



PRESS RELEASE

For Immediate Release

November 5, 2007

The Churchill Corporation Reports Third Quarter Results *Quarterly Revenue and Earnings Records*

Edmonton, Canada - The Churchill Corporation (TSX: CUQ) today announced record financial results for its third quarter ended September 30, 2007.

Consolidated Financial Highlights

(\$ millions, except per share amounts)	Three months ended September 30				Nine months ended September 30			
	2007	2006	\$ Change	% Change	2007	2006	\$ Change	% Change
Contract Revenue	\$203.8	\$145.5	\$58.3	40%	\$544.6	\$378.9	\$165.7	44%
Contract Income	17.9	13.4	4.5	34%	47.2	34.4	12.8	37%
EBITDA ⁽¹⁾	9.6	5.4	4.2	78%	22.1	9.6	12.5	130%
Earnings before Tax	8.4	4.6	3.8	83%	19.1	6.8	12.3	181%
Net Earnings	5.6	3.0	2.6	87%	12.9	4.4	8.5	193%
Per Share - Basic	\$0.31	\$0.17	\$0.14	82%	\$0.73	\$0.25	\$0.48	192%
Work-in-hand	734.5	469.6	264.9	56%	734.5	469.6	264.9	56%

⁽¹⁾ Refer to the "Terminology" section for further details.

The Corporation posted third quarter contract revenue of \$203.8 million and net earnings of \$5.6 million, or \$0.31 per basic share. These results compare to contract revenue of \$145.5 million and net earnings of \$3.0 million, or \$0.17 per basic share, for the third quarter of 2006. For the nine months ended September 30, 2007, increased volume and the Corporation's focus on expense management has allowed it to increase EBITDA by \$12.5 million, a 130% increase compared to the prior year's results. Net earnings for the first nine months of 2007 were \$12.9 million, \$0.73 per basic share compared to \$4.4 million, or \$0.25 per basic share for the same period in 2006.

"We are very pleased to have generated \$544.6 million in revenue and \$12.9 million in net earnings, exceeding our full year fiscal 2006 performance," said Chairman and Interim Chief Executive Officer, Peter Adams. "Our solid operating performance has resulted in the generation of significant funds, enabling us to repay our operating line of credit and strengthen our overall financial position. We are pleased with the strength of our balance sheet and that we have no exposure to asset-backed commercial paper. The building construction market remains strong and Stuart Olson has been awarded several contracts which have not yet commenced construction. Our work-in-hand balance remains at near record levels and we are looking forward to a strong fourth quarter."

RESULTS OF OPERATIONS

For the third quarter of 2007, consolidated contract revenue was \$203.8 million, which was \$58.3 million or 40% greater than the same period in 2006. This higher level of revenue on a year-over-year basis was the outcome of continued strength in our Building construction segment. For the first nine months of this year, contract revenue of \$544.6 million was \$165.7 million greater than the comparable period in 2006. Year-over-year contract revenue has increased in the Buildings and Industrial Electrical segments by \$178.0 million and \$21.8 million, respectively, and decreased in the Industrial General and Industrial Insulation segments by \$12.2 million and \$21.9 million, respectively.

Contract income increased from \$13.4 million in the third quarter of 2006 to \$17.9 million in the third quarter of 2007. Contract income year-to-date was \$47.2 million, \$12.8 million greater than in the first nine months of 2006. This year-over-year increase is the net effect of greater overall construction volume and improved contract income margin percentages in our Buildings, Industrial General and Industrial Insulation Contracting segments, partially offset by a decline in the contract income margin percentage of the Industrial Electrical Contracting segment.

Indirect and administrative expenses increased to \$9.2 million in the third quarter of 2007, from \$8.2 million in the comparable period of 2006. This increase is mainly attributable to higher personnel costs associated with the additional activity in the Buildings segment. For the nine months year-to-date, indirect and administrative expenses of \$27.1 million were \$1.3 million higher than in the corresponding period of 2006. Lower indirect and administrative costs in the Corporate, and Industrial General Contracting segments were offset by increased expenses required to support the higher levels of activity in the Buildings segment.

