
Churchill Mining and Leighton ink deal for East Kutai coal project

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It is reported that Churchill Mining PLC has signed an Alliance Heads of Agreement with PT Leighton Contractors Indonesia for the development of the East Kutai coal project in Indonesia with a JORC compliant resource of 1.4 billion tonnes of thermal coal.

Under the deal, Leighton will advise Churchill as it continues to develop engineering, procurement and construction solutions for both the Fast Track Operational Mining Study and the Long Term Infrastructure and Mining Study for the project. Leighton will prepare and submit contractual, technical and financial proposals for Churchill to consider and Leighton will be granted a preferred contracting party status for the provision of the Stage-1 and Stage-2 works.

The company said that Churchill is reserving the right to seek other proposals to determine competitive market rates. In the event that a contract is not entered into between Leighton and Churchill, Churchill will reimburse Leighton's costs to an agreed level.

Mr Paul Mazak MD of Churchill said that "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."

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