

05 March, 2009

CHURCHILL MINING PLC
("Churchill" or "the Company")

PROJECT UPDATE

Churchill Mining PLC (AIM:CHL), the Indonesia focused mining company with a JORC resource of 1.4 billion tonnes of thermal coal at its East Kutai Coal Project ("EKCP"), is pleased to provide an update on progress with haulage options and negotiations with potential project investors.

Haulage Options

As announced on 4 February 2009, three prospective investors have been carrying out full due diligence of the EKCP site. This process has also included studies of alternative haulage methods and routes to port.

Engineering teams are examining the preferred transport route which is a combination of haul road and conveyor system to the east of the project. Currently three surveys are being conducted around the project. A land survey of the eastern haul road and conveyor corridor, a land survey of the coastal port site and a hydrographic survey of the coastal port site.

The Regent of East Kutai has confirmed in writing his support for Churchill and its partners to develop the project and construct the haulage system and port. The Company is also pleased to confirm that The Regent has also instructed the Departments of Mining, Planning, Forestry and Environment to help Churchill and its partners to expedite the development of the East Kutai Coal Project.

Project and Financing Update

Following a delay due to adverse weather conditions, reserve drilling is expected to be completed in a fortnight. This will be followed by a laser aerial survey and the digging of a test pit and building of a coal stockpile for testing.

Negotiations are continuing with various prospective project finance investors, potential Joint-Venture partners and financiers. It is anticipated that the haulage methods will be tailored to fit the needs of the investor. Churchill wishes to advise that no final deal has been completed at this point and there can be no guarantee that a deal with any of these companies will be reached.

Further updates will be provided in due course.

ENDS

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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 has now 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. Resource drilling continues along with detailed scoping and pre-feasibility work.

In 2008 the Company released an updated JORC Resource Statement defining 1.4 billion tonnes of thermal coal reserves and resources.

END.