Earnings before interest, taxes, depreciation and amortization in the quarter were \$9.6 million, compared to \$5.4 million in the third quarter of 2006. Year-over-year earnings before interest, taxes, depreciation and amortization were \$22.1 million compared to \$9.6 million in 2006, an improvement of 130%. Earnings before tax in Q3 2007 increased 83% to \$8.4 million, compared to \$4.6 million reported in Q3 2006. For the nine months ended September 30, 2007, earnings before tax amounted to \$19.1 million, which was \$12.3 million greater than the prior year. The Corporation's consolidated net earnings for the three months ended September 30, 2007 grew 87% to \$5.6 million, compared to net earnings of \$3.0 million in 2006. For the nine months ended September 30, 2007, Churchill realized net earnings of \$12.9 million compared to net earnings of \$4.4 million, a 193% increase.

New contract awards of \$180.9 million were booked in the current quarter, which compares with \$261.4 million in Q3 2006. Total new contract awards of \$785.2 million were recorded in the first nine months of 2007, compared to \$601.3 million recognized for the first nine months of 2006. Work-in-hand at September 30, 2007 was \$734.5 million. This is an increase of \$264.9 million over the amount at September 30, 2006. On a segmented work-in-hand basis, there has been a year-over-year increase in the Buildings segment of \$258.8 million, an increase of \$9.9 million in the Industrial General Contracting segment, an increase of \$7.2 million in Industrial Insulation Contracting and an \$11.0 million decrease in the Industrial Electrical Contracting segments respectively

Buildings

Stuart Olson had work-in-hand of \$662.8 million at June 30, 2007. For the three months ended September 30, 2007, the company secured a further \$124.0 million of contracts, compared to \$200.6 million secured in the same quarter of 2006. New contracts were added to the backlog from clients such as the Discovery Parks, Red Deer College, The University of Calgary and Capital Health. During the quarter, the company executed and took into revenue \$152.8 million. The company ended the quarter with \$634.0 million of work-in-hand, of which \$457.8 million is expected to carryover into 2008.

For the three months ended September 30, 2007, Stuart Olson's revenues increased by \$75.6 million to \$152.8 million, compared to \$77.2 million in the prior year. This increase in revenue was due to higher levels of activity, particularly from the Alberta branches. Activity levels during the quarter were highest on projects for the Calgary Regional Health Authority, the Edmonton Regional Airport Authority, the Regional Municipality of Wood Buffalo, and The City of Red Deer.

Contract income in the third quarter increased to \$11.7 million from \$5.2 million in 2006, an increase of \$6.5 million. The contract income margin percentage was higher at 7.7% in 2007 compared to 6.7% in 2006 as a result of strong project execution. Earnings before tax increased to \$7.2 million in the third quarter of 2007, compared to \$2.3 million in 2006. Earnings before tax improved as a result of the stronger contract income margin percentage, controlled spending growth on indirect and administrative expenses and greater interest income.

For the nine months ended September 30, 2007, Stuart Olson reported revenues of \$382.1 million compared to revenues of \$204.1 million for the same period in 2006. This \$178.0 million growth in revenue on a year-over-year basis was generated primarily by increased activity in the Alberta branches.

Contract income for the first nine months of 2007 was \$26.1 million compared to \$12.9 million in 2006. Contract income margin percentage was 6.8% compared to 6.3%, respectively. Year-over-year earnings before tax increased to \$14.5 million, as compared to \$4.4 million for the first nine months of 2006. A strong market combined with solid project execution has allowed Stuart Olson to be more profitable.

