

ASX ANNOUNCEMENT**October 26, 2012****COKAL SELLS AUSTRALIAN TENEMENTS**

Global metallurgical coal group Cokal Limited ASX:CKA (“Cokal”) is pleased to announce it has entered into an agreement with XMC Australia Pty Ltd, a wholly owned subsidiary of Xuzhou Coal Mining Group Corporation (“XMC”) for the sale of its 100% interest in its Queensland tenements.

The sale, valued at \$1.7M (\$1.53M net of costs), is conditional upon both Australian Foreign Investment Review Board approval, Chinese Government regulatory approval and Queensland Government approval of the permit transfers, within 5 months. The sale includes EPCAs 1648 and 1662 if ultimately granted to Cokal.

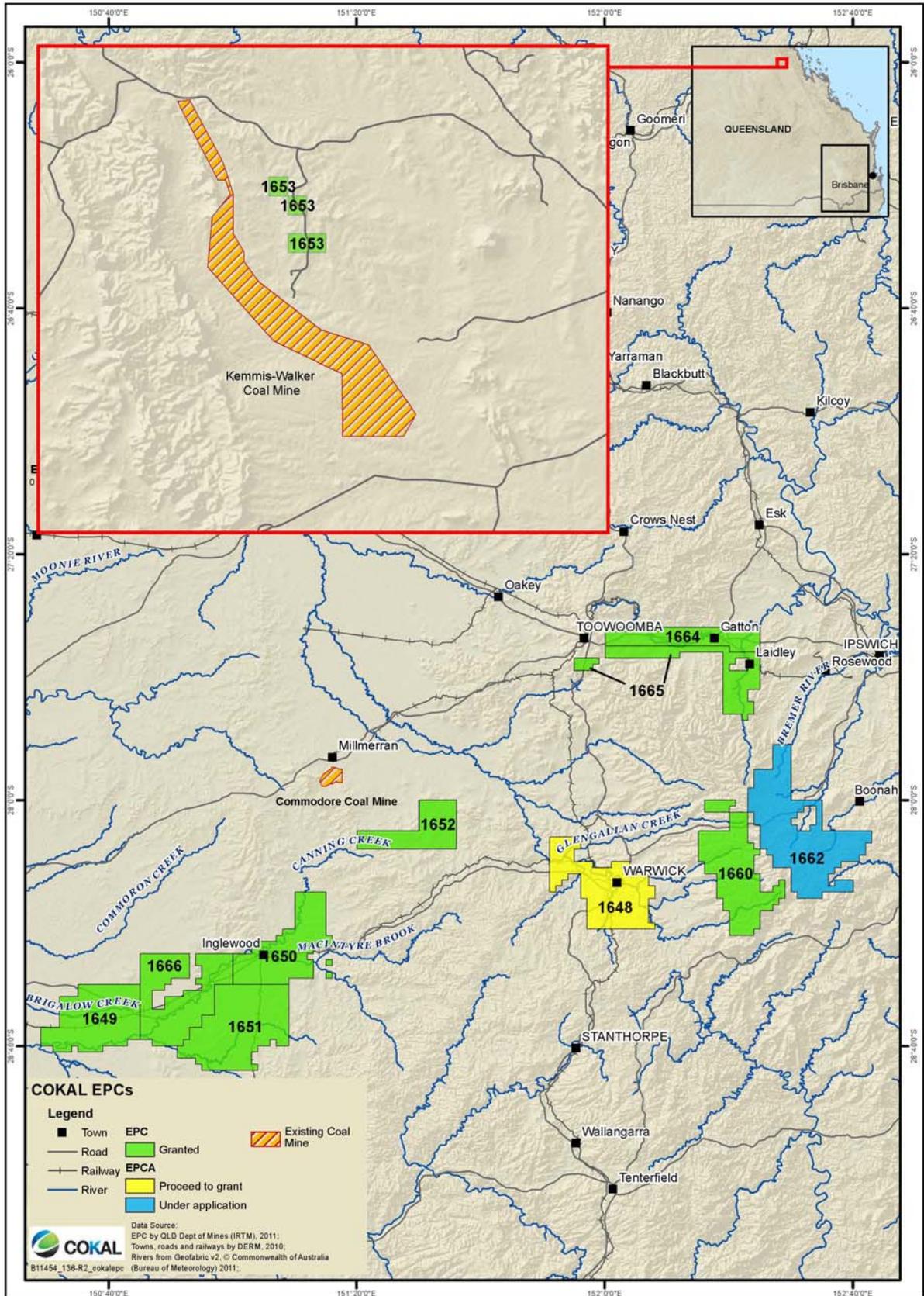
XMC is one of the largest Chinese State Owned Enterprises (“SOE”) and a top 500 coal producer in China. With a long history dating over 120 years, XMC employs 65,000 people. In 2009 XMC’s annual production was 19.5Mt with total revenues of 18.6B RMB and fixed assets of 24.5B RMB. In addition, they hold a AAA credit rating.

Cokal’s Executive Chairman, Peter Lynch said, “the sale will enable Cokal to focus on development of its Indonesian assets, particularly its Bumi Barito Mineral (“BBM”) project.

The planned sale to XMC will support the rapid development of these assets as XMC wishes to develop a strong business base in Queensland. While Cokal will have no ongoing financial interest in the tenements, we will work with XMC to support the development of the assets and their establishment in Australia.

We look forward to a very positive relationship with XMC and the further development of their Queensland assets”.

Figure 1: Location of Queensland Tenements to be Sold



ENDS

Further enquiries:

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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 Tanzoz Resource Company Limited 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.