THE CHURCHILL CORPORATION

For immediate release
Thursday, March 31, 2005

CHURCHILL ANNOUNCES 2004 RESULTS

The Churchill Corporation today reported its financial results for the year ended December 31, 2004.

Key results of the year include:

- Revenue was $334.6 million, up $15.2 million from $319.4 million in 2003.
- Net loss was $6.2 million ($0.51 loss per share), compared with net loss of $3.7 million ($0.31 loss per share) in 2003.
- Work-in-hand at year-end was $251.5 million, down $62.2 million from $313.7 million at the end of 2003.

"2004 was expected to be a turn-around year after our poor 2003 and indeed that was the case for several of our operating companies. However, the results from two of our companies negatively affected the Corporation's overall financial results" said Hank Reid, Churchill's Interim President and Chief Executive Officer. "As we announced on January 20, 2005, the start-up costs at our new fabrication facility, combined with contract losses on Triton's initial fabrication contracts, were approximately $4.5 million higher than anticipated. This resulted in a deterioration of our fourth quarter results."

"Our revenue was $334.6 million, up 4.8% over 2003, as many of the client delayed projects from prior years moved into the construction phase. Our building construction division, Stuart Olson, had a good year on increased revenue and much improved operating income. The industrial market continued to be slow early in the year but picked up in the latter half resulting in an overall increase in revenue from the prior year. Our insulation businesses, particularly Fuller Austin, had a good year financially. Laird Electric, however, struggled with lower revenue and tighter contract margins and Triton failed to execute profitably on its fabrication contracts."

"As a result of the financial losses of the last few years, and in particular 2004, Churchill's working capital has been reduced. The Corporation is in the process of arranging for additional financing to replenish the working capital to fund both the present work program as well as future growth opportunities."

"Churchill's markets all improved during the latter months of the year and this is expected to carry forward throughout 2005. The oil sands and heavy oil mega projects are moving from engineering into the construction phase which will result in Alberta being one of the best construction markets in North America over the next decade. We believe that our strategy to increase our opportunities in the oil sands construction market by building a modular fabrication facility is sound; however our project execution in the start-up was flawed. We are committed to implementing measures to improve our productivity and production, and consequently achieving the designed operating efficiency of the facility."

"In addition to the fabrication plant start-up issues, many of our financial performance difficulties of the last few years were related to our misjudging the timing of new work in our various markets. This resulted in low revenue relative to our capacity while also driving down contract margins. These conditions are now greatly lessened as significant opportunities are now before us. We are encouraged by the progress we have achieved in the past several months and are confident in Churchill's future prospects."

Fourth quarter highlights include:

- Revenue was $101.8 million, compared to $95.8 million in 2003.
- Net loss was $3.7 million ($0.31 loss per share), compared with net loss of $0.5 million ($0.04 loss per share) in 2003.

CONSOLIDATED BALANCE SHEETS

as at December 31,

($ thousands)	2004	2003
Assets		
Current Assets		
Cash and equivalents	**$ 11,719**	$ 14,622
Term deposit	**4,000**	-
Accounts receivable	**77,325**	67,513
Inventories and prepaid expenses	**1,663**	1,410
Properties for sale	**103**	103
Income taxes recoverable	**954**	-
Future income tax assets	**1,921**	-
Current portion of agreement receivable	**-**	138
	97,685	83,786
Future income tax assets	**549**	376
Property and equipment	**15,528**	9,568
Intangible assets	**231**	784
Refundable deposit	**1,000**	1,000
Goodwill	**7,315**	7,315
	$ 122,308	$ 102,829
Liabilities		
Current Liabilities		
Accounts payable	**$ 67,363**	$ 50,949
Contract advances and unearned income	**17,937**	11,454
Income taxes payable	**-**	1,105
Future income tax liabilities	**-**	858
Current portion of long-term debt	**9,358**	1,864
	94,658	66,230
Long-term debt	**1,849**	5,635
Future income tax liabilities	**935**	483
	97,442	72,348
Shareholders' Equity		
Share capital	**4,289**	3,794
Contributed surplus	**5,378**	5,128
Retained earnings	**15,199**	21,559
	24,866	30,481
	$ 122,308	$ 102,829

