

31 July 2013

**QUARTERLY REPORT FOR THE THREE MONTHS
ENDED 30 JUNE 2013****HIGHLIGHTS**

- **BBM Initial drilling results in KLM Seams indicate further opencut coking coal resource potential**
- **TBAR – 50% of project mapped reveals 69 coal outcrops, all metallurgical coal**
- **Cokal appoints Indonesian Country Manager**
- **Integrated Mining and Logistics EIS Approved for BBM Project**
- **Production Mining Lease Approved for BBM Project**
- **Cokal Announces New Executive Team Structure**
- **Cokal Signs Barging JV Proven Operator**
- **Private Placement raises A\$9.6M gross (July 2013)**

EXPLORATION**INDONESIA*****BBM Project***

BBM covers an area of 19,920 hectares (ha) with the Production IUP covering 15,000Ha within that area, immediately adjacent to BHP Billiton's Juloi tenement, straddling the Barito River and has numerous outcrops of bright coal. The Eastern Block of BBM contains an Exploration Target¹ of 200 to 350 Million tonnes (Mt) and ongoing drilling samples indicate the eventual conversion to premium coking coal with Crucible Swell Numbers (CSN) values generally 9 or more. This exploration result is in addition to the 77Mt total (7Mt Indicated and 70Mt Inferred) Resources.

Highlights

- **Drilling at BBM is now focused on the new K L M seams outcropping to the east of the high quality J seam**
- **In-fill drilling of J seam completed increasing confidence in resource allowing detailed mine planning**
- **Laboratory results confirm the K L M seams as premium quality coking coal with CSN of 9**
- **Coal quality included low ash, low sulphur, low phosphorous and low moisture**

During the quarter up to eight drill rigs have been active on the BBM project. Activities have focused on in-fill drilling of the J seam as well as the recently discovered KLM seam outcrops further to the east.

The J seam in-fill program has focused on improving the confidence of the existing resource by drilling additional boreholes reducing the spacing of the pattern allowing the resource to be defined in higher categories of the JORC code

Drilling continued to delineate the J Seam outcrop and coal quality throughout the Eastern Block of BBM. J Seam thickness reached 1.8m towards the northern boundary where the seam continues to display excellent coking properties. Drilling results indicate the J Seam has potential for both opencut and underground extraction, with competent sandstone strata covering the coal seam throughout the resource area. The sandstone strength is generally in excess of 60 Mega Pascals (MPa), similar to the sandstone strata in Australia's coking coal Bowen Basin, with some hard bands reaching 95 MPa. This material is ideal for

designing steep open pit walls, as well as for establishing 200m to 300m wide longwall panels for underground extraction.

An upgrading of the shallow Coal Resources for the J Seam to Indicated and Measured categories is due shortly.

The KLM seam outcrops which lie in the eastern area of the BBM project were accessed via the construction of all-weather access road system allow the utilisation of high capacity drill rigs. The drilling program for the KLM seams was commenced during the quarter with a substantial number of holes completed. The program is continuing and is scheduled to be completed by the end of the current quarter.

Geological mapping of the western half of the BBM tenement has delineated a large number of coal seam outcrops. Sample analyses of the outcrops indicate the majority of the potential resource to produce a PCI product, and in some locations, the coal displays properties consistent with that of anthracite. These coals are suitable for steel production, mineral processing and urea production.

