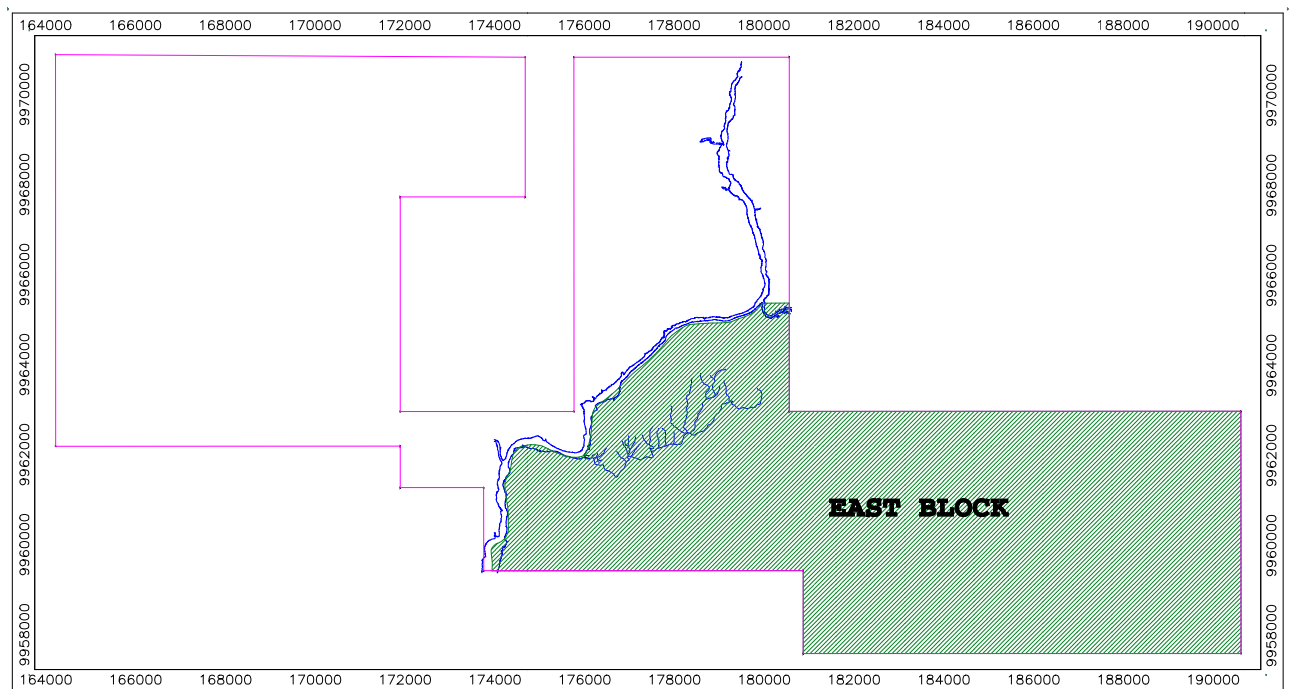


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**ASX Announcement****JUNE 27, 2012****COKAL ANNOUNCES 200MT TO 350MT EXPLORATION TARGET ON BUMI BARITO MINERAL (BBM) EASTERN BLOCK**

Global coal group, Cokal Limited (ASX-CKA), has reported an Exploration Target<sup>1</sup> on the Eastern Block of the BBM project ranging from 200Mt to 350Mt. The Exploration Target<sup>1</sup> is based on the coal occurrences in the area marked in green in Figure 1 below, and includes coal less than 200m depth of cover and **excludes** the 60Mt Inferred Resource announced in December 2011.

The Eastern Block comprises the area of BBM project which is east of the Barito River, 8000Ha or 40% of the entire 19,920Ha IUP, which is located in the regency of Murung Raya, Central Kalimantan, Indonesia.



**Figure 1: The Bumi Barito Mineral (BBM) Eastern Block (green shading) Exploration Target<sup>1</sup> covers an area of 8000Ha or 40% of the total BBM IUP.**

Cokal, which owns 60% of BBM, has announced a maiden Inferred Resource of 60Mt of high quality premium Metallurgical Coal, comprising 60% coking and 40% PCI, in December 2011. The Resource covered 8% of BBM's 19,920 ha, which is located immediately adjacent to BHPBilliton's Juloi tenement. Subsequently, in May 2012, Cokal released drilling results confirming additional high quality premium coking coal in the 'J' seam at the BBM project.

