

27 May 2009

CHURCHILL MINING PLC

("Churchill" or "the Company")

CHURCHILL COMPLETES CAPITAL-RAISING TO ADVANCE INDONESIAN THERMAL COAL PROJECT

The Board of Churchill Mining (AIM:CHL) is pleased to announce that it has raised £5,000,000 (gross of expenses) through the placing (the 'Placing') of 10,000,000 new ordinary shares of 1p each ("Placing Shares") at 50p per share with institutional investors. The proceeds will be used to advance the East Kutai Coal Project and for general working capital.

The Placing utilises the Company's existing authorities, and the Placing Shares equate to 12.9 percent of the Company's enlarged issued share capital. The Placing Shares will, upon issue, rank pari passu in all respects with the existing ordinary shares. Admission of the Placing Shares is expected to take place on 3 June 2009, bringing the Company's total issued and voting share capital to 77,388,514. The Company has agreed deferred settlement for 264,000 Placing Shares which will be paid for on 10 June 2009.

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Notes to editors

Churchill Mining Plc listed on AIM in April 2005.

East Kutai Coal Project

In May 2007 Churchill announced a sales agreement had been entered into to purchase a 75% interest in the East Kutai Coal Project from PT Techno Coal Utama. Churchill subsequently extended the size of the project by 200 square kilometres by acquiring a 75% interest in the abutting tenements to the west of EKCP from the Investmine Group of Indonesia.

In September 2008 the Company released an updated JORC Resource Statement defining 1.4 billion tonnes of thermal coal resources, and in May 2009 the Company announced its global resource had more than doubled to 3.18 billion tonnes of thermal coal.

The new global resource of 3.18 billion tonnes is expected to be upgraded into JORC categories once the final digital survey data has been processed.

Sendawar – CBM

The Sendawar CBM project in Kalimantan, Indonesia, covers more than 800 square kilometres of prospective ground and lies in close proximity to two operating open-cut coal mines. The project is located approximately 50 km from the Mahakam River.

During Churchill's coal exploration programme, data collected during geophysical and resistivity work, along with data collected from previous oil and gas exploration in the area, indicated that the area was highly prospective for Coal Bed Methane.

Churchill (70% of the CBM project) along with its Indonesian partner RMU (30%) were granted Indonesia's first CBM JEA license in September 2007. The CBM project has the potential to host Gas-in-Place of 5.6 trillion cubic feet.

South Woodie Woodie

Given the increased prospectivity of South Woodie Woodie and Churchill's increasing focus on its Indonesian coal and coal bed methane projects, the Company sold 80% of the project to Australian company Spitfire Resources Limited ("Spitfire").

Spitfire, which listed on the ASX on the 12th December 2007, has the option to purchase the remaining equity in the project but must spend AUD\$1.5 million on exploration. Aside from its large shareholding in Spitfire, Churchill also retains a price-indexed mining royalty over the South Woodie Woodie project.

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