

26 May 2010

CHURCHILL MINING PLC

("Churchill" or "the Company")

Placing to raise GBP 16.1 million and Mining Reserve Update

The Board of Churchill Mining (AIM:CHL) is pleased to announce that it has raised US\$ 23.2 million (GBP 16.1 million) before expenses, through the placing (the 'Placing') of 16,087,700 new ordinary shares of 1p each ("Placing Shares") at 100p per share with institutional investors. The proceeds will be used to advance the East Kutai Coal Project as it moves to development and production and for general working capital.

Placing Highlights

- GBP 16.1 million raised through the placing of 16,087,700 Placing Shares at 100p. The placing was oversubscribed and the offer size increased to the maximum number of shares available to be issued under existing authorities
- The 16,087,700 new ordinary shares of 1 penny each ("Ordinary Shares") being issued will represent approximately 16.6 per cent. of the enlarged share capital
- The proceeds from the placing are to be used to advance the East Kutai Coal Project, as the project moves to the development and production phase, and for general working capital
- Application has been made to the London Stock Exchange for 16,087,700 Ordinary Shares to be admitted to trading on AIM on 2 June 2010, bringing the Company's total issued and voting share capital to 96,727,354
- The new Ordinary Shares will rank equally with the Company's existing Ordinary Shares
- Astaire Securities acted as sole broker to the Placing

Reserve Update

Following additional analysis undertaken by independent coal geology and mining specialists SMG Consultants ("SMGC"), Churchill also announces an update to the JORC Mining Reserve of just under 1 billion tonnes of thermal coal for the EKCP, in which Churchill Mining has a 75% interest.

The East Kutai Coal Project Geological Reserve statement, compiled by SMG Consultants, defines the updated reserve as follows:

	Updated	Announced October 2009
JORC Mining Reserve	961 million tonnes	956 million tonnes
JORC Resource		

Measured	693 million tonnes	556 million tonnes
Indicated	825 million tonnes	777 million tonnes
Inferred	1,212 million tonnes	1,149 million tonnes
Total JORC Resource	2,730 million tonnes	2,482 million tonnes

Paul Mazak, Managing Director commented:

“I’d like to thank existing shareholders for their exceptionally strong support in this capital raising. In particular Pala Investments who have contributed additional funds so as to maintain their current level of equity in the Company and Advaita Partners, who are involved in the Indian power industry and who have significantly increased their stake from 8 per cent to 15 per cent of the enlarged share capital. I also welcome new institutional shareholders to our register. These funds will help Churchill move into the next phase of our development of the world class East Kutai Coal Project.”

The Placing utilises the Company's existing authorities, and the Placing Shares equate to 16.6 percent of the Company's enlarged issued share capital.

JORC Statement

This reserve statement confirmed during May 2010 has been prepared in accordance with the JORC Code 2004.

In accordance with the AIM Guidelines, Mr. Keith Whitchurch of SMG Consultants, is the qualified person that has reviewed the technical information contained in this release.

The information in this statement relates to Coal Reserve of the East Kutai Coal Project and is based on information compiled by Keith Whitchurch, who is a Member of the Australasian Institute of Mining and Metallurgy, and is employed as a Principal Engineer by PT SMG Consultants. Keith Whitchurch has sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the “Australasian Code for Reporting of Mineral Resources and Ore Reserves”. Keith Whitchurch has over 25 years experience in planning and mining of coal deposits.

For further information, please contact:

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