
ASX Announcement**October 10, 2012****COKAL ESCALATES BUMI BARITO MINERAL (BBM) PROJECT, GRANTED FORESTRY PERMIT****HIGHLIGHTS**

- **Indonesian government approves exploration forestry permit (IPPKH)**
- **Cokal mobilises larger machinery and increasing exploration drilling activity**
- **Results of Pre-Feasibility Study on BBM to be released in the near future**
- **AMDAL standard EIS substantially completed**

Global metallurgical coal group Cokal Ltd (ASX:CKA) is pleased to announce the company has received Ministry approval for exploration forestry permit, Pinjam Pakai (IPPKH), covering its premier Bumi Barito Mineral (BBM) metallurgical Coal Project. The IPPKH is critical for the use of larger capacity equipment which will allow for high impact exploration drilling activity of its Indonesian coal targets.

Cokal Executive Chairman Peter Lynch said the company expects to complete and announce the results of its BBM pre-feasibility this month and has also substantially completed its Environmental Impact Statement (EIS). The Pre-Feasibility Study provides a number of options for developing an open-cut coal mine in BBM and the associated infrastructure and coal transportation. This directs our focus to studies and actions specifically required for the Project to commence production quickly. The completion of these Studies will enable the company to make investment decisions and ultimately commence construction of the mining operation.

Mr Lynch said the latest developments moved the company closer to the production phase for its Bumi Barito Mineral (BBM) coal project in the Indonesian province of Central Kalimantan.

“The approval of the forestry permits from the Indonesian government means Cokal can now use large drills in order to convert the previously announced 200 – 350Mt Exploration Target⁽¹⁾ to JORC compliant Coal Resources,” he said.

“This permit allows Cokal to develop a roadway system within BBM for better access of people, supplies and medical care. As well, Cokal will commence survey of mine site infrastructure including the barge loading port, mine offices accommodation and maintenance workshop.

“The exploration forestry permit and the EIS approval are also critical pre-requisites for applying to convert the BBM exploration IUP licence into a production IUP licence. Cokal’s EIS has made significant progress, allowing the company to move quickly towards applying for the mining licence.”

Executive Director, Pat Hanna, said “The approval from the Forestry Department confirms Cokal’s strategy in developing coking coal open-cut coal mine in Indonesia. We have always believed this is the right place to operate, because the system works here in Indonesia if you follow the rules. We now have a coal project which is legally owned by Cokal (60% foreign ownership approved by Badan Koordinasi Penanaman Modal [BKPM] the Indonesian equivalent of the Foreign Investment Review Board), and the licence has no outstanding legal ownership issues as it was approved by the Central Government and listed on the “Clean and Clear List”.

“Cokal is one step closer obtaining Environmental Approval and a Mining Licence” Pat Hanna said “There are not many places in the world where you can develop a coal mine from greenfields exploration through to mine production in three to four years. Our workforce on site at BBM is entirely Indonesian skilled people who are conducting activities to International standards and in accordance with the JORC Code as required by the Australian Securities Exchange.”

Cokal has implemented a Community Development Program from Day 1 and we believe we are looked upon favourably by the local Community, many of whom form a part of our team.

BBM covers an area of 19,920 ha, immediately adjacent to BHPBilliton’s Juloi tenement, straddling the Barito River, exploration efforts to date have confirmed 77Mt of Indicated (7Mt) and Inferred (70Mt) JORC resources which is 80% premium coking coal and 20% high quality low volatile PCI.

Meanwhile Cokal continues to make progress on its other IUP, Borneo Bara Prima (BBP), covering an area of 13,050 ha, located adjacent to BHPBilliton’s Maruwai tenement.

Cokal Managing Director Jim Middleton said the company expects to release the BBM Pre-Feasibility Study in the near future.

“Cokal has a Pre-Feasibility Study underway which is focused on an early production scenario utilising open cut mining methods, producing a direct shipped, premium quality product and utilising river barging from a port located on the Barito River,” Mr Middleton said.

“We have also substantially completed supporting documents for our Mining Licence application.”

Mr Hanna said exploration activity is continuing to define further coal resources which are generally in areas of low strip ratio and with higher percentages of coking coal.

Cokal announced on June 27, 2012, an Exploration Target⁽¹⁾ of 200Mt to 350Mt down to a depth of 200m. This exploration result is in addition to the 77Mt total (7 Mt Indicated and 70 Mt Inferred) Resources.

ENDS

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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 Tanzoz 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 Persons 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 and Tri Yoso who is a member of the Australasian Institute of Mining and Metallurgy and a full time employee of Cokal Ltd.

Mr Hanna and Mr Yoso are qualified geologists and they have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking, to qualify as Competent Persons as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves".

Mr Hanna and Mr Yoso consent 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").