Tambang Benua Alam Raya (TBAR) Project

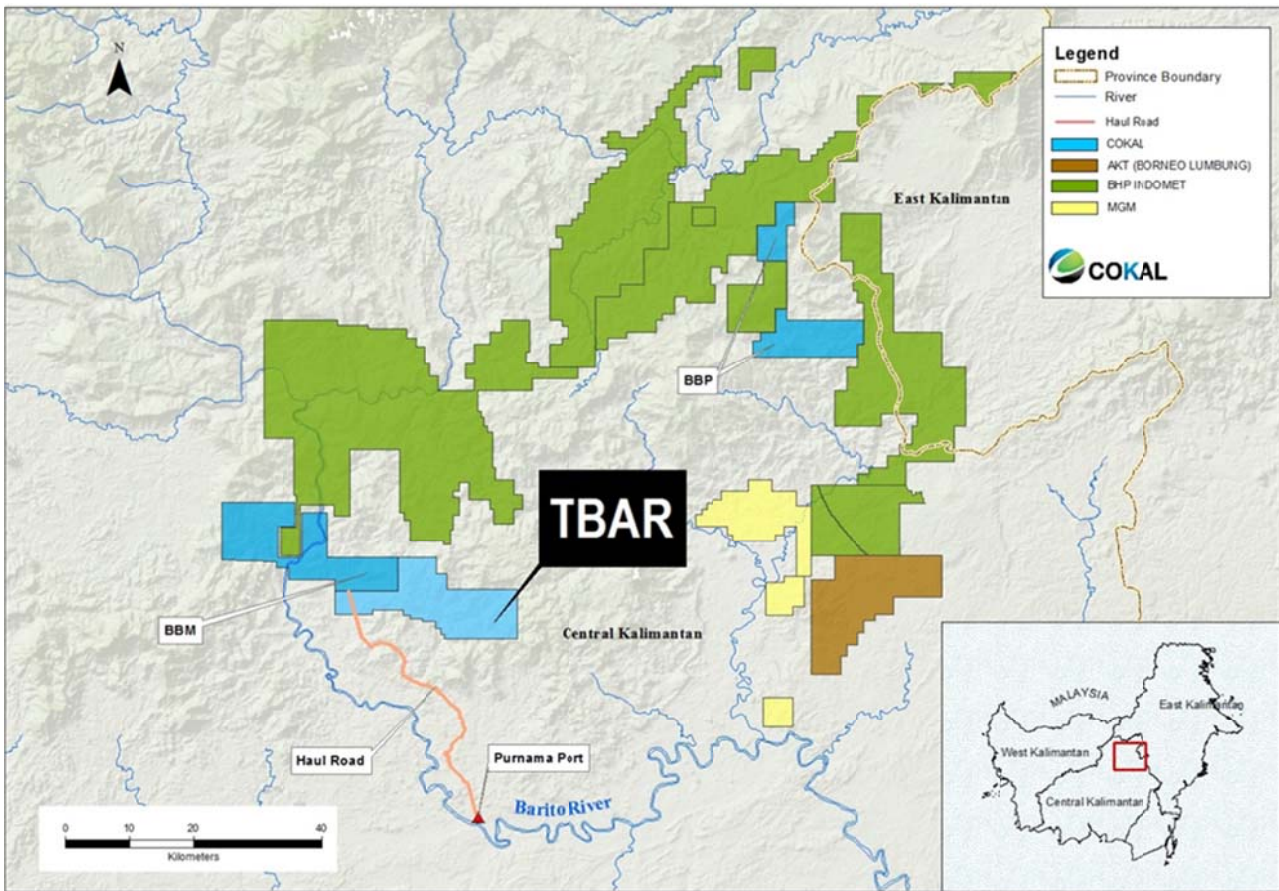
Cokal will acquire 75% of the TBAR Exploration Licence which covers an area of 18,850 hectares. TBAR is listed on the Central Government's Clean and Clear (CNC) List. TBAR adjoins the southern and eastern boundaries of BBM, and consists of the same coal-bearing Haloq Sandstone Formation.

Geological mapping of TBAR has commenced, with about 50% of the area completed in detail. This work has delineated 69 coal outcrops to date indicating the potential to define a significant shallow opencut coal project, which could be comparable to BBM's Eastern Block.

Analyses of outcrop channel samples indicate favourable conditions to define direct shipping coking coal which has low ash, low sulphur and a high swelling coke index.

The largely positive mapping results to date reinforce Cokal's view that the coal seams in the BBM project are likely to extend into the TBAR project. TBAR has the potential to add additional size to Cokal's coking coal inventory in the region. There is a reasonable opportunity to exploit the TBAR project using the infrastructure planned to be developed for the BBM project