Industrial General Contracting

Triton had work-in-hand of \$20.7 million at June 30, 2007. For the quarter ended September 30, 2007, the company secured a further \$14.7 million of contracts, compared to \$4.4 million of new work secured in Q3 2006. The company executed \$9.1 million of contractual work during the quarter and as a result had \$26.3 million of work-in-hand as at September 30, 2007 of which \$15.1 million is expected to be completed in 2008. Triton has successfully secured \$42.1 million of new work thus far in 2007, as compared to awards of \$33.9 million for the nine months ended September 30, 2006.

Third quarter revenue at Triton of \$9.1 million was \$2.5 million lower than in the comparable quarter of 2006. This was primarily due to reduced activity in the construction business unit. Triton supplied fabrication, maintenance and construction services during the third quarter to clients including CNRL, Metacor, and Terasen.

Contract income in the third quarter of \$1.0 million was reduced from the \$1.5 million earned in Q3 2006. Contract income margin percentage was 11.0% in Q3 2007 a decrease from 12.9% in the third quarter of 2006. The Q3 2006 contract income margin reflected the benefit associated with the reversal of \$1.0 million in provisions taken in previous years. On a normalized basis Triton's third quarter 2006 margin was 4.3%. Triton incurred a loss before tax of \$0.5 million for the current quarter, compared to a loss before tax of \$0.9 million in 2006 (loss before tax of \$1.9 million in 2006 on a normalized basis).

For the nine months ended September 30, 2007, Triton reported revenues of \$29.0 million compared to revenue of \$41.2 million in 2006. This \$12.2 million year-over-year decrease in revenue during the first nine months of 2007 is a result of reduced activity within the construction and maintenance business units. Triton has been awarded a number of construction and maintenance contracts for execution over the next 12 months.

Contract income for the first nine months of 2007 was \$3.9 million compared to \$5.3 million in 2006. The contract income margin percentage for the same period in 2007 was 13.4%, as compared to 12.9% in 2006. Contract income in the first nine months of 2006 included \$3.2 million of recoveries on loss provisions recorded in a previous year; otherwise the 2006 contract income and contract income margin percentage would have been \$2.1 million and 5.1%, respectively. Triton's year-to-date loss before tax was \$0.6 million, compared to a loss before tax of \$0.8 million in 2006 (loss before tax of \$4.0 million in 2006 on a normalized basis).

Industrial Insulation Contracting

Industrial Insulation Contracting (also referred to as Insulation Holdings Inc.) operates under three business units – Fuller Austin, Northern Industrial Insulation and Lakehead Insulation – all providing insulation related contracting services for capital projects and maintenance work.

Industrial Insulation Contracting had combined work-in-hand of \$27.2 million at June 30, 2007. For the three months ended September 30, 2007, they secured a further \$18.2 million of contracts, which was \$2.1 million greater than in the same period of 2006. Awards were received in the current quarter from clients such as Horton CBI, Suncor, and Alstom. The insulation companies executed \$15.6 million of work during the third quarter, resulting in \$29.8 million of work-in-hand at September 30, 2007, \$13.4 million of which is expected to carry forward into 2008.

Revenue for three months ended September 30, 2007 was \$15.6 million, compared to \$21.8 million for the period ended September 30, 2006. During the quarter, the insulation companies were active on projects for clients including Suncor, Alstom and Agrium. Activity levels in the third quarter were lower as a result of award and scheduling delays and reduced activity in all of the company's insulation markets.

Notwithstanding the reduced volume of work in the quarter, contract income of \$3.2 million was only slightly less than the \$3.5 million achieved in the comparable period of 2006. The similar contract income was as a result of strong project execution by the insulation companies. The contract income margin percentage was 20.5% in Q3 2007, as compared to 16.1% in Q3 2006.

Earnings before tax in the Industrial Insulation Contracting segment were \$1.9 million for the quarter, \$0.8 million less than the \$2.7 million achieved in the third quarter of 2006. The decrease in earnings resulted from the lower volume of work and greater indirect and administrative expenses during the period.

