

THE CHURCHILL CORPORATION

**For immediate release
January 20, 2005**

CHURCHILL SUBSIDIARY INCURS LOSSES ON FABRICATION CONTRACTS

Hank Reid, Interim President and CEO, advises that start-up costs at Churchill's new fabrication facility, combined with contract losses on Triton's initial fabrication contracts, have been approximately \$4.5 million higher than anticipated. This will result in a deterioration in the corporation's fourth quarter 2004 results.

The corporation is investing considerable resources to streamline process efficiency and improve control at the fabrication plant. Process changes have been implemented and significant gains have been achieved to date. Triton will limit plant through-put to allow for completion of these changes and will not gear up to full capacity until consistent profitability has been demonstrated.

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".

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