Figure 1: Locality plan of TBAR and BBM Projects



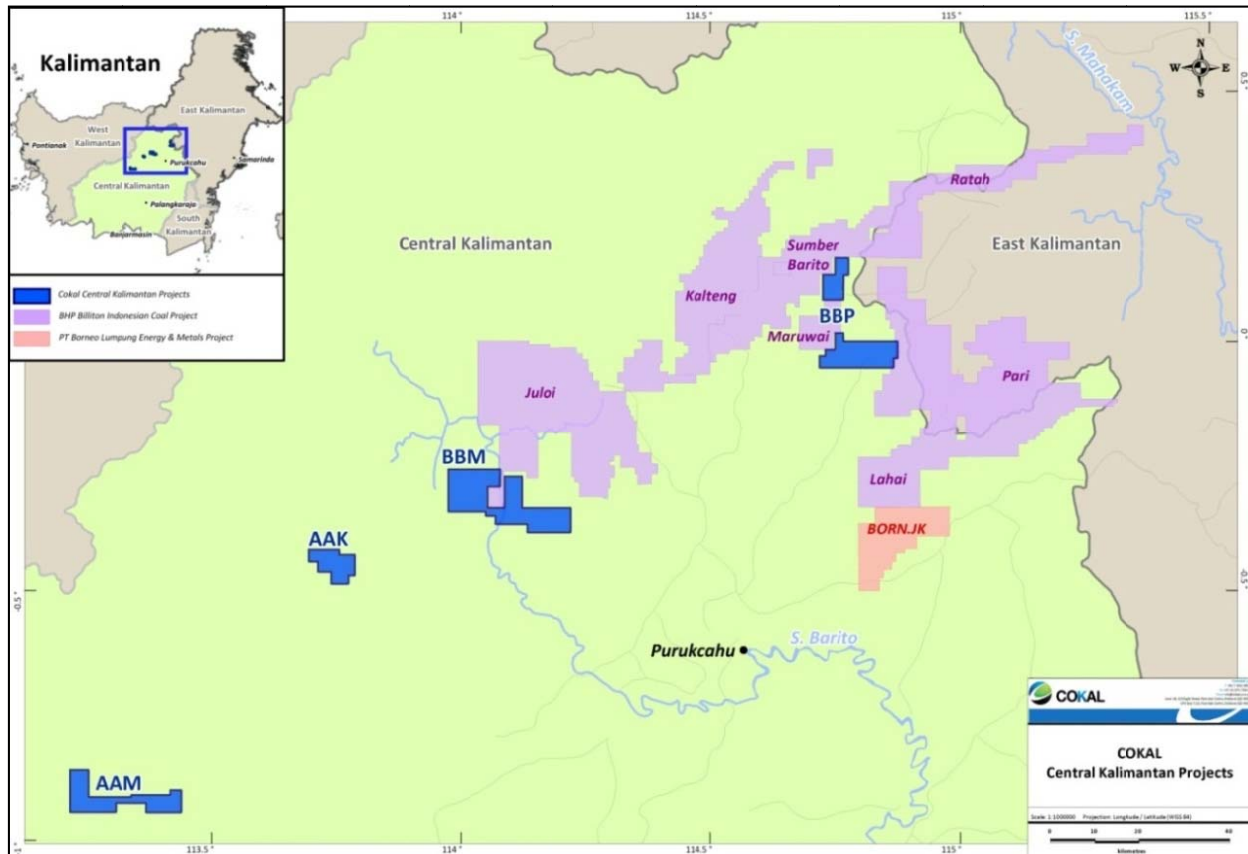
BBP Project

No exploration activity was conducted on BBP during this period as all drilling and exploration resources have been deployed to BBM to assist in the delineation of the K L M Seams.

AAM and AAK Projects

Cokal has a 75% share of Anugerah Alam Katingan (AAK) and Anugerah Alam Manuhing (AAM) projects also located in Central, Kalimantan, Indonesia. The AAK project area comprises of 5,000ha and the AAM project comprises of 10,000ha. Applications for the Forestry permit (IPPKH) continue to be processed. Drilling is planned to commence once the Forestry permit for exploration activity is issued.

Figure 2: Locality plan of the Central Kalimantan Coal Projects on the island of Kalimantan
 - Cokal's Coal concession areas are shown in blue



SNR Project

Applications for the Forestry permit (IPPKH) continue to be processed. Drilling is planned to commence once the Forestry permit for exploration activity is issued.