For the nine months ended September 30, 2007, the Industrial Insulation segment reported revenues of \$38.4 million compared to revenues of \$60.3 million last year. The revenue differential is due to reduced insulation and siding activity in all of the company's markets. The outlook is for activity levels to improve in 2008.

Contract income for the first nine months of 2007 was \$7.4 million compared to \$7.8 million in the comparable period of 2006. Contract income margin percentage was 19.3% compared to 12.8%, respectively. This increase in contract income margin percentage was due to capable project execution and the completion in 2006 of a large, lower margin, major oil sands contract. Earnings before tax year-over-year was \$3.8 million compared to \$4.5 million in 2006.

Industrial Electrical Contracting

Laird reported work-in-hand of \$46.6 million at the end of June 2007. In the third quarter of 2007, new contract awards of \$23.9 million were secured, compared to \$40.2 million in 2006. New contract awards were received from customers including Nexen and Suncor. During the period, \$26.2 million of work was executed, leaving a backlog of \$44.3 million, of which \$27.4 million is expected to carryover into 2008.

For the three months ended September 30, 2007, Laird's revenue decreased to \$26.2 million, as compared to \$34.9 million reported for the same period of 2006. The decline year-over-year was a result of engineering and award delays in the first half of 2006 resulting in Laird executing a significant amount of contracting activity in the third and fourth quarters of 2006.

Contract income declined to \$1.9 million in Q3 2007 from \$3.0 million in Q3 2006, due to the lower volume of activity in the current quarter. The contract income margin percentage was 7.3% in Q3 2007 compared to 8.6% in Q3 2006. Laird achieved earnings before tax of \$0.5 million in the third quarter of 2007 compared to earnings before tax of \$1.9 million in 2006. The decrease in earnings before tax for the third quarter was a result of \$0.8 million of provisions and writedowns taken in the quarter for various items under negotiation with clients and the lower activity level.

For the nine months ended September 30, 2007, Laird reported revenues of \$95.0 million compared to revenues of \$73.3 million last year. A significant portion of this \$21.7 million increase has been from maintenance related activities for a major oil sands client.

Contract income for the first nine months of 2007 was \$9.3 million compared to \$7.7 million in 2006. The contract income margin percentage for the first nine months of 2007 was 9.8%, compared to 10.5% for the corresponding period in 2006. Earnings before tax year-over-year increased to \$4.8 million in 2007 compared to \$3.2 million in 2006. Record volumes and effective expense management has allowed Laird to generate greater earnings.

Corporate and Other

In the third quarter of 2007, the Corporate and Other segment incurred \$0.8 million of indirect and administrative expenses, as compared to \$1.4 million of expenses in the third quarter of 2006. For the nine months ended September 30, 2007, the Corporate and Other segment incurred indirect and administrative expenses of \$3.3 million compared to \$4.5 million for the same period in 2006. This segment's expenses have decreased as a result of lower professional fees, reduced personnel costs and a change in the allocation of information technology expenses.

CASH FLOW, FINANCING, CAPITAL REQUIREMENTS AND LIQUIDITY

Cash and cash equivalents at September 30, 2007, totaled \$64.6 million, which compares with \$50.4 million at the end of 2006. Of the \$64.6 million of cash and cash equivalents, \$14.5 million was subject to deemed trust conditions under the British Columbia Lien Act, compared to \$10.7 million at December 31, 2006. As such, this cash is restricted to the payment of direct costs related to specific construction projects.

Cash provided from operating activities amounted to \$13.6 million in the quarter, which compares to \$4.3 million of cash invested in operations during the third quarter of 2006. This favourable change of \$17.9 million was the result of greater net earnings in 2007 and cash positive changes in working capital accounts.

Investing activities resulted in a use of cash of \$1.4 million during the third quarter of 2007, which compares with cash used of \$1.6 million in Q3 2006. This decrease in use of cash year-over-year resulted from the slightly lower investment in property and construction equipment during the quarter.

