Cokal Limited

(formerly Altera Resources Limited)

ABN 55 082 541 437

HALF-YEAR REPORT
FOR THE PERIOD
ENDED 31 DECEMBER 2010

DIRECTORS

Peter Lynch (Chairman)
Patrick Hanna
James Middleton
Domenic Martino

SECRETARY

Duncan Cornish

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CONTENTS

Directors' Report	1
Condensed Consolidated Statement of Comprehensive Income	4
Condensed Consolidated Statement of Financial Position	5
Condensed Consolidated Statement of Cash Flows	6
Condensed Consolidated Statement of Changes in Equity	7
Notes to the Financial Statements	8
Directors' Declaration	18
Auditor's Independence Declaration	19
Independent Review Report to the Members	20

Competent Person Statement

The information in this report relating to exploration results is based on information compiled by Patrick Hanna who is a fellow of the Australasian Institute of Mining and Metallurgy and is a consultant (through Hanna Consulting Services) to Cokal Ltd.

Mr Hanna is a qualified geologist and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking, to qualify as Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves".

Mr Hanna consents to the inclusion in the report of the matters based on the information, in the form and context in which it appears.

Directors' Report

The directors hereby present the following half-year report for the period ended 31 December 2010.

The following persons were directors of the company during the whole of the half-year end and up to the date of this report, unless otherwise stated:

Peter Lynch - Executive Chairman (Appointed 24/12/2010)
Patrick Joseph Hanna - Executive Director (Appointed 24/12/2010)
James Middleton - Executive Director (Appointed 24/12/2010)
Domenic Martino – Non Executive Director (Appointed 24/12/2010)
Harjinder Kehal – Executive Director and Chairman (Resigned 24/12/2010)
Jeremy Shervington – Non Executive Director (Resigned 24/12/2010)
Bradley Abbott – Non Executive Director & Company secretary (Resigned 24/12/2010)
Nick Archibald – Non Executive Director (Resigned 25/8/2010)

REVIEW & RESULTS OF OPERATIONS

Change of company name

Global coal group Altera Resources Limited officially changed its name to Cokal Limited at an Extraordinary General Meeting held in Brisbane on 21 February 2011. The change of name was made to reflect the proposed new focus to explore for coking coal from four tenements in the Indonesia territory of Kalimantan.

Completion of the acquisition of JDC and coal projects in Kalimantan, Indonesia

As announced on 23 December 2010, Cokal Limited ("Cokal") proceeded to complete the acquisition of Jack Doolan Capital Pty Ltd ("JDC"). The JDC acquisition comprised three components:

1. The option to acquire four strategically located coal exploration projects in Kalimantan, Indonesia.
2. Concurrent with the completion of the JDC acquisition, the previous directors of Cokal resigned and were replaced with directors and management comprising highly experienced, qualified and well regarded professionals in the coal exploration and mining industry.
3. Completion of a $20.0 million capital raising at $0.30 per share.

Further details of the terms of the JDC acquisition, as well as the terms of the acquisition of the four Indonesian coal projects, can be found within the Explanatory Memorandum forwarded to shareholders in respect of the general meeting that was held on 30 November 2010.

The four Indonesian coal exploration projects

Cokal (through JDC) have the option to acquire a share of the following projects pending the outcome of technical due diligence:

- 50% of the shares in companies which own the BBM and BBP Projects located in Central Province, Kalimantan, Indonesia. The BBM Project area comprises 19,920 Hectares and the BBP Project comprises 25,000 Hectares.
- 75% of the shares in companies which own the AAK and AAM Projects also located in Central Province, Kalimantan, Indonesia. The AAK Project area comprises 5,100 Hectares and the AAM Project comprises 10,000 Hectares.

These exploration projects are within the highly prospective Central Kalimantan coking coal basin, with both BBP & BBM adjacent to BHP Billiton's coking coal tenements. These tenements have several surface coal outcrops within their boundaries with high potential, based on visual observations.

Preparation for detailed exploration commenced in January 2011, with geologists mapping coal outcrops and planning for a drilling programme. On 14 March 2011, Cokal announced the commencement of drilling on the BBM Project.