CONSOLIDATED STATEMENTS OF LOSS

for the years ended December 31,

($ thousands, except per share amounts)	**2004**	2003
Construction Operations		
Contract revenue	**$ 334,618**	$ 319,398
Contract costs	**316,620**	298,094
Contract income	**17,998**	21,304
Interest income	**469**	472
Sundry income	**468**	350
Indirect and administrative expenses	**(24,820)**	(22,937)
Depreciation and amortization	**(3,193)**	(3,226)
Interest expense	**(523)**	(557)
Loss before income taxes	**(9,601)**	(4,594)
Income Tax Recovery (Expense):		
Current income tax	**932**	(4,031)
Future income tax	**2,500**	4,968
	3,432	937
Net loss	**$ (6,169)**	$ (3,657)
Net loss per common share		
Basic and fully diluted	**$ (0.51)**	$ (0.31)

CONSOLIDATED STATEMENTS OF RETAINED EARNINGS

for the years ended December 31,

($ thousands)	**2004**	2003
Retained earnings, beginning of year, as previously reported	**$ 21,559**	$ 25,253
Change in accounting policy, stock-based compensation	**(176)**	-
Retained earnings, beginning of year, restated	**21,383**	25,253
Net loss	**(6,169)**	(3,657)
Share redemption in excess of stated capital	**(15)**	(37)
Retained earnings, end of year	**$ 15,199**	$ 21,559

CONSOLIDATED STATEMENTS OF NET CASH FLOW

for the years ended December 31,

($ thousands)	**2004**	2003
Operating Activities		
Net loss	**$ (6,169)**	$ (3,657)
Non-cash items		
Net equity earnings of affiliate	**-**	(172)
Depreciation and amortization	**3,193**	3,226
Gain on disposal of property and equipment	**(51)**	(136)
Future income taxes	**(2,500)**	(4,968)
Stock-based compensation	**74**	-
	(5,453)	(5,707)
Net change in accounts receivable, inventories and prepaid expenses	**(10,065)**	9,397
Net change in accounts payable, contract advances and unearned income	**22,897**	(492)
Change in income taxes payable	**(2,059)**	3,589
	5,320	6,787
Investing Activities		
Proceeds from agreement receivable	**138**	124
Distributions from equity investee	**-**	1,588
Purchase of term deposit	**(4,000)**	-
Proceeds on disposal of property and equipment	**155**	260
Acquisition of subsidiary	**-**	(12,874)
Additions to property and equipment	**(8,704)**	(2,411)
	(12,411)	(13,313)
Financing Activities		
Issuance of long-term debt	**5,882**	8,678
Repayment of long-term debt	**(2,174)**	(1,857)
Issuance of common shares	**498**	277
Redemption of common shares	**(18)**	(43)
	4,188	7,055
(Decrease) increase in cash	**(2,903)**	529
Net cash, beginning of year	**14,622**	14,093
Net cash, end of year	**$ 11,719**	$ 14,622
SUPPLEMENTAL CASH FLOW INFORMATION		
Cash paid during the year for:		
Interest expense	**$ 508**	$ 565
Income taxes	**$ 1,127**	$ 343

FORWARD-LOOKING STATEMENTS

Certain statements in this press release and attachments may constitute "forward-looking statements". Although Churchill management believes its expectations are based upon reasonable assumptions, it can give no assurance its expectations will be achieved. Such forward-looking statements involve risk, uncertainties and other factors which may cause the actual results, performance or achievements of Churchill to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

The Churchill Corporation provides building construction, industrial construction and maintenance services throughout western Canada. Churchill shares are listed on The Toronto Stock Exchange under the symbol "CUQ".

For further information, please contact:
H.R. (Hank) Reid, MBA, P.Eng.
Interim Chief Executive Officer
The Churchill Corporation
(780) 454-3667
www.churchillcorporation.com

-30-