

21 December 2011

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

**Dispute with Ridlatama**

Churchill Mining plc (AIM: CHL), provides an update on the dispute with members of the Ridlatama group.

**Background**

As previously advised on 15 August 2011, Churchill's subsidiary PT Indonesia Coal Development ("ICD") lodged a claim against Mr Andreas Rinaldi in Indonesia in addition to commencing arbitration proceedings in Singapore against other members of the Ridlatama Group for breaches of the investor's agreements. As also advised on 11 November 2011, ICD also received certain letters from Ridlatama Group companies by which they purported to terminate the 2007 Investors Agreement with ICD.

**Update**

Further to the above arbitration proceedings, ICD has now been served with a counter claim filed on behalf of the Ridlatama Group. The counterclaim seeks an order that ICD's 75% interests in PT Ridlatama Tambang Mineral and PT Trade Powerdino be declared null and void. The claim is based essentially on the same matters alleged in the above referenced letters and described in the 11 November announcement, namely alleged failure to make certain payments by ICD.

ICD considers the Ridlatama counter claim frivolous and categorically denies the allegations made. All the relevant payments were made, and ICD continues to believe the claims to be baseless.

ICD has referred the new claims to its solicitors in Indonesia and believes these claims have no commercial or legal merit and will continue to take whatever action it deems necessary to fully protect its legal rights in this matter.

Further details in relation to the dispute with the Ridlatama Group can be found on the company's website at <http://www.churchillmining.com/investor-information/view/ridlatama-dispute>

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