Board and management

The new Board and management include:

- Peter Lynch (Mining Engineer, Executive Chairman) – previous President, CEO and Director of Waratah Coal, also General Manager Oaky North coal mine.
- Patrick Hanna (Geologist, Executive Director) – vast worldwide coal exploration experience.
- Jim Middleton (Mining Engineer, Managing Director/CEO) – previous experience with Coal Allied, Exxon, Glencore, Xstrata and BHP (VP Mining Operation, Illawara Coal).
- Domenic Martino (Corporate Non-Executive Director) – experienced junior exploration company director and past CEO of Deloitte Touche Tohmatsu Ltd in Australia.
- Chris Turvey (coal geologist) – exploration, resource estimation, geological modelling.
- Duncan Cornish (CFO and Company Secretary) – capital raising, financial, secretarial and corporate experience for principally exploration companies on ASX, TSX and AIM.

Capital raising

Concurrent with the completion of the JDC acquisition Cokal completed a $20.0 million capital raising at $0.30 per share. The raising was undertaken through professional investors by Soaring Securities Pty Ltd and managed by Ochre Management Pty Ltd.

Inglewood Coal Joint Venture

Cokal entered into a Joint Venture (“JV”) with Dragon Energy Limited (“Dragon”) on its Queensland Coal Project in the Surat/Clarence-Moreton and Bowen Basins on 1 July 2010, the details of which are disclosed in the company’s Quarterly Report for 30 June 2010 lodged with the ASX on 30 July 2010. The terms of the JV require an expenditure by Dragon of at least $3.5 million over 3 years to earn an 85% interest. The first year’s commitment by Dragon will be $0.5 million in exploration expenditure plus rents and environmental bonds, with second and third year expenditure commitments of $1.5 million each. Once Dragon has earned an 85% interest, Cokal has the option to sell the remaining 15% interest in the Project to Dragon for an amount as agreed between Dragon and Cokal, and failing an agreement, an amount determined by an independent expert. Subject to the above option, Cokal will retain a 15% free carried interest until decision to mine.

The Farm-in Joint Venture (“Inglewood Coal JV”) with Dragon Energy Ltd (Dragon) comprises Exploration Permits for Coal (EPCs) in the Surat/Clarence-Moreton and Bowen Basins in Queensland.

Dragon advised Cokal to exclude certain granted tenements from the JV, detailed in the following paragraph. The JV now consists of EPC’s 1650, 1651, 1653, 1661, 1666 & 1667. Three EPC’s 1650, 1651 and 1653 are going through the Native Title process and are likely to be granted during 2011. The company has signed a heritage agreement with Barada Barna Native Title group which will lead to the granting of EPC1653 in the Bowen Basin.

Queensland Coal Tenements

During the December 2010 quarter, Dragon advised Cokal that it wishes removal of a total of seven EPC applications (1648, 1649, 1652, 1660, 1662, 1664 and 1665) from the Inglewood Coal JV and a deed of variation was executed. A review of the coal potential within EPCs 1648 and 1660 undertaken by IMC during the December 2010 quarter has shown that significant potential exists for coal deposits in the Evergreen formation and Cokal maintains a 100% interest in these tenements.

Gascoyne Base Metals Project

The Gascoyne Base Metal Project (GBMP) is located approximately 250 km to the east of Carnarvon in the Gascoyne region of Western Australia. GBMP is a joint venture between Cokal and ABM Resources NL (ABM), whereby Cokal was earning a 65% interest in GBMP.

During the September 2010 quarter, the Company acquired a 100% interest in the JV tenements from ABM Resources NL and as a result the joint venture agreement with ABM Resources NL was terminated. All tenements comprising the project were subsequently disposed of to an unrelated third party during the December 2010 quarter.

Corporate

The Company incurred an after tax operating loss for the half-year ended 31 December 2010 of $461,625 (half-year ended 31 December 2009 loss of $394,087).

Events Subsequent to 31 December 2010

Joint Venture signed to explore for coal in Tanzania

On 24 January 2011, Cokal announced the signing of a Joint Venture (JV) agreement to explore for coal in Tanzania. The JV is with private company, Tanzoz Resources Ltd which has been active in Tanzania since 2007, and currently holds interests in Tanzania for uranium, gold and coal.