AFRICA

Tanzania

Cokal has negotiated access into a prospective area in Tanzania containing outcropping Karoo sediments. Initially Cokal plans to map the geology of the Karoo sediments to determine the evidence of carbonaceous material, and pending the results, will plan a wildcat drilling program to determine the occurrence of coal seams below younger alluvial sediments at surface.

Mozambique

Cokal continues to pursue opportunities in Mozambique and watches carefully the events of current producers and explorers as they unfold.

PROJECT DEVELOPMENT

BBM Definitive Feasibility Study Progressing

The BBM Project definitive feasibility study (DFS) is in full swing with the aim of delivering a fully designed and costed project to the most accurate level of confidence. The DFS is focused on the initial 2Mtpa direct ship start up project. All approvals and government processes have been submitted to allow development of an operation of up to 6Mtpa capacity

The DFS has been optimised to ensure the delivery of a low capital and operating cost, high quality coking coal project at BBM.

Mine Design

Detail mine design and costing will commenced in the September Quarter. This work initially focuses on a detail mine plan based on the J seam and BCD seams but the final design will not be completed until the drilling on KLM seams is finalised.

Discussions however are underway with several mining contractors for the initial 2Mtpa direct shipping operation. Initial responses have been strong and at present all groups seem able to meet the company's time frame for production and are in a position to provide the necessary support to ramp up to 6Mtpa.

Haul Road

LiDAR imaging has been conducted over a broad area covering the entire road route, and possible alternatives. This LiDAR imaging has been utilised to allow the design and costing of the entire haul road route from the BBM mine site to the Purnama Barge loading jetty on the Barito River. The full earthworks design covers all cut and fill quantities and identification of certain selected naturally occurring building materials along the optimum route. Final bridge design and geotechnical investigations are schedule to get underway in July 2013.

The haul road route has been designed to provide for the utilisation of 'C' double highway haul-trucks carrying 120t per trip, the most efficient cost on a tonne per kilometre basis. To achieve this the haul road has generally been designed to a standard of an 8 degree maximum gradient against the loaded direction of travel.

Barge Loading Facility

The barge loading facility is to be located at Purnama on the Barito River. Land acquisition and resumption arrangements are underway with a total site being secured of 150Ha. The loading facility is based on successfully operating facilities tailored for shallow draft hopper barging systems. Gootechnical investigations are proceeding ahead of the finalisation of the final earthworks design and costing.

River Barging

Detailed studies of the river continue to confirm the practicality of using a river based shallow draft barging system. A detailed specific push tug and barge combination design to suit the identified navigable channel has been produced and is in the final stages of costing.

A barging JV agreement has been executed with a well-respected and experienced Indonesian Barging company. The barging JV partner is MDM Meratus line.

An operating draft of 2.0 metres has been confirmed for this project at approximately 3,000t loads. The barges can be loaded so that at deeper river depths approximately 7,000t loads can be transported.

The Local Government has approved the location of the barge loading facility, with the Environmental Approval allowing 6 Mtpa throughput.

River Transloading Station

Detailed design and costing is well advanced on river based transloading station to transfer coal from the river barging system for the upper Barito, to ocean going barges for delivery to offshore customer vessels via floating crane transshipping systems.

Final selection of the site of the transloading stockpile facility is in hand.

APPROVALS & EXTERNAL RELATIONS

BBM Production Approval Advances – Update

Cokal has been granted the mining licence for its BBM Project with the *Izin Usaha Pertambangan Eksplorasi* (Exploration IUP) upgraded to *Izin Usaha Pertambangan Operasi / Produksi* (Operation / Production IUP).

As reported last quarter Cokal has applied to upgrade the BBM Forest Utilisation Approval permit (exploration stage) (Ijin Pinjam Pakai Kawasan Hutan or IPPKH) to Forest Rent Use Permit (Operation / Production stage) for its BBM Coal Project. During last quarter Cokal received full written approval from the Murung Raya Regency Government for the upgrade of the forestry permit. In parallel, Cokal undertook intensive consultation with the Central Kalimantan Government in regard to their assessment of the forestry permit upgrade application. Cokal has now received written endorsement from all approval agencies in the Central Kalimantan Government for the upgrade of the forestry permit. Full written approval from the Governor is expected in August 2013. The Provincial Government approval is the final approval required before the National Government can approve the upgrade of the forestry permit.

