

11 November 2011

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

Dispute with Ridlatama

Churchill Mining plc (AIM: CHL), ("Churchill" or the "Company") provides an update on the dispute with members of the Ridlatama group in relation to breaches of the 2008 investors agreements entered into between Churchill's subsidiary, PT Indonesia Coal Development ("ICD"), and members of the Ridlatama Group.

In the course of the above referenced dispute, ICD has received two letters from Ridlatama group companies, PT Investmine Nusa Persada ("INP") and PT Investama Resources ("IR"), in which ICD still holds a beneficial interest, claiming that ICD failed to make the initial purchase payments nominated in the Investors Agreement and that as a result of this failure, INP and IR were seeking to unilaterally terminate the Investors Agreement with ICD.

ICD categorically denies the allegations made and says that all payments due for the purchase of its interest in these companies pursuant to the terms of the Investors Agreement have been made in full. ICD has also referred the two letters received from INP and IR to its solicitors in Indonesia and Singapore and received advice that the INP and IR letters have no legal merit and are ineffective. Accordingly ICD will take whatever action it deems necessary to fully protect its legal rights in this matter.

The IR license holds approximately 6.8% of the JORC resource within the East Kutai Coal Project and no resources have to date been identified on the INP license.

ICD is continuing with the unlawful act claims against Mr Rinaldi in Indonesia in addition to arbitration proceedings in Singapore against other members of the Ridlatama Group for breaches of the investor's agreements.

The Company will provide a further update to the market on this dispute when available.

END

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