Under the terms of the JV, Cokal will earn a 50% interest in an existing exploration project and will act as manager for the expenditure of a minimum of A$500,000 by the 31 December 2011. Cokal will also expend a minimum of A$1,000,000 by 31 December 2011, to earn a 60% interest on a range of other potential projects considered prospective for coal in Tanzania.

Under the terms of the JV, the JV also has the right to any coal opportunities on any of Tanzoz's current or future coal opportunities in Tanzania, subject to the meeting of minimum funding requirements in-line with a 60:40 equity split.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 19 and forms part of this report.

Signed in accordance with a resolution of the directors

Peter Lynch
Chairman

Brisbane, Queensland
16 March 2011

Condensed Consolidated Statement of Comprehensive Income

FOR THE HALF-YEAR ENDED 31 DECEMBER 2010

	Notes	**Consolidated**	**Company**
		31 December 2010 *$*	*31 December 2009* *$*
Continuing operations			
Revenue and other income	2	87,585	13,603
Other expenses	2	(549,210)	(407,690)
Loss from continuing operations before income tax		(461,625)	(394,087)
Income tax expense		-	-
Loss from continuing operations after income tax		(461,625)	(394,087)
Other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		(461,625)	(394,087)
Loss per share (cents per share)			
- basic and diluted loss for the half-year	3	(0.85) cents	(1.93) cents

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

Condensed Consolidated Statement of Financial Position

AS AT 31 DECEMBER 2010

	Notes	**Consolidated** *As at 31 December 2010* *$*	**Company** *As at 30 June 2010* *$*
ASSETS			
Current Assets			
Cash and cash equivalents		21,557,832	2,651,054
Trade and other receivables		55,626	21,048
Total Current Assets		21,613,458	2,672,102
Non-Current Assets			
Property, plant & equipment		866	14,832
Deferred exploration & evaluation expenditure	9	10,186,576	-
Total Non-Current Assets		10,187,442	14,832
TOTAL ASSETS		31,800,900	2,686,934
LIABILITIES			
Trade and other payables	10	7,557,453	47,295
Total Current Liabilities		7,557,453	47,295
TOTAL LIABILITIES		7,557,453	47,295
NET ASSETS/LIABILITIES		24,243,447	2,639,639
EQUITY			
Contributed equity	4	28,269,261	6,210,843
Reserves		26,034	19,019
Accumulated Losses		(4,051,848)	(3,590,223)
TOTAL EQUITY		24,243,447	2,639,639

The above statement of financial position should be read in conjunction with the accompanying notes.

Condensed Consolidated Statement of Cash Flows

FOR THE HALF-YEAR ENDED 31 DECEMBER 2010

	Notes	**Consolidated** *31 December 2010* *$*	**Company** *31 December 2009* *$*
Cash flows from operating activities			
Payments to suppliers and employees		(332,752)	(311,072)
Interest received		66,204	13,553
Net cash outflows used in operating activities		(266,548)	(297,519)
Cash flows from investing activities			
Proceeds from sale of property, plant & equipment		8,000	-
Payments for tenements		(40,836)	-
Proceeds from sale of tenements		70,000	
Net Cash acquired on acquisition of subsidiary	8	56,477	-
Net cash flows from investing activities		93,641	-
Cash flows from financing activities			
Proceeds from issue of shares		20,004,971	-
Transaction costs on share issue		(925,286)	-
Net cash inflow from financing activities		19,079,685	-
Net increase/(decrease) in cash and cash equivalents held		18,906,778	(297,519)
Cash and cash equivalents at beginning of the half-year		2,651,054	1,027,543
Cash and cash equivalents at end of the half-year		21,557,832	730,024

The accompanying notes form part of these financial statements.