Once granted, the upgraded forestry permit will enable construction of the BBM coking coal project to commence. In line with the integrated development of the BBM project, the application to upgrade the forestry permit includes the forestry areas associated with the development of the BBM mine, haul road and river barging terminal.

“With the approval of the EIS and the upgrade of the mining licence, together with the progress on forestry permit upgrade, we remain on track towards meeting our target of commencing construction in Q4 2013” said Chairman Peter Lynch.

As reported last quarter Cokal has received full approval for the BBM river barge loading facility and haul road from the Regency Government. Cokal has now received written endorsement from all approval agencies in the Central Kalimantan Government for the port location at Purnama. Full written approval from the Governor is expected in August 2013. The Provincial Government approval is the final approval required before the National Government can approve the location of the Port.

BBP Production Approval Advances - Update

Cokal has received the approval of its Environmental Impact Study (EIS) by the Central Kalimantan Provincial Government Environmental Agency (Badan Pengelolaan Lingkungan Hidup (BPLH)) for its BBP Project. The EIS covers the expected development of the Southern Block of the BBP and complies with Indonesian environmental and mining legislation.

The approval of the EIS by the BPLH now allows for the finalization of the upgrade of the IUP exploration to an IUP production / operation (Mining Lease) by the Murung Raya Regency Government.

The study was overseen by CDM Smith a global engineering and environmental consultancy supported by numerous specialised Indonesian sub-consultants. The Study commenced in early 2011 and included environmental and social baseline studies and assessments, and community consultation with local villages and communities.

In parallel to the EIS process Cokal submitted the IUP upgrade documents for the Project. Cokal expects to have the upgraded IUP for BBP from the Regency Government in Q3 2013.

TBAR Exploration Forestry Permit

Cokal has commenced the process of obtaining the exploration forestry permit for its TBAR concession. Full written approval from the Murung Raya Regency Government was obtained last quarter. Significant progress has been made by the Central Kalimantan Provincial Government in assessing the application and Cokal expects to have full written approval for the forestry permit from the Governor in Q3 2013.

Corporate Social Responsibility

Cokal has continued with the implementation of its Corporate Social Responsibility program. To date Cokal has undertaken the following programmes:

- Continued to provide support for Tumbang Tuan village (local village to BBM) Junior High School through the sponsorship of four teachers. This program is being implemented in conjunction with the local Education Department.
- Provided medical support to local villages around the landing area at BBM through providing access to onsite medical staff.
- Cokal has continued with the implementation of its Palangkaraya University scholarship program. Applications have been received from interested senior high school students from the Murung Raya Regency and Cokal has identified a shortlist of candidates to commence the program when University commences in September 2013. This program will then be rolled out to include trade based scholarships and internships for university graduates.
- Cokal staff are continuing to volunteer their time to provide English classes for the local community in the vicinity of the mine site.

CORPORATE

Mr Garry Keilenstyn has been appointed the Country Manager / President Director PT Cokal.

Garry is an expatriate based in Kalimantan, he is a veteran of the Indonesian mining and civil contracting industries. His first Indonesian based role was in the 1974 and has been living and working in the country since 1990. His previous roles include:

- Project Manager and Area Manager with Petrosea one of Indonesia's biggest mining and civil contractors
- Construction Manager, Mining Manager, Operations Manager, General Manager and Resident Manager for well recognized Indonesian Mining Companies such as PT Indo Muro Kencana / Straits resources, PT Yuga Eka Surya, PT Ganda Multi Energi, PT Baramulti Sugih Sentosa and PT Baramulti Sugih Sentosa.

Garry has strong track record for bringing projects through construction to production in remote parts of Indonesia but importantly he has long and successful track record in the Murung Raya regency where Cokal's premier BBM project is located..

Garry Keilenstyn commenced his formal employment on 1st May 2013, and is overseeing the completion of the BBM definitive Feasibility Study.

The former Managing Director of Cokal, Mr Jim Middleton departed the company in May, Mr Peter Lynch has assumed these responsibilities serving as Chairman and Chief Executive Officer.

