

26 April 2010

AIM: CHL

CHURCHILL MINING PLC
(“Churchill” or the “Company”)

Memorandum of Understanding signed with PLN subsidiary

Churchill Mining Plc (AIM: CHL) is pleased to announce that it has signed a Memorandum of Understanding (“MOU”) with a subsidiary of PT. Perusahaan Listrik Negara (PLN), the Indonesian state electricity firm. Under the MOU, PLN-Batubara (PLN-B) will review the purchase of up to five million tonnes per annum (5Mtpa) of coal from Churchill. This additional coal production would be over and above the 20Mtpa already planned for mining in the northern area the project, significantly increasing Churchill’s forecast coal sales.

A Joint Study Group will be established to focus on the use of the PLN’s coal drying and enhancement technology (“Licol”) for use with coal from the East Kutai Coal Project. Initial testing on Churchill’s coal with the Licol process has already successfully upgraded Churchill’s sub-bituminous coal to coal with bituminous characteristics, increasing its value.

Upon successful conclusion of the review, PLN-B would build an initial commercial Licol coal enhancement plant module of 250,000tpa at its cost, to be followed by additional modules to enable the production of up to 5Mtpa of enhanced coal.

The MOU with PLN-B is part of the PLN’s plans to enter into strategic arrangements to assist the owners of coal concessions to develop their projects, as stated by the President Director of the PLN, Mr. Dahlan Iskan, “We offer direct partnerships to develop coal concessions. In this venture PLN will provide capital expenditure and royalties to [mining rights] owners.”

The current plan for production at the East Kutai Coal Project is for a 20Mtpa mining operation from the 400Mt of JORC Reserve in the planned northern pit. The other 600Mt of Churchill’s 1 Billion Mt JORC Reserve is located in the planned central and southern pits. Coal supply to PLN-B would come from the southern pit.

Churchill Mining M.D. Paul G. Mazak commented:

“We are extremely pleased to have signed an MOU with PLN-B. We view PLN as a very valuable government partner in Indonesia. Additionally, this provides Churchill with an opportunity to significantly scale up production plans at the East Kutai Coal Project by a further 5Mtpa, building on our plans to produce 20Mtpa. Importantly, a supply agreement with PLN-B would also mean that Churchill would achieve its Domestic Market Obligation to supply coal into the Indonesian market.”

“This represents a considerable opportunity for Churchill, as the Company seeks to assess strategic opportunities to move forward with its EKCP project and fast track development.”

For further information, please contact:

Churchill Mining Plc

Managing Director - Paul G. Mazak

+62 81510539186 /

+62 21 39832398

+61 8 6382 3737

paul.mazak@churchillmining.com

Astaire Securities

Shane Gallwey /

Toby Gibbs

+44(0)20 7448 4400

Pelham Bell Pottinger

James MacFarlane /

Charles Vivian

+44 (0) 20 7337 1533 or

+44 (0) 7894462114

END