Condensed Consolidated Statement of Changes in Equity

FOR THE HALF-YEAR ENDED 31 DECEMBER 2010

31 December 2010	Issued Capital	Accumulated losses	Share Option Reserves	Total Equity
CONSOLIDATED				
As at 1 July 2010	6,210,843	(3,590,223)	19,019	2,639,639
Loss for the period	-	(461,625)	-	(461,625)
Total comprehensive income net of tax for the period	-	(461,625)	-	(461,625)
Transactions by owners recorded directly in equity				
Shares issued	23,467,359	-	-	23,467,359
Transaction costs on shares	(1,411,386)	-	-	(1,411,386)
Shares issued on conversion of options	2,445	-	-	2,445
Share based payment - options	-	-	7,015	7,015
As at 31 December 2010	28,269,261	(4,051,848)	26,034	24,243,447

31 December 2009	Issued Capital	Accumulated losses	Share Option Reserves	Total Equity
COMPANY				
As at 1 July 2009	3,845,025	(2,816,847)	24,098	1,052,276
Loss for the period	-	(394,087)	-	(394,087)
Total comprehensive income for the period	-	(394,087)	-	(394,087)
As at 31 December 2009	3,845,025	(3,210,934)	24,098	658,189

Notes to the Financial Statements

FOR THE HALF-YEAR ENDED 31 DECEMBER 2010

Corporate Information

The financial report for the half-year ended 31 December 2010 of Cokal Limited was authorised for issue in accordance with a resolution of the directors on 16 March 2011. During the period Cokal Limited ("Cokal" or "the Company") , formerly Altera Resources Limited, acquired Jack Doolan Capital Pty Ltd ("JDC").

Cokal Limited is a Company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Stock Exchange. The registered address of the company is Level 5, 10 Market Street, Brisbane, Queensland 4000.

The nature of the operations and principal activities of the Group, representing the Company and its subsidiary, are described in the Director's Report.

1 Basis of preparation and accounting policies

Basis of preparation

This general purpose condensed interim financial report for the half-year ended 31 December 2010 has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

The half-year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Company as the full financial report.

It is recommended that the half-year financial report be read in conjunction with the annual report for the year ended 30 June 2010 and considered together with any public announcements made by the Company during the half-year ended 31 December 2010 in accordance with the continuous disclosure obligations of the ASX listing rules.

Accounting Policies

The accounting policies and methods of computation are the same as those adopted in the most recent annual financial report except as disclosed below.

(i) Adoption of new and amending Accounting Standards and Interpretations

From 1 July 2010 the Company has adopted all Accounting Standards and Interpretations, mandatory for annual periods beginning on or after 1 July 2010. Adoption of these standards and Interpretations did not have any material effect on the financial position of performance of the Group.

The Company has not elected to early adopt any new standards or amendments that are issued but not yet effective.

(ii) Voluntary change in accounting policy

As a result of the completion of the acquisition of JDC, the Company has adopted a change in accounting policy relating to Exploration and Evaluation Expenditure.

The Directors have adopted an accounting policy for Exploration and Evaluation in accordance with AASB 6 "Exploration for and Evaluation of Mineral Resources" to defer exploration and evaluation expenditure if the right of tenure of the area of interest is current and either:

(i) the exploration and evaluation expenditures are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale; and

(ii) exploration and evaluation activities in the area of interest have not at the end of the reporting period reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Notes to the Financial Statements

FOR THE HALF-YEAR ENDED 31 DECEMBER 2010

Under the previous policy, the company expensed all exploration expenditure except for costs incurred in acquiring Exploration and Evaluation assets.

The directors consider the adoption of the new accounting policy to be more relevant and no less reliable as JDC, the subsidiary acquired during the period that holds the investment in the coal projects in Indonesia, had a policy of capitalising Exploration and Evaluation expenditure and this asset represents the principle assets and ongoing focus of the Group. The adoption of the new accounting policy, which has been applied retrospectively had no impact on the comparative period or on the accumulated losses at 1 July 2009 as all previous exploration and evaluation expenditure would have impaired in the period incurred. Furthermore, the change in policy had no impact on the financial performance of the Group for the current reporting period.

(iii) Adoption of policies on acquisition of JDC

As a result of the acquisition, the company has adopted the following policy.

Basis of Consolidation

The consolidated financial statements comprise the financial statements of Cokal Limited and its subsidiary ("the Group") as at and for the period ended 31 December 2010.