Cash used in financing activities amounted to \$15.0 million in the quarter ended September 30, 2007, compared to \$2.0 million of cash provided from financing activities in Q3 2006. The primary use of this cash was the repayment of the Corporation's operating line of credit during the quarter. Repayments applied to the line of credit during the third quarter were \$15.5 million compared to \$1.9 million of net proceeds received from the line of credit in the third quarter of 2006. The Corporation increased long-term debt by use of finance contracts in the amount of \$0.4 million to acquire vehicles in the third quarter of 2007 and 2006. During the third quarter of 2007, the Corporation repaid \$0.4 million of long-term debt (2006 - \$0.2 million) and \$0.1 million of its demand term loan (2006 - \$0.1 million).

Cash provided from operating activities of \$30.3 million in the first nine months of 2007 was \$36.2 million greater than in the same period last year. This year-over-year improvement can be attributed to increased earnings and improved working capital management.

For the nine months ended September 30, 2007, investing activities resulted in a use of cash of \$4.3 million compared to \$7.3 million of cash used in the prior year. The Corporation has primarily used cash for additions to property and equipment in 2007, while in 2006, \$3.0 million related to property and equipment and \$4.0 million to the classification of restricted cash as a long-term asset. As at October 25,

2007 the requirement to hold the \$4.0 million as restricted cash was removed, making these funds available as general working capital in Q4 2007.

For the nine months ended September 30, 2007, cash used in financing activities amounted to \$11.8 million compared to proceeds of \$7.5 million received in 2006. Net repayments applied to the line of credit year-to-date equaled \$12.0 million of cash repayments, compared to \$7.5 million of net proceeds in 2006. Issuances and repayments of long-term debt provided \$0.1 million of cash in 2007 and \$0.5 million of cash in 2006. Repayments of \$0.5 million were applied to the demand term loan in 2007 and 2006, respectively. On July 9, 2007, the Corporation's amended credit agreement converted the demand term loan balance of \$6.4 million to a non-revolving long-term debt facility and lowered the interest rate from prime plus 1.25% to prime plus 1.0%. At September 30, 2007, the current portion of long-term debt, long-term debt and the converted demand term balance of \$6.4 million amounted to \$11.1 million, compared to \$11.2 million at the end of 2006. As at September 30, 2007, the Corporation was in compliance with the repayment terms associated with its long-term obligations.

At September 30, 2007, Churchill had working capital of \$38.4 million, which was greater than the 2006 year-end working capital balance of \$27.4 million.

Shareholders' equity was \$61.1 million at September 30, 2007, as compared to \$47.7 million at December 31, 2006. Share capital increased by \$611 thousand as a result of the exercise of stock options and contributed surplus has decreased \$100 thousand for the same reason. Retained earnings increased from \$26.4 million at December 31, 2006 to \$39.3 million as at September 30, 2007, reflecting the year-to-date net earnings of \$12.9 million.

At September 30, 2007, there were 17,822,491 Common Shares and 300,000 options outstanding (December 31, 2006 - 17,667,491 Common Shares and 571,667 options). During the quarter ended September 30, 2007, no new share options were issued and 155,000 share options were exercised. On October 4, 2007, the Corporation issued 82,000 share options to various management employees.

The Corporation has an Employee Share Purchase Plan available to all full-time employees. As at September 30, 2007, the Plan held 1,150,869 Churchill Common Shares for the employees. Under the Plan, shares are acquired in the open market.

