

7 December 2016

AIM: CHL

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

**CHURCHILL'S CLAIM AGAINST INDONESIA STRUCK OUT**

The Directors of Churchill Mining plc (AIM:CHL) advise that earlier today the ICSID Tribunal ("Tribunal") granted Indonesia's application to dismiss the Churchill claims for damages arising out of the revocation of the mining licenses that made up the East Kutai Coal Project in East Kalimantan ("EKCP") Indonesia.

The Tribunal's decision has included the following findings:-

- (1) Thirty four (34) disputed documents were held to be not authentic;
- (2) The forger of the disputed documents was most likely a person or persons acting for or on behalf of Churchill's Indonesian partner the Ridlatama group in collusion with a person inside the East Kutai Regency;
- (3) There was no finding that Churchill or its officers were involved in any forgery;
- (4) Churchill's due diligence investigations conducted at the time of acquiring the East Kutai Coal licenses were insufficient;
- (5) The claims brought by Churchill in this arbitration are dismissed; and
- (6) Churchill is ordered to pay a total of USD 9,446,528 in costs and arbitration tribunal fees.

Churchill Chairman David Quinlivan said "We are obviously extremely disappointed by the Tribunal's decision and the fact that the Tribunal drew no adverse inferences against Indonesia following the refusal by Mr Isran Noor to attend the August 2015 hearing so that he could be cross-examined and the refusals by Indonesia to provide documents that the Tribunal itself considered *prima facie* relevant. While we are still reviewing the reasons, the Tribunal appears to have accepted that Mr Noor was deceived into signing the exploitation licenses despite his non-appearance and his witness statement having been struck from the record. Indonesia has always conceded that the EKCP exploitation licenses were validly issued and signed and it is difficult to understand how the Tribunal found otherwise on the evidence available."

The ICSID process allows Churchill to request annulment of the award by an application in writing addressed to the Secretary-General on the following grounds:

- (i) that the Tribunal was not properly constituted;
- (ii) that the Tribunal has manifestly exceeded its powers;
- (iii) that there has been a serious departure from a fundamental rule of procedure; or
- (iv) that the award has failed to state the reasons on which it is based.

Churchill believes there are grounds to annul this award and is working with its lawyers Clifford Chance LLP to determine which of the above grounds may be available. As part of that application, Churchill would seek a stay of the costs orders that have been made.

As referred to above, Churchill has been ordered to pay a total of USD 9,446,528 in costs and arbitration tribunal fees and accordingly the suspension in trading of the Company's shares on AIM will remain in place pending clarification of the Company's financial position

A full copy of the Tribunal decision on Indonesia's forgery dismissal application will be available on the Company's website [www.churchillmining.com](http://www.churchillmining.com) and the website of the International Centre for Settlement of Investment Disputes at <https://icsid.worldbank.org/apps/ICSIDWEB/Pages/default.aspx> (under cases for "Churchill").

This announcement contains inside information for the purposes of Article 7 of EU Market Abuse Regulation 596/2014.

ENDS

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