Subsidiaries are all those entities over which the Group has the power to govern the financial and operating policies so as to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether a group controls another entity.

The financial statements of the subsidiary are prepared for the same reporting period as the parent company, using consistent accounting policies. In preparing the consolidated financial statements, all intercompany balances, transactions, unrealised gains and losses resulting from intra-group transactions and dividends have been eliminated in full.

Subsidiaries are fully consolidated from the date on which control is obtained by the Group and cease to be consolidated from the date on which control is transferred out of the Group.

Non-controlling interests are allocated their share of net profit after tax in the statement of comprehensive income and are presented within equity in the consolidated statement of financial position, separately from the equity of the owners of the parent.

Losses are attributed to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a subsidiary that does not result in a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interest
- Derecognises the cumulative translation differences, recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in other comprehensive income to profit or loss, or retained earnings, as appropriate

Notes to the Financial Statements

FOR THE HALF-YEAR ENDED 31 DECEMBER 2010

Going concern

The half-year financial report has been prepared on a going concern basis which contemplates the continuity of normal business activities and the realisation of assets and discharge of liabilities in the ordinary course of business. Whilst the Directors believe sufficient funds are held for commitments over the next 12 months, the ability of the Group beyond that period, to maintain continuity of normal business activities and to pay its debts as and when they fall due, is dependent on the ability of the Group to successfully raise additional funding through debt, equity or farm-out and/or the successful exploration and subsequent exploitation of areas of interest.

Comparatives

The comparatives presented in the half-year financial report are for the parent company only as the acquisition of JDC was only effected during the current period.

Notes to the Financial Statements

FOR THE HALF-YEAR ENDED 31 DECEMBER 2010

	Consolidated 31 December 2010 $	Company 31 December 2009 $
2. REVENUE, INCOME AND EXPENSES		
Revenue, Income and Expenses from Continuing Operations		
Interest Revenue	65,193	13,603
Other Income:		
Loss on sale of fixed assets (i)	(6,772)	-
Profit on sale of tenements (ii)	29,164	-
Total	87,585	13,603

(i) During the period, Cokal Limited sold all items of property plant and equipment.

(ii) In September 2010, Cokal Limited acquired a 100% interest in the Gasgoyne Base Metal Project from ABM Resources for $40,836, whereby terminating the JV arrangement. Subsequently all of the GBPM tenements were sold for $70,000.

OTHER EXPENSES

	Consolidated 31 December 2010 $	Company 31 December 2009 $
Pre-Tenure Exploration and Evaluation expenditure	11,250	54,045
Exploration and evaluation expenditure written off	90,585	124,226
Legal and Corporate costs	159,000	-
Depreciation Expense	140	3,720
Share based payments	7,015	-
Administration and occupancy expenses		
- Annual Report Production & Distribution	22,218	25,560
- Auditors' Remuneration	23,671	9,250
- Directors' fees (including superannuation)	121,604	45,416
- Rent & Outgoings	-	16,800
- Other	113,727	128,673
Total expenses	549,210	407,690

	Cents	Cents
3. LOSS PER SHARE		
Basic and Diluted Loss per share	(0.85)	(1.93)

Weighted average number of ordinary shares used in the calculation of basic loss per share is 53,315,557 (2009: 20,453,363). Options are considered to be potential ordinary shares. Options to purchase ordinary shares not exercised at 31 December 2010 have not been included in the determination of diluted loss per share, as the Company is loss making and hence their inclusion is anti-dilutive.

Notes to the Financial Statements

FOR THE HALF-YEAR ENDED 31 DECEMBER 2010

4. CONTRIBUTED EQUITY

Consolidated

At 31 December 2010:	**Number**	**$**
Ordinary shares		
1 July 2010	42,730,314	6,210,843
Add Performance share issue on acquisition (i)	210,000,000	3,467,359
Add Share issue from capital raising	66,666,669	20,000,000
Add Conversion of options to shares	12,224	2,445
Less capital raising costs	-	(1,411,386)
31 December 2010	319,409,207	28,269,261

As at 30 June 2010, 42,730,314 ordinary shares were on issue.

