

30 April 2012

QUARTERLY REPORT FOR THE THREE MONTHS ENDED 31ST MARCH 2012

HIGHLIGHTS

- Cokal Limited (Cokal) completed a Barge Scoping Study for transport of export Metallurgical Coal along the Barito river in Central Kalimantan with positive results.
- Cokal gained shareholder approval to complete the \$28.5M non-brokered private placements announced last quarter.
- Cokal continued to progress plans for Metallurgical Coal export infrastructure. MoU's have been signed with the regency of Murung Raya to develop two ports and two small scale coal fired power stations.
- Cokal acquires three coal exploration licences with Metallurgical Coal potential in West Kalimantan.

EXPLORATION

(a) Indonesia

Figure 1: Locality plan of the Central Kalimantan Coal Projects on the island of Kalimantan - Coal concession areas are shown in blue.

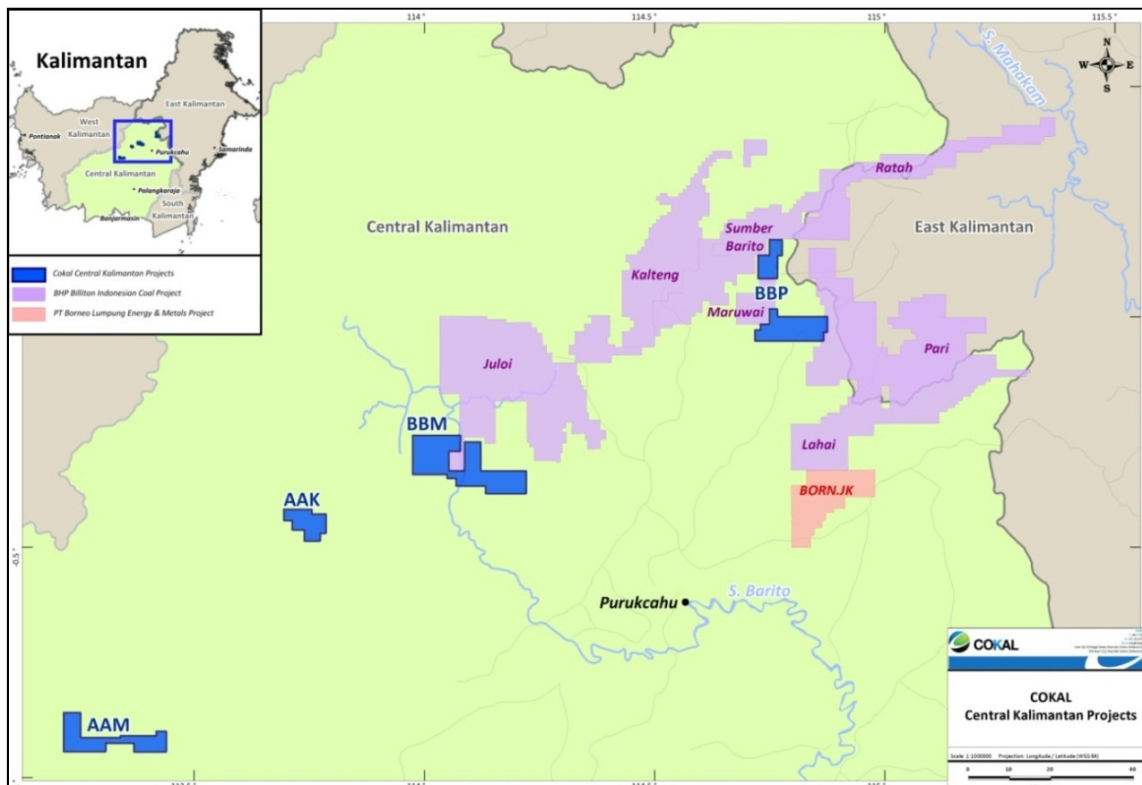
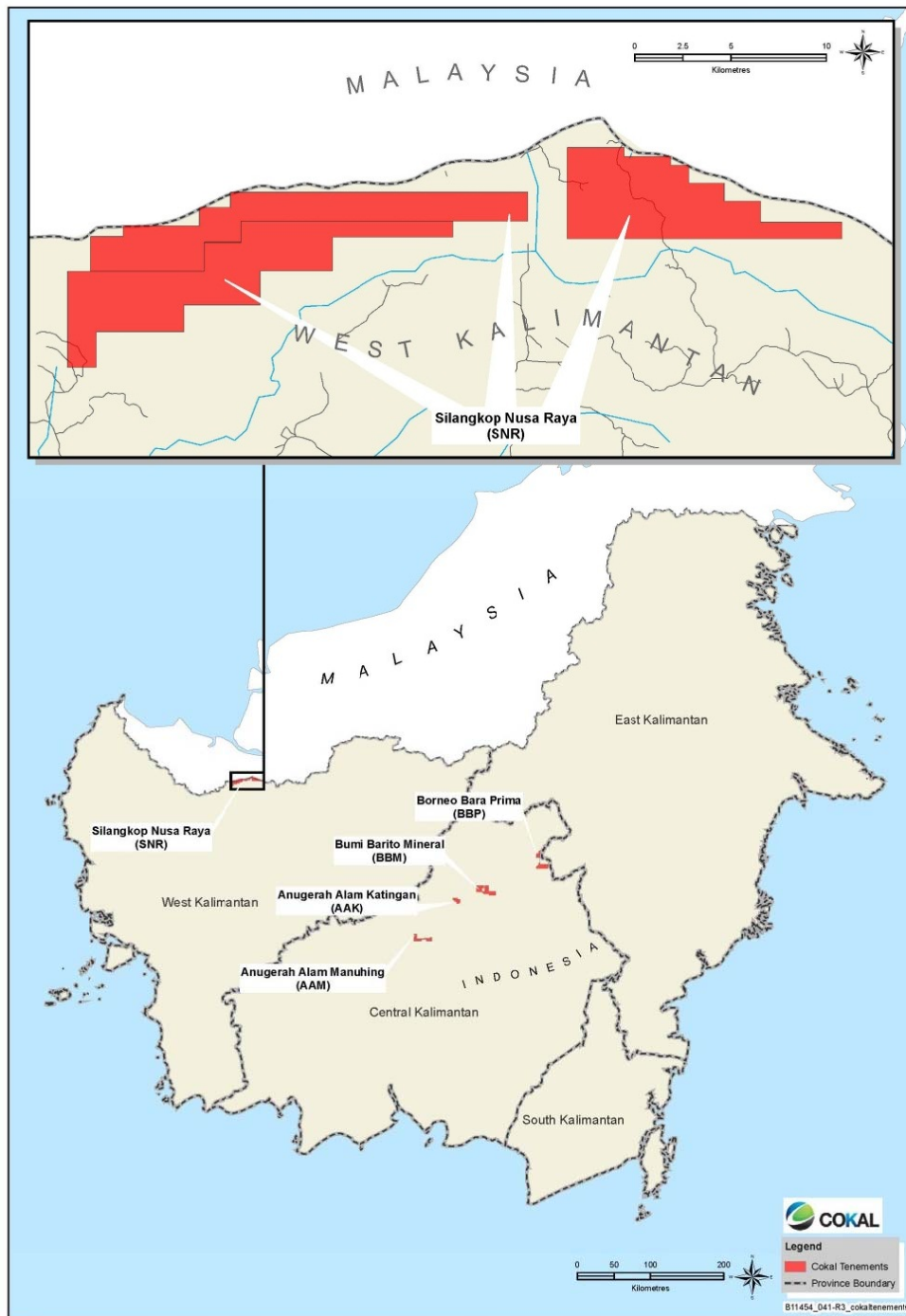