CONSOLIDATED BALANCE SHEETS

(\$ thousands)

	September 30, 2007 (Unaudited)	December 31, 2006*
ASSETS		
Current assets		
Cash and cash equivalents	\$ 64,583	\$ 50,387
Accounts receivable	171,526	83,369
Inventories and prepaid expenses	1,576	1,174
Costs in excess of billings	-	620
	237,685	135,550
Long-term cash and equivalents	4,000	4,000
Future income tax assets	632	631
Property and equipment	20,119	17,816
Intellectual property	126	189
Goodwill	7,315	7,315
	\$ 269,877	\$ 165,501
LIABILITIES		
Current liabilities		
Operating line of credit	\$ -	\$ 12,000
Accounts payable and accrued liabilities	147,240	86,191
Contract advances and unearned income	43,345	-
Income taxes payable	4,902	4,327
Future income tax liabilities	1,864	3,902
Demand term loan	-	6,825
Current portion of long-term debt	1,948	917
	199,299	114,162
Long-term debt	9,107	3,419
Future income tax liabilities	353	231
	208,759	117,812
SHAREHOLDERS' EQUITY		
Share capital (Note 4)	16,119	15,508
Contributed surplus	5,679	5,779
Retained earnings	39,320	26,402
Accumulated other comprehensive income	-	-
	61,118	47,689
	\$ 269,877	\$ 165,501

* Figures excerpted from the 2006 audited consolidated financial statements.

CONSOLIDATED STATEMENTS OF EARNINGS AND RETAINED EARNINGS

(\$ thousands, except share data)	Three months ended September 30 (Unaudited)		Nine months ended September 30 (Unaudited)	
	2007	2006	2007	2006
Contract revenue	\$ 203,756	\$ 145,453	\$ 544,597	\$ 378,881
Contract costs	185,860	132,080	497,393	344,450
Contract income	17,896	13,373	47,204	34,431
Interest income	813	240	1,742	552
Sundry income	(3)	40	293	409
Indirect and administrative expenses	(9,189)	(8,160)	(27,139)	(25,803)
Depreciation and amortization	(903)	(721)	(2,413)	(1,971)
Interest expense	(179)	(213)	(552)	(788)
Earnings before income taxes	8,435	4,559	19,135	6,830
Income tax expense				
Current income tax	(5,523)	(2,595)	(8,134)	(2,715)
Future income tax	2,653	1,073	1,917	298
	(2,870)	(1,522)	(6,217)	(2,417)
Net earnings	5,565	3,037	12,918	4,413
Retained earnings, beginning of period	33,755	19,638	26,402	18,993
Return on Laird escrowed shares	-	-	-	(731)
Retained earnings, end of period	\$ 39,320	\$ 22,675	\$ 39,320	\$ 22,675
Net earnings per common share				
Basic	\$ 0.31	\$ 0.17	\$ 0.73	\$ 0.25
Fully diluted	\$ 0.31	\$ 0.16	\$ 0.72	\$ 0.24
Weighted average common shares:				
Basic	17,725,969	17,584,158	17,687,198	17,784,997
Diluted	18,034,466	17,855,248	17,966,548	18,056,087

CONSOLIDATED STATEMENTS OF COMPREHENSIVE EARNINGS AND ACCUMULATED COMPREHENSIVE EARNINGS

(\$ thousands)	Three months ended September 30 (Unaudited)		Nine months ended September 30 (Unaudited)	
	2007	2006	2007	2006
Net earnings	\$ 5,565	\$ 3,037	\$ 12,918	\$ 4,413
Other comprehensive earnings, net	-	-	-	-
Comprehensive earnings	\$ 5,565	\$ 3,037	\$ 12,918	\$ 4,413
Accumulated comprehensive earnings, beginning of period	\$ -	\$ -	\$ -	\$ -
Other comprehensive earnings for the period	-	-	-	-
Accumulated comprehensive earnings, end of period	\$ -	\$ -	\$ -	\$ -