Company

At 30 June 2010:	**Number**	**$**
Ordinary shares		
1 January 2010	20,453,363	3,845,025
Add Share issue	21,741,371	2,614,044
Add Conversion of options to shares	535,400	54,580
Less capital raising costs	-	(302,806)
30 June 2010	42,730,134	6,210,843

(i) As consideration for the acquisition of JDC, was required to complete a capital raising by issuing 66,666,669 shares at a price of $0.30. Cokal also issued 210 million shares and 21 million options (the "vendor shares and options") as consideration for the net assets acquired, as disclosed in note 8. If, following technical due diligence the Group decides not to proceed with the project, and a comparable replacement project is not put forward by the vendors of JDC, the vendor shares and options will be cancelled.

5. OPERATING SEGMENTS

AASB 8 requires operating segments to be identified on the basis of internal reports that are used by the chief operating decision makers ("CODM") in order to allocate resources to the segment and to assess its performance. The CODM of the Company are the Board of Directors.

For management purposes, the Company is organised into two main operating segments, which involves the exploration of minerals in Indonesia and Australia. Discrete financial information is reported to the Board (Chief Operating Decision Maker) as two segments since acquisition of Jack Doolan Capital Pty Ltd and its Indonesian tenements on 24 December 2010.

Notes to the Financial Statements

FOR THE HALF-YEAR ENDED 31 DECEMBER 2010

Consolidated
Segment Performance

Six months ended 31 December 2010

	Australia	Indonesia	Unallocated	Total
Revenue				
External - Other income	$87,585	-	-	$87,585
Intersegment income	-	-	-	-
Total segment income	$87,585	-	-	$87,585
Administrative expenses	-	-	($288,375)	($288,375)
Pre-tenure Exploration expenditure	($11,250)	-	-	($11,250)
Exploration expenditure written off	($90,585)	-	-	($90,585)
Legal and Corporate costs	($159,000)	-	-	($159,000)
Segment net loss before tax	($173,250)	-	($288,375)	($461,625)

Segment assets as at 31 December 2010

	Australia	Indonesia	Unallocated	Total
Cash & cash equivalents	$21,557,832	-	-	$21,557,832
Deferred exploration & evaluation expenditure	-	$10,186, 576	-	$10,186,576
Other	$56,492	-	-	$56,492
Total	$21,614,324	$10,186,576	-	$31,800,900

The accounting policies applied for internal reporting purposes are consistent with those applied in the preparation of these financial statements.

Company
Segment Performance

Six months ended 31 December 2009

	Australia	Indonesia	Unallocated	Total
Revenue				
External - Other income	$13,603	-	-	$13,603
Intersegment revenue	-	-	-	-
Total segment revenue	$13,603	-	-	$13,603
Administrative expenses	-	-	($229,419)	($229,419)
Pre-tenure Exploration expenditure	($54,045)	-	-	($54,045)
Exploration expenditure written off	($124,226)	-	-	($124,226)
Segment net loss before tax	($164,668)	-	($229,419)	($394,087)

Notes to the Financial Statements

FOR THE HALF-YEAR ENDED 31 DECEMBER 2010

Segment assets as at 30 June 2010

	Australia	Indonesia	Unallocated	Total
Cash & cash equivalents	$2,651,054	-	-	$2,651,054
Deferred exploration & evaluation expenditure	-	-	-	-
Other	$35,880	-	-	$35,880
Total	$2,686,934	-	-	$2,686,934

The accounting policies applied for internal reporting purposes are consistent with those applied in the preparation of these financial statements.

6. CASH AND CASH EQUIVALENTS

For the purposes of the half-year condensed statement of cashflows, cash and cash equivalents are comprised of the following as at 31 December:

	Consolidated 2010 $	Company 2009 $
Cash at bank and in hand	2,055,519	48,947
Short-term deposits	19,502,313	681,077
TOTAL	21,557,832	730,024

7. CONTINGENCIES AND COMMITMENTS

Exploration Expenditure Commitments

Gascoyne Tenements (Australia)

During the September 2010 quarter Cokal purchased a 100% interest in Gascoyne JV tenements from ABM Resources and as a result the joint venture agreement with ABM Resources NL was terminated. All tenements comprising the project were subsequently disposed of to an unrelated third party during the December 2010 quarter, accordingly the company no longer has any exploration commitments in relation to these tenements.