Figure 2: Locality plan of the West Kalimantan Coal Projects - Coal concession areas are shown in red.



BBM Project

BBM covers an area of 19,920 ha, immediately adjacent to BHPBilliton's Juloi tenement, straddling the Barito River and has numerous outcrops of bright coal. Another Cokal tenement, BBP, covering an area of 13,050 ha, is located adjacent to BHPBilliton's Maruwai tenement.

Highlights

- ***Detailed surface mapping continues to uncover shallow coal throughout the tenement.***
- ***Drilling continues to define further coal in areas of low strip ratio and with higher percentages of coking coal***

Cokal has previously confirmed a maiden Inferred Resource of 60mt, in accordance with JORC, for the BBM Project.

Although somewhat hampered by consistent rainfall throughout the wet season (January to March) drilling has continued to delineate further coking coal in BBM. At the same time, Cokal's has exploration crews continuing to map the surface geology uncovering coal outcrops throughout the BBM tenement.

Pat Hanna, Exploration Manager for Cokal, says "This gives me great encouragement that as Cokal continues to unravel the coal geology, we are confident we will delineate a substantial metallurgical coal deposit in the BBM tenement which primarily consists of high quality coking coal".

BBP Project

Affected by the same consistent wet season rainfall, BBP (Borneo Bara Prima) the two drilling rigs secured for BBP commenced drilling and a few core samples have been sent to Australia for laboratory analysis. The company is expecting to provide some details regarding the coal quality in the near future.

Further drilling from this point onwards is expected to pick up productivity such that sufficient boreholes will be completed to provide an initial Coal Inferred Resource before the end of 2012.

