

31 October 2013

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

- **Drilling in KLM area confirms additional Resources of premium coking coal in the Eastern Block of BBM**
- **Cokal appoints Lt Gen (Ret) Agus Widjojo to the Board**
- **Coking coal identified at TBAR, potential for opencut mining over extensive strike length**
- **Private Placement raises A\$9.6 Million gross**
- **Submission of Forest Rent Use Permit (Operation / Production stage) for BBM**
- **Subsequent to the end of the September Quarter.** Additional JORC Resources announced, representing an increase of 340% and bringing the Total Coal Resource at BBM to 264 Million tonnes.

EXPLORATION**INDONESIA*****Bumi Barito Mineral (BBM) Project***

BBM's Production IUP covers an area of 15,000 hectares (ha), immediately adjacent to BHP Billiton's Juloi tenement, straddling the Barito River and has numerous outcrops of bright coal. Coal core samples from ongoing exploration drilling in the Eastern Block of BBM indicate the eventual conversion to premium coking coal with Crucible Swell Numbers (CSN) values generally 9 or more.

Highlights

- **Drilling at BBM is now focused on the new KLM area outcropping to the east of the high quality J Seam**
- **In-fill drilling of J seam completed will increase confidence in Coal Resource allowing detailed mine planning**
- **Laboratory results confirm seams in the KLM area as premium quality coking coal with CSN of 9**
- **Coal quality included low ash, low sulphur, ultra-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 delineation of Coal Resources in the recently discovered coal outcrops in the KLM area further to the east.

The J Seam in-fill program has focused on improving the confidence of the existing Coal Resource by drilling additional boreholes reducing the spacing of the drill pattern, thus allowing the Coal Resource to be defined into higher categories of the JORC code.

Drilling in the J Seam outcrop area delineated seam thicknesses up to 2 metres (m) towards the northern boundary where the seam continues to comprise of 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 Megapascals (MPa), similar to the sandstone strata in Australia's coking coal Bowen Basin, with some hard bands reaching 95MPa. 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 expected shortly.

The KLM outcrop area which lies in the far eastern area of the BBM project was accessed via the construction of all-weather access road system allowing the utilisation of high capacity drill rigs capable of drilling up to 400m deep boreholes with HQ core. The drilling program for the KLM area commenced early in the quarter, with a substantial number of boreholes completed by the end of the current quarter. The geological interpretation of these drill results is in progress and the results will be released in an updated version of a Resource Report conducted in accordance with the 2012 JORC Code. It is expected this will be available early in the following quarter.

Subsequent to the end of the September Quarter. Additional JORC Resources were announced (for more detail refer ASX announcement dated 25 October 2013):

- Additional JORC Resources which brought the Total Coal Resource to 264 Million tonnes (Mt) at BBM, a 340% increase were announced.
- Comprised of 10.5Mt Measured, 13.5Mt Indicated and 240Mt Inferred Resources
- Resources increase is attributable to the J Seam and KLM area which is 100% Coking Coal
- Product Split of total BBM Coal Resource is now 90% Coking Coal and 10% PCI
- Resources include both open cut and underground potential

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

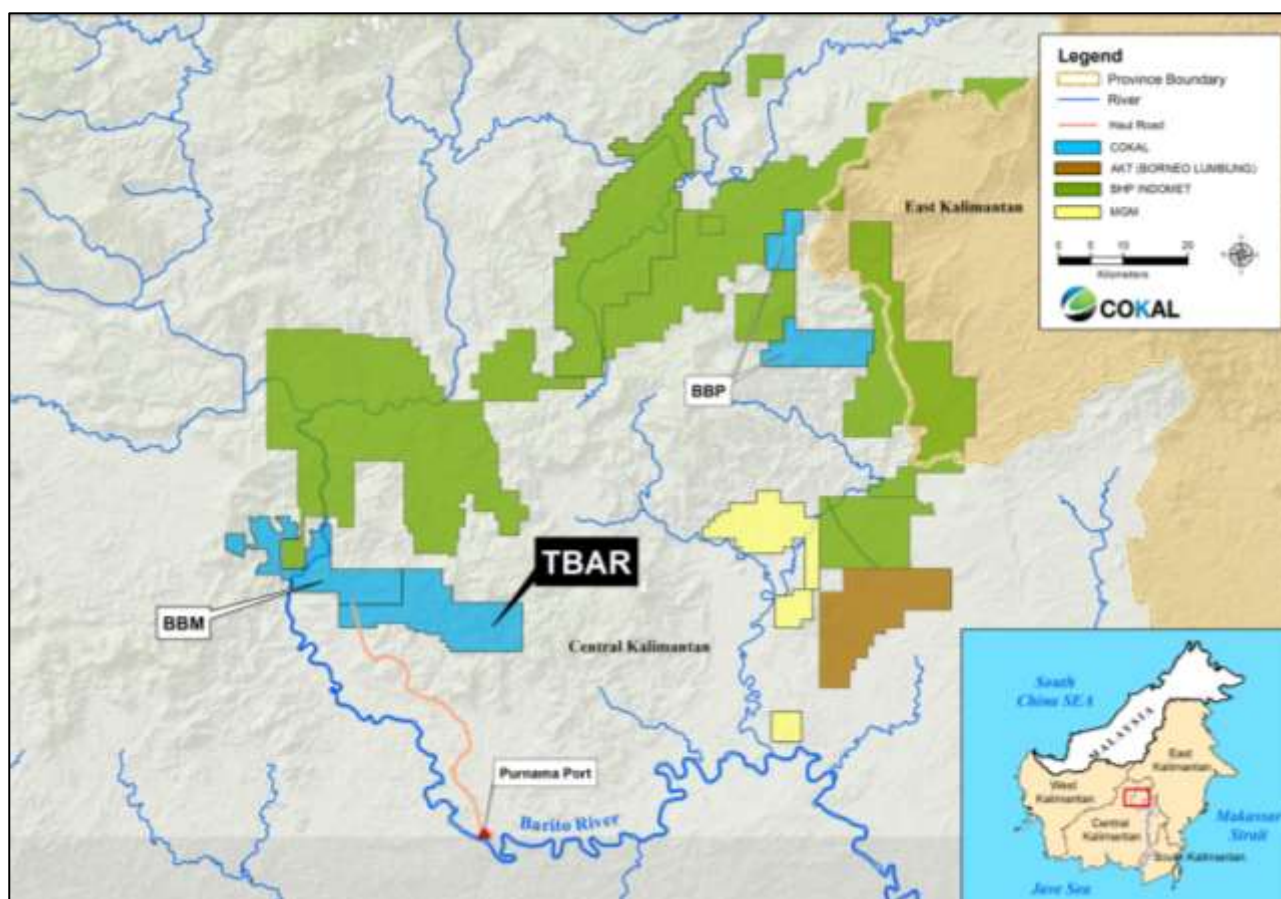
Cokal has acquired 75% of the TBAR Exploration Licence which covers an area of 18,850ha. TBAR is listed on the Central Government's "Clean and Clear" (CNC) List. TBAR adjoins the southern and eastern boundaries of BBM, and consists of the same coal-bearing Haloq Sandstone Formation.

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 laboratory results also confirms the coal to be metallurgical coal, and more likely to be coking coal.

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