"The Exploration Target<sup>1</sup> has been reported in accordance with the "JORC Code" and provides a view on the potential scale of the opportunity at the BBM Project" said Cokal's Executive Director,

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Mr Pat Hanna. “The Eastern Block Area of BBM has been the focus of our exploration activity at BBM and with four drill rigs in operation drilling progressively towards the eastern boundary”.

The Exploration Target<sup>1</sup> complies with all of the major requirements of the JORC Code, with the following qualifications:

- Exploration Target<sup>1</sup> is current to 17 June 2012
- The borehole data and surveyed coal outcrops used as the basis of the geological interpretation and subsequent Exploration Target<sup>1</sup> estimation has been reviewed and validated by Mr Hanna. All boreholes used in the estimation were logged using down-hole geophysical tools. The borehole data and surveyed coal outcrops are regarded as being reliable data in accordance with the requirements of the JORC Code.
- Coal seams with thickness less than 0.3m were excluded from the Exploration Target<sup>1</sup> estimation.
- The default Relative Density (RD) value of 1.40g/cc used to estimate tonnage was based on the statistical average of all seams.

The current borehole data, together with down-hole geophysical logs and seam outcrop mapping, indicates that there are at least 13 coal seams in the eastern part BBM project area. These seams are identified from boreholes and outcrops throughout the eastern part of project area and have been labelled alphabetically starting from Seam A at the base of the stratigraphy, up to Seam M.



**Figure 2: Coal Outcrop near the Barito River within the Eastern Block of the BBM Project**

The seams range in thickness from 0.2 to 1.5m and typically consist of bright coal occasionally interlaminated with a carbonaceous mudstone parting. The coal itself is often described as “bright with minor dull bands” due to its high vitrinite content. The coal is soft (generally with HGI >90) and easily broken. From Seam A to Seam I, the interburden thicknesses between the coal seams

in a single horizon generally vary from 1.5m to 22m. While above Seam I, the interburdens were not clearly defined as the data is predominantly based on the outcrop data. The seams dip to the south and southeast, ranging from 5 to 15 degrees, averaging 10 degrees.

Borehole cores for Seams A, B, C, D have been analysed and produced two coal types within the BBM East area, a Coking Coal and a PCI Coal. The coals are typically low Ash (4% to 8%), low Sulphur (0.2% to 0.4%) and ultra-low Phosphorus (0 to 0.003%).

The Coking Coal typically has a good Swelling Index of 8 to 9, and Volatile Matter in the range of 18% to 20%.

The PCI Coal has very high Carbon content (80% to 85%), due to the low Volatile Matter (around 10%).

Occasionally, one or two seams develop a thin stone band which may increase the ash content to the range of 9% to 14%. This additional ash is readily removed to reduce the ash to 5% for a greater than 85% yield. It is believed that a simple beneficiation plant would be sufficient to remove this stone at little cost to the operation. Analyses are underway to study various beneficiation technologies to determine the cost effective method suited to this coal.

“As we progressively continue our exploration activities towards the east, we are uncovering more premium coking coal and a lesser proportion of PCI coal which is related to a very localised igneous intrusion near the Barito River”. Mr Hanna said

“Coal to the east of this feature tends to be premium quality coking coal, and this was re-enforced by the results reported recently in the J seam” He said

## **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 with Tanoz Resources to explore for coal in Tanzania and a co-operation agreement with Mozambique Government Mining Corporation, EMEM, to explore for coking coal in the emerging coal province of Mozambique.

## **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.

### **Note 1: Exploration Target:**

All statements as to Exploration Targets of Cokal Limited and statements as to potential quality and grade are conceptual in nature. There has been insufficient exploration undertaken to date to define a coal resource and identification of a resource will be totally dependent on the outcome of further exploration. Any statement contained in this document as to exploration results or Exploration Targets has been made consistent with the requirements of the Australasian code for reporting of exploration results, mineral resources and ore reserves ("JORC Code").