AAM and AAK Projects

Cokal has a 75% share of Anugerah Alam Katingan (AAK) and Anugerah Alam Manuhing (AAM) projects also located in Central Province, Kalimantan, Indonesia. The AAK project area comprises 5,000m hectares and the AAM project comprises 10,000 hectares. Mapping and preliminary exploration work continued in AAM during the quarter, unravelling the coal potential within the tenement.

(b) Africa

Tanzania

Cokal is working in conjunction with its JV partner, Tanzoz, to gain access into other parts of Tanzania for the purpose of conducting a coal exploration program. The focus remains to identify the potential existence in Tanzania of the specific stratigraphic sequence which hosts the coking coals found in Mozambique's Moatize Basin.

Mozambique

The "Co-operation Agreement" with EMEM (a state owned Company) to explore tenements in Mozambique for coal mining potential has yet to acquire suitable ground for an exploration program to be conducted. Cokal continues to pursue its foray into Mozambique with the intent to build, own and operate a coking coal mine.

PROJECT DEVELOPMENT

Barge Scoping Study

The key results from a Barge Scoping Study announced in February, 2012 are :

- Barging Has High Potential from the Upper Barito River to Shiploading
- Barging Able To Provide Internationally Competitive Logistics Solution
- Initial Channel Survey of Upper Barito River completed
- Options Identified to Improve Efficiency and Operating Days Compared with Current Methodologies
- Further Detailed Studies have been Initiated

As a direct result of this Scoping Study, a Bathymetric Survey of the Barito River has been commissioned and identification of ideal barge loading positions has commenced. This bathymetric survey will result in definition of the river bottom profile, to allow for detailed analysis of the design of equipment, river capacity at various points and the effect of seasonal variations on the logistics chain.

Cokal Executive Chairman, Mr Peter Lynch, said "The Barge Scoping Study is a key milestone in commencing production from the BBM Project in Central Kalimantan as soon as practical. The BBM Project is located adjacent to the Barito River and the Pre-Feasibility Study can now be initiated."

Infrastructure Development to Facilitate production

As part of continued progress towards coal production, two Memorandums of Understanding were signed in a ceremony held in Murung Raya Regency in March 2012. These two were :

- a) Development of River Ports for Coal Transport on the Barito River. This MoU allows for a Joint Venture with the local regency to develop coal barge loading facilities to service the BBM project and other future Cokal projects in Murung Raya.
- b) Study and Development of coal fired Power Stations in Murung Raya regency. This MoU is for the potential development of two small scale coal-fired power stations (5 -10MW) in the regency. This could service the needs of proposed Cokal mines in the area, as well as providing benefits to the local community.

Cokal Executive Chairman, Mr Peter Lynch, commented that the MoU's and the corresponding planned Agreements, are part of expediting planned metallurgical coal production in this high quality coal basin, while providing significant benefits to the local community.

The Regency Government's Development Corporation would be a joint venture partner with Cokal, and is committed to provide assistance for this infrastructure development.

CEO & MD, Mr Jim Middleton said "This co-operation and assistance will help us to quickly move into the production phase. The Regency Government is enthusiastic about the mine development as it brings jobs, education and prosperity to the region. Cokal has committed to a high level of community engagement through an effective community social responsibility program focused on education and training, employment and local infrastructure development.

Expansion of Metallurgical Coal Potential into West Kalimantan

The acquisition of 75.2% of PT Silangkop Nusa Raya (SNR) has been completed. SNR holds three exploration licences in West Kalimantan near the Malaysian border (**SNR Licences**). The SNR Licences cover an area of approximately 13,000 hectares. (See plan in Exploration Section).

Local Indonesian partners will hold the balance of the equity in PT Silangkop Nusa Raya.

Cokal's Executive Chairman, Mr Peter Lynch said "While recent exploratory work for metallurgical coal in the area was limited, surface samples of coal from surrounding areas had shown good coking coal properties and I am excited by the possibility of opening up a new area".

The proposed acquisition has received Indonesian regulatory approval and PT Silangkop Nusa Raya has been converted to a PMA Company. Under Indonesian law a PMA Company is able to have up to 100% foreign ownership.

CORPORATE

General Meeting – January 2012

A General Meeting of Shareholders was held on 31st January, 2012. All resolutions were passed in the affirmative resulting in:

- Ratification of the previous issue of 17,000,000 shares and 8,500,000 options (@ \$1.00 expiring on 15th May, 2013) to Passport Capital (and its related entities) for \$8,500,000.
- Ratification of the previous issue of 24,600,000 shares to Blackrock Investment Management (and its related entities) for \$12,300,000.
- Approval to issue 15,400,000 shares to Blackrock Investment Management (and its related entities) for \$7,700,000.

These placements provide significant cash resources to enable Cokal to deliver the planned exploration and development programmes for the next eighteen months.

ENDS

Further enquiries:

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Competent Person Statement

The information in this report relating to exploration results and coal resources 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.