Inglewood Coal Joint Venture Tenements (Australia)

There are six Queensland EPC applications (1650, 1651, 1653, 1661, 1666 and 1667) within the Inglewood Coal Joint Venture that remain in the application stage as at 31 December 2010 and the date of this report. The Joint Venture came into effect on 1 July 2010 and under the terms of the Joint Venture it is Dragon Energy Ltd's responsibility to fulfil the statutory exploration commitments once the EPC's are granted.

Queensland Coal Tenements (Australia)

Five Queensland granted EPC's (1649, 1652, 1660, 1664 & 1665) and two Queensland EPC applications (1648 and 1662) were removed from the Inglewood Coal JV during the current period and the company retains a 100% interest in them. A review of the coal potential within EPC's 1648 & 1660 undertaken by IMC Mining Group Pty Ltd (IMC) suggests that significant potential exists for coal resources in the Evergreen formation. The annual statutory exploration expenditure commitments required to maintain the Company's mineral exploration granted tenements is listed below.

Notes to the Financial Statements

FOR THE HALF-YEAR ENDED 31 DECEMBER 2010

EPC	*31 December 2010*	*30 June 2010*
1649	$60,000	-
1652	$60,000	-
1660	$120,000	-
1664	$30,000	-
1665	$75,000	-
Total	*$345,000*	-

If the minimum expenditure requirements are not met, the Group has the option to negotiate new terms or relinquish the tenements. The Company also has the ability to meet expenditure requirements by joint venture or farm-in agreements.

Jack Doolan Capital Pty Ltd Tenements (Indonesia)

The Tenements for coal in Indonesia are located in the province of Central Kalimantan. Until completion of technical due diligence to Cokal's satisfaction, the decision to proceed with the Project, or a replacement project (refer note 8) and the payment of a further USD $7,000,000 to the Kalimantan Vendors, the company believes it has no ongoing exploration expenditure commitments.

Native Title Claims

It is possible that native title, as defined in the Native Title Act 1993, might exist over land in which the Company has an interest. It is impossible at this stage to quantify any impact the existence of native title may have on the operations of the Company. However, at the date of this report, the Directors are aware that applications for native title claims have been accepted by the Native Title Tribunal over tenements held by the Company.

8. ASSET ACQUISITION

Jack Doolan Capital Pty Ltd (JDC) Acquisition

The acquisition was completed on 24 December 2010 with the acquisition of 100% of issued share capital of JDC for the issue of 210,000,000 Cokal shares and 21,000,000 options valued at $3.46 million, being the fair value of the net assets acquired. The acquisition was treated as an acquisition of an asset as the transaction involved the acquisition of cash and JDC's options to purchase mining tenements in Indonesia.

The cash inflow on acquisition is as follows:

	$
Net cash acquired with the subsidiary	215,504
Direct cost relating to acquisition	(159,027)
Net consolidated cash inflow	56,477

Notes to the Financial Statements

FOR THE HALF-YEAR ENDED 31 DECEMBER 2010

	$
Consideration paid	3,467,359
Assets acquired :	
Cash and cash equivalents	215,504
Deferred exploration & evaluation expenditure	10,186,576
Payable to Kalimantan vendors	(6,322,686)
Other payables	(612,035)
Total	3,467,359

JDC has entered into contracts (the "JDC Contracts"), comprising the AAK Contract, the AAM Contract, the BBM Contract and the BBP Contract. Pursuant to the JDC Contracts, JDC has the right to acquire interests in the coal exploration tenements (the "Coal Projects") as follows:

Company	Ownership Interest to be acquired
BBM	50%
BBP	50%
AAK	75%
AAM	75%

Further details on the interests to be acquired are contained in the Explanatory Memorandum lodged with the ASX on 28 October 2010.

Under the JDC Contracts, JDC must pay US$6.3 million to the vendors of the Kalamantan coal projects (the "Kalamantan Vendors"), on completion of legal due diligence. US$ 6 million of this liability was settled in January 2011. Very limited technical due diligence on the Coal Projects has been carried out to date, as explained in the Explanatory Memorandum.

