

**ASX ANNOUNCEMENT/MEDIA RELEASE**  
**May 31, 2012****COKAL IDENTIFIES ADDITIONAL SEAM OF PREMIUM QUALITY COKING COAL AT BUMI BARITO MINERAL PROJECT (BBM)****HIGHLIGHTS**

- Continued drilling at BBM has focused on a new seam the 'J' seam overlying the previously reported JORC compliant inferred resource
- Laboratory results confirm the 'J' seam as premium quality coking coal
- Coal quality includes low ash, low sulphur, low phosphorous and low moisture
- The 'J' seam exhibits low inherent ash, with direct ship potential.

Global metallurgical coal group Cokal Ltd (ASX:CKA) announced today it has identified an additional seam, the 'J' seam and confirmed it contains high quality premium coking coal at its Bumi Barito Mineral (BBM) project in the Indonesia territory of Central Kalimantan. BBM covers an area of approximately 19,920ha, immediately adjacent to BHPBilliton's Juloi tenement, straddling the Barito River.

The additional seam, the 'J' seam is the uppermost in the package of nine seams which have been mapped to date. It overlies the three seams 'B', 'C' and 'D' which formed the basis of the JORC compliant 60mt inferred coal resource announced by Cokal in December 2011.

"These laboratory results conducted in Australia by ALS confirm that the 'J' seam is a premium coking coal and a welcome addition to the existing premium metallurgical coal at the BBM project," said Mr Pat Hanna, Executive Director of Cokal Ltd.

"All of the core samples which have intersected the seam have demonstrated excellent coking potential with Crucible Swell Numbers (CSN) of 9 or greater on even the raw coal results."

Cokal CEO Jim Middleton said "The relatively low raw ash results mean there is potential that when combined with the low in-situ ash coal from elsewhere in the project the 'J' seam may represent a direct ship opportunity."

"The float sink test work has been undertaken on samples where the In-situ ash result was greater than 9%, the resulting yields were very high and notably, achieved using a relatively high separation density of 1.6. This equates to a very simple processing if required, this in-situ ash is generally related to the presence of a thin stone band which is expected to separate easily using a rotary breaker" he said

**Table 1: 'J' Seam Borehole Data**

Hole / Sample	Easting (local Grid)	Northing (local Grid)	Collar RL (m)	Depth to J Seam (m)	Nett Coal (m)	Depth to base Coal (m)
BBM-017	182706	9961407	254	23.10	1.60	24.70
BBM-017A	182706	9961407	254	23.10	1.60	24.70
BBM-019	181612	9960544	200	20.40	1.40	21.80
BBM-018	182852	9961146	274	53.20	0.97	54.17
BBM-014	180690	9960466	179	54.75	1.30	56.04
BBM-020	183700	9961756	310	64.85	1.15	66.00
BBM-037	180715	9960825	214	40.15	1.35	41.50
BBM-037A	180557	9960828	224	15.35	1.37	16.72
BBM-036A	181579	9960247	127	67.00	1.45	68.45
BBM-048	183528	9962035	322	35.15	1.40	36.45
BBM-049	184044	9962217	306	79.90	1.55	81.45

**Table 2 : 'J' Seam Coal Quality – Premium Coking Coal**

Product	Ash %	Vols. %	Fixed Carbon %	Moisture ad %	Total Sulphur %	Phos %	Calorific Value Kcal/kg	CSN	Vitrinite Content %
Direct to Ship	6.5-9.8	18.0	71-75	1.0	0.4-0.5	≤0.003	7,750-8,100	>9	>95
Beneficiation at F1.60	4.9-6.6	18.5	70-75	1.0	0.4-0.6	-	7,550-8,250	>9	91-96

“We are progressing our plans to take BBM into production as early as possible with initial plans focused on a 1 – 2 mtpa direct ship operation. We well advanced on completing our Feasibility Study and associated Environmental Impact Studies. These are critical elements which must be completed and approved in applying for the necessary mining approvals for the project.” Mr Middleton said.

We continue to receive strong interest from some of the world steel industry’s biggest participants. They are motivated to support the potential for a new metallurgical coal basin which allows them to diversify their current raw material supply away from the existing limited geographic locations which are dominated by the majors.

Although Indonesia has recently become the largest exporter of thermal coal in the world, the metallurgical coal potential of Central Kalimantan is yet to be fully realised. Kalimantan is located favourably in a geographic sense, being on the doorstep of the world’s biggest and strongest growing markets.

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Cokal currently has four, man portable rigs active on the BBM project, two of which have been focused on the 'J' seam. A further two, man portable rigs are active on the BBP project which is also in Murung Raya Regency Central Kalimantan.

## **ENDS**

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### **About Cokal Limited**

Cokal (ASX:CKA) is an Australian listed company with the objective of becoming a metallurgical coal producer with a global presence. Cokal has interests in four projects in Central Kalimantan, Indonesia considered prospective for metallurgical coal. Cokal has also signed a joint venture to explore for coal in Tanzania with Tanoz Resources.

### **Forward Looking Statements**

Statements regarding plans with respect to the Company's exploration properties are forward-looking statements. There can be no assurance that the Company's plans for development of its properties will proceed as currently expected. There can also be no assurance that the Company will be able to confirm the presence of additional deposits, that any mineralisation will prove to be economic or that a mine will successfully be developed on any of the Company's exploration properties.

### **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 Limited.

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.