Subsequent to the end of the June quarter, a private placement was made to the Singapore listed private equity group Blumont Ltd in July 2013. Under the arrangement Blumont will be issued 60,057,034 ordinary shares in Cokal at a price of A\$0.16 raising A\$9,609,125.44 before costs.

The placement will be issued in 5 tranches in line with the Company's planned drilling and detailed Engineering plans and will be used to fund that work and for general corporate purposes. The detail is shown in the table below.

Tranche	Placement Shares:	Settlement date
1	16,250,000 Placement Shares (@ A\$0.16 = A\$2,600,000)	15 July 2013
2	14,062,500 Placement Shares (@ A\$0.16 = A\$2,250,000)	15 August 2013
3	14,062,500 Placement Shares (@ A\$0.16 = A\$2,250,000)	13 September 2013
4	12,500,000 Placement Shares (@ A\$0.16 = A\$2,000,000)	15 October 2013
5	3,182,034 Placement Shares (@ A\$0.16 = A\$509,125.44)	15 November 2013

Blumont is a Singapore based investment company which is listed on the Singapore Stock Exchange and has a market capitalisation of approximately US\$ 1.5 B. Blumont has recently been expanding its interests in mining.

The Prefeasibility Study has shown the strong financial potential of the project. This has opened a number of financing options for Stage 1 these included financing the development through debt, pre-sale of product type agreements and sale of a portion of the project to an industry partner. These options or a combination of them would form the Company's preferred financing structure for the Stage 1 project.

Our preferred funding mechanism is direct investment and off-take funding direct into the BBM project with this funding being provided by a strategic industry player. The production IUP approval now provides the certainty to put in place these funding options to enable the BBM project to get into production.

ENDS

Further enquiries:

Peter Lynch
Chairman
Mobile: 0419 764 747

Andrew Crook
Media Enquiries
Mobile: 0419 788 431

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

This release includes forward looking statements. Often, but not always, forward looking statements can generally be identified by the use of forward looking words such as "may", "will", "expect", "intend", "plan", "estimate", "anticipate", "continue", and "guidance", or other similar words and may include, without limitation statements regarding plans, strategies and objectives of management, anticipated production or construction commencement dates and expected costs or production outputs. Forward looking statements in this release include, but are not limited to, the capital and operating cost estimates and economic analyses from the Study.

Forward looking statements inherently involve known and unknown risks, uncertainties and other factors that may cause the company's actual results, performance and achievements to differ materially from any future results, performance or achievements. Relevant factors may include, but are not limited to, changes in commodity prices, foreign exchange fluctuations and general economic conditions, increased costs and demand for production inputs, the speculative nature of exploration and project development, including the risks of obtaining necessary licences and permits and diminishing quantities or grades of resources or reserves, political and social risks, changes to the regulatory framework within which the company operates or may in the future operate, environmental conditions including extreme weather conditions, recruitment and retention of personnel, industrial relations issues and litigation.

Forward looking statements are based on the company and its management's good faith assumptions relating to the financial, market, regulatory and other relevant environments that will exist and affect the company's business and

operations in the future. The company does not give any assurance that the assumptions on which forward looking statements are based will prove to be correct, or that the company's business or operations will not be affected in any material manner by these or other factors not foreseen or foreseeable by the company or management or beyond the company's control.

Although the company attempts to identify factors that would cause actual actions, events or results to differ materially from those disclosed in forward looking statements, there may be other factors that could cause actual results, performance, achievements or events not to be anticipated, estimated or intended, and many events are beyond the reasonable control of the company. Accordingly, readers are cautioned not to place undue reliance on forward looking statements.

Forward looking statements in this release are given as at the date of issue only. Subject to any continuing obligations under applicable law or any relevant stock exchange listing rules, in providing this information the company does not undertake any obligation to publicly update or revise any of the forward looking statements or to advise of any change in events, conditions or circumstances on which any such statement is based.

Competent Person Statement

The information in this report relating to Exploration Results 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 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 consents to the inclusion in the report of the matters based on the information, in the form and context in which it appears.

The information in this report relating to Mineral Resources is based on information compiled by Tri Yoso who is a member of the Australasian Institute of Mining and Metallurgy and a full time employee of Cokal Limited.

Mr Yoso 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 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 Yoso 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, Resources and Ore Reserves (JORC Code).