The payment of this fee allows the company to progress to technical due diligence on the projects to determine whether the tenements (or at least part of them) are of sufficient geological merit to acquire the associated interests in the entities that own them by the payment of US$7 million.

At the date of acquisition, JDC held no assets other than cash and the option to acquire the interest in the entities that hold the Coal Projects. Should the Group decide not to proceed with the Coal Projects, on the basis they are not of sufficient technical merit, then the Vendors must find a comparable replacement project.

Upon a decision to proceed with the Coal Projects the Group will acquire the interests in the entities that hold the Coal Projects under the JDC Contracts, and establish joint venture arrangements. In the event this occurs, the Group will have further obligations to make payments of up to USD$25.7 million on the achievement of certain milestones, including the establishment of JORC inferred coal resources.

9. DEFERRED EXPLORATION AND EVALUATION EXPENDITURE

	Consolidated 31 December 2010 $	**Company 30 June 2010 $**
Opening Balance	-	50,000
Exploration and evaluation expenditure expensed	-	(50,000)
Acquisition of JDC options over Indonesian Tenements (refer note 8)	10,186,576	-
TOTAL	10,186,576	-

Notes to the Financial Statements

FOR THE HALF-YEAR ENDED 31 DECEMBER 2010

10. TRADE AND OTHER PAYABLES

	Consolidated 31 December 2010 $	Company 30 June 2010 $
Trade payables and accruals	1,039,767	47,295
Payables to related parties	195,000	-
Payable to Kalamantan Vendors (refer note 8)	6,322,686	-
TOTAL	7,557,453	47,295

11. SUBSEQUENT EVENTS

The Group announced the signing of a Joint Venture (JV) to explore for coal in Tanzania to the ASX on 24 January 2010. The JV is with private company, Tanzoz Resources Ltd (Tanzoz) which has been active in Tanzania since 2007, and currently holds interests in Tanzania for uranium, gold and coal.

Under the terms of the JV, the Group will earn a 50% interest in an existing exploration project and will act as manager for the expenditure of a minimum of A$500,000 by 31 December 2011. The Group will also expend a minimum of A$1,000,000 by 31 December 2011, to earn a 60% interest on a range of other potential projects considered prospective for coal in Tanzania.

Under the terms of the JV, the JV also has the right to any coal opportunities on any of Tanzoz's current or future coal opportunities in Tanzania, subject to the meeting of minimum funding requirements in line with a 60:40 equity split.

12. DIVIDENDS

No dividends were paid or declared by the Company during the half-year.

Directors' Declaration

In accordance with a resolution of the directors of Cokal Limited, I state that:

In the opinion of the directors:

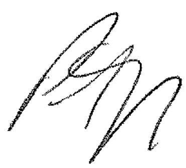
(a) the financial statements and notes of the Company are in accordance with the Corporations Act 2001, including:

(i) give a true and fair view of the financial position as at 31 December 2010 and by the performance for the half-year ended on that date of the Company; and

(ii) comply with Accounting Standard AASB 134: "Interim Financial Reporting" and the Corporations Regulations 2001; and

(b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

On behalf of the Board



Peter Lynch
Chairman

Brisbane, Queensland
16 March 2011

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Auditor's Independence Declaration to the members of Cokal Limited

In relation to our review of the financial report of Cokal Limited for the half-year ended 31 December 2010, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

Ernst & Young

Ernst & Young

J C Palmer
Partner
Perth
16 March 2011

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Independent audit report to members of Cokal

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Cokal Limited, which comprises the condensed statement of financial position as at 31 December 2010, the condensed statement of comprehensive income, condensed statement of changes in equity and condensed statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entity it controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 200* and for such internal controls as the directors determine are necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2010 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Cokal Limited and the entity it controlled during the half-year, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the Directors' Report.

ERNST & YOUNG

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Cokal is not in accordance with the *Corporations Act 2001*, including:

a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2010 and of its performance for the half-year ended on that date; and

b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Ernst & Young

Ernst & Young

J C Palmer
Partner
Perth
16 March 2011