CONSOLIDATED STATEMENTS OF CASH FLOW

(\$ thousands)	Three months ended September 30 (Unaudited)		Nine months ended September 30 (Unaudited)	
	2007	2006	2007	2006
OPERATING ACTIVITIES				
Net earnings	\$ 5,565	\$ 3,037	\$ 12,918	\$ 4,413
Non-cash items				
Depreciation and amortization	903	721	2,413	1,971
Gain on disposal of equipment	(21)	6	(37)	(4)
Future income taxes	(2,653)	(1,073)	(1,917)	(298)
Stock-based compensation	(137)	32	(100)	111
	3,657	2,723	13,277	6,193
Net change in accounts receivable, inventories and prepaid expenses	(30,631)	(37,665)	(88,559)	(53,763)
Net change in accounts payable and accrued liabilities	26,748	12,046	61,049	(2,463)
Net change in contract advances and unearned income and costs in excess of billings	9,343	15,557	43,965	38,265
Net change in income taxes payable	4,469	2,999	575	5,899
	13,586	(4,340)	30,307	(5,869)
INVESTING ACTIVITIES				
Long-term cash and equivalents	-	-	-	(4,000)
Proceeds on disposal of equipment	27	17	177	214
Additions to intellectual property	-	-	-	(253)
Additions to property and equipment	(1,396)	(1,588)	(4,505)	(3,232)
	(1,369)	(1,571)	(4,328)	(7,271)
FINANCING ACTIVITIES				
Proceeds under line of credit	-	8,300	5,000	15,770
Repayments under line of credit	(15,500)	(6,400)	(17,000)	(8,300)
Issuance of long-term debt	371	408	1,137	1,050
Repayment of long-term debt	(441)	(204)	(1,076)	(531)
Repayment of demand term loan	(65)	(130)	(455)	(520)
Issuance of common shares	611	-	611	-
	(15,024)	1,974	(11,783)	7,469
Increase (decrease) in cash	(2,807)	(3,937)	14,196	(5,671)
Cash, beginning of period	67,390	27,443	50,387	29,177
Cash, end of period	\$ 64,583	\$ 23,506	\$ 64,583	\$ 23,506

SUPPLEMENTAL CASH FLOW INFORMATION

Cash paid (received) during the year for:

Interest	\$ 171	\$ 184	\$ 534	\$ 564
Income taxes	\$ 1,054	\$ (404)	\$ 7,559	\$ (3,184)

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

TERMINOLOGY

Throughout this Press Release, and other documents referred to, management refers to certain terms when explaining its financial results that do not have any standardized meaning under Canadian GAAP as set out in the CICA Handbook. Specifically, the terms “contract income margin percentage”, “work-in-hand”, “working capital” “EBITDA” and “book value per share” have been defined as:

Contract income margin percentage is the percentage derived by dividing contract income by contract revenue. Contract income is calculated by deducting all associated direct and indirect costs from contract revenue in the period.

Work-in-hand is the unexecuted portion of work that has been contractually awarded for construction to the Corporation. It includes an estimate of the revenue to be generated from maintenance contracts during the shorter of (a) twelve months, or (b) the remaining life of the contract.

Working capital is current assets less current liabilities excluding that portion relating to any demand term loan which is scheduled to be repaid beyond one year.

EBITDA is equal to earnings before interest expense, taxes, depreciation and amortization. This measure as reported by the Corporation may not be comparable to similar measures presented by other reporting issuers.

Book value per share is the value of shareholders’ equity less value of preferred stock divided by basic shares outstanding at the end of the period.

FORWARD LOOKING STATEMENTS

Certain statements in this Third Quarter Press Release may constitute “forward-looking statements”. Although management of Churchill believes its expectations regarding future performance of the Corporation are based on reasonable assumptions and currently available competitive, financial and economic data, market conditions and operating plans, it can give no assurance its expectations will be achieved. Such forward-looking statements involve risk, uncertainties and other factors that might cause the actual results, performance or achievements of the Corporation to vary significantly from any future results, performance or achievements expressed or implied in any forward-looking statements.

For further information, please contact:
Peter F. Adams, Ph.D., P.Eng.
Chairman and Interim Chief Executive Officer
The Churchill Corporation
(780) 454-3667
www.churchillcorporation.com