

12 January, 2009

Churchill Mining Plc
“Churchill” or “the Company”

Alliance Heads of Agreement signed with Leighton for the development of the East Kutai Coal Project in Indonesia

Churchill Mining Plc, (AIM:CHL) the Indonesia-focused resources company with a JORC compliant resource of 1.4 billion tonnes of thermal coal at its East Kutai Coal Project (“EKCP”), is pleased to announce that it has signed an Alliance Heads of Agreement (“H.O.A”) with PT Leighton Contractors Indonesia (“Leighton”).

Leighton is a part of Leighton International Limited, which in turn is a part of the Leighton Group – Australia’s largest contracting and project development group which includes not only Leighton International but also other large companies including Thiess, John Holland, Leighton Contractors, Leighton Asia, Leighton Properties and Henry Walker.

The H.O.A, which was signed between Churchill’s Indonesian operating subsidiary, PT Indonesia Coal Development, and PT Leighton Contractors Indonesia, details the framework by which the two groups will work together to facilitate Churchill’s plans to bring the EKCP into production.

Under the H.O.A, Leighton will advise Churchill as it continues to develop engineering, procurement and construction solutions for both the Fast Track Operational Mining Study (“Stage-1”) and the Long Term Infrastructure and Mining Study (“Stage-2”) for the EKCP.

As part of the agreement Leighton will prepare and submit contractual, technical and financial proposals for Churchill to consider. In return, Leighton will be granted a preferred contracting party status for the provision of the Stage-1 and Stage-2 works and for the mining operation stage subject to the final proposals submitted by Leighton being deemed competitive by both Churchill’s own team and Churchill’s technical consulting group, Trans Tek Engineering.

Churchill has reserved the right to seek other proposals to determine competitive market rates and both groups will work towards a “Best for Project” outcome with regards to any future development. In the event that a contract is not entered into between Leighton and Churchill, Churchill will reimburse Leighton’s costs to an agreed level.

The Leighton group is vastly experienced in the global coal mining industry and is now the world's largest contract miner. The group's subsidiary companies have a very strong presence and wide operating experience in Indonesia. Leighton is currently contracted to operate the Wahana, MSJ and MHU coal mines in Kalimantan.

Churchill's Managing Director, Paul Mazak, commented;

“Joining forces with Leighton, a highly reputable player with vast experience in the Indonesian coal sector, is a major step forward for Churchill. It ensures that we bring tremendous level of technical expertise to the EKCP development. Leighton's contribution will be instrumental in the months ahead as we are moving EKCP into production.”

Churchill Mining Plc

Managing Director - Paul G. Mazak

+62 81510539186 / + 62 21 39832398

paul.mazak@churchillmining.com

Blue Oar Securities

Romil Patel

+44(0)20 7448 4000

Olly Cairns

+61 (0)8 6430 1631

Pelham PR

Candice Sgroi

+44 (0) 20 7743 6376

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.

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. Churchill is currently conducting further studies on the CBM project before starting detailed field work.

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.

In March 08 Spitfire announced that it had secured the strategic support of the diversified Norwegian-based industrial, trading and metals & alloys group, **Tinfos AS** ("Tinfos"), as its new major shareholder via a share placement.

END