

18 June 2010

AIM: CHL

CHURCHILL MINING PLC

("Churchill" or "the Company")

Churchill takes direct ownership in the Ridlatama Tambang license area of the East Kutai Coal Project

The Board of Churchill Mining (AIM: CHL) is pleased to announce that, in accordance with the new Indonesian Mining Law, Churchill has completed the initial stage of its Indonesian restructuring and has converted its 75% beneficial interest in the Ridlatama Tambang license area into a direct equity interest.

The Ridlatama Tambang license area is the larger of the two IUP licenses that make up the East Kutai Coal Project, with a resource of 2.545 billion tonnes, or 93.2% of the 2.730 billion tonne resource of the East Kutai Coal Project. Churchill has also converted to a 75% direct ownership in PT Ridlatama Trade Powerindo, which holds a prospective 5,386 hectare license area adjacent to the Ridlatama Tambang license area, on which no drilling has been done to date.

On 12 January 2009 a new Indonesian Mining Law came into effect enabling foreign companies to take direct equity ownership in local PT companies holding mining concessions. Prior to the new Mining Law becoming effective, the Company held its interest in the East Kutai Coal Project through contractual arrangements similar to those typically used by other foreign companies operating in Indonesia.

Paul Mazak, Managing Director, commented:

"The new Indonesian Mining Law provides the direct ownership solution that simplifies our Indonesian structure significantly. We have worked closely with our Indonesian partners at the Ridlatama Group and our advisors Hiswara Bunjamin & Tandjung, in association with Herbert Smith LLP, PricewaterhouseCoopers Indonesia and Pala Investments AG to achieve an excellent outcome consistent with the new Mining Law in Indonesia.

"Direct ownership provides us with a considerably higher degree of flexibility over EKCP, which will enable us to accelerate our development programme going forward. This is a significant milestone for Churchill as we look to leverage off the increasingly strong base, which we have established, to emerge as a major coal producer in the region."

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