples, which in addition to being high calorific coal are also low in moisture and have a high fixed carbon content.

Coal with a calorific value above 6,300 Kcal/kg is deemed to be high calorific value thermal coal and has a current potential sale value of approximately USD 40.00 per tonne FOB (free on board, 6,300 Kcal/kg, Mahakam delta area, Samarinda, East Kalimantan), as opposed to low calorific thermal coal (<5,800 Kcal/kg) which is currently priced at approximately USD 22.00/tonne FOB (Mahakam delta area, Samarinda, East Kalimantan).

### **CHURCHILL MINING PLC**

("Churchill" or "the Company")

#### **Sendawar Coal Project, Indonesia – Update**

##### **Highlights:**

- First phase outcrop sampling confirms presence of high calorific coal
- Tender issued for 100 hole diamond drill program to begin in August

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The Company submitted the two batches of coal for sampling as part of its program to understand structural controls in the area. To date more than 72 areas have been profiled and mapped and this work is ongoing.

The results recorded from the seam samples were:

	Total Moisture	Inherent Moisture	Ash	Volatile Matter	Fixed Carbon	Total Sulphur	Kcal/kg
	As Received	Air Dried Basis (ADB)					ADB
	%	%	%	%	%	%	
<b>Sample 1</b>	<b>4.09</b>	<b>2.98</b>	<b>2.32</b>	<b>35.27</b>	<b>59.43</b>	<b>1.88</b>	<b>7,648</b>
<b>Sample 2</b>	<b>10.28</b>	<b>8.06</b>	<b>2.30</b>	<b>32.65</b>	<b>56.99</b>	<b>1.63</b>	<b>6,644</b>

Churchill now has 15 local and expatriate geologists at site exploring the northern and eastern boundaries of its ground position, which in total covers more than 1,000 km<sup>2</sup>. These field operatives are being logistically supported by a freshly-established base in the town of Melak with ultimate co-ordination coming from the Company's newly-created office in Jakarta.

The Company is currently considering four tenders for a 100 hole diamond drilling programme which will run from the beginning of August 2006 to approximately the end of February 2007. The programme is a first-pass exploration campaign to test prospective locations near its northern tenement border.

Churchill's northern ground abuts the privately-owned Gunung Bayan mine which has been operating since 1998 and produces approximately 3.4 million tonnes per annum of quality thermal coal. Gunung Bayan's resource position is greater than 300 million tonnes.

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#### Notes to Editors

Churchill Mining Plc listed on AIM in April 2005. It has two projects and in 2006 raised GBP5.25 million to acquire and explore the Sendawar project.

### **South Woodie Woodie**

The South Woodie Woodie project covers approximately 490 square kilometres in the East Pilbara region of Western Australia. Owned via Churchill Mining's wholly-owned subsidiary, Planet Mining Pty Ltd, the project sits approximately 400km southeast of Port Hedland in the highly prospective Pilbara manganese province. Churchill owns the project 100%. The company recently completed a 6,600 line kilometre airborne magnetics program at South Woodie Woodie and will drill its first target area, Enacheddong Creek, in early July.

### **Sendawar**

Churchill Mining is exploring for coal in Indonesia at its Sendawar project in Kalimantan. The project covers more than 1,000 square kilometres of prospective ground and lies in close proximity to two operating open-cut mines: Thai miner Banpu's newly commissioned Trubaindo operation, which will be shortly producing at a rate of approximately 6 million tonnes per annum (tpa); and the privately-owned Gunung Bayan mine which has been operating since 1998 and produces approximately 3.4 million tpa. Coal from these mines is transported by barge via the Mahakam River to the port of Samarinda. The Sendawar project is located approximately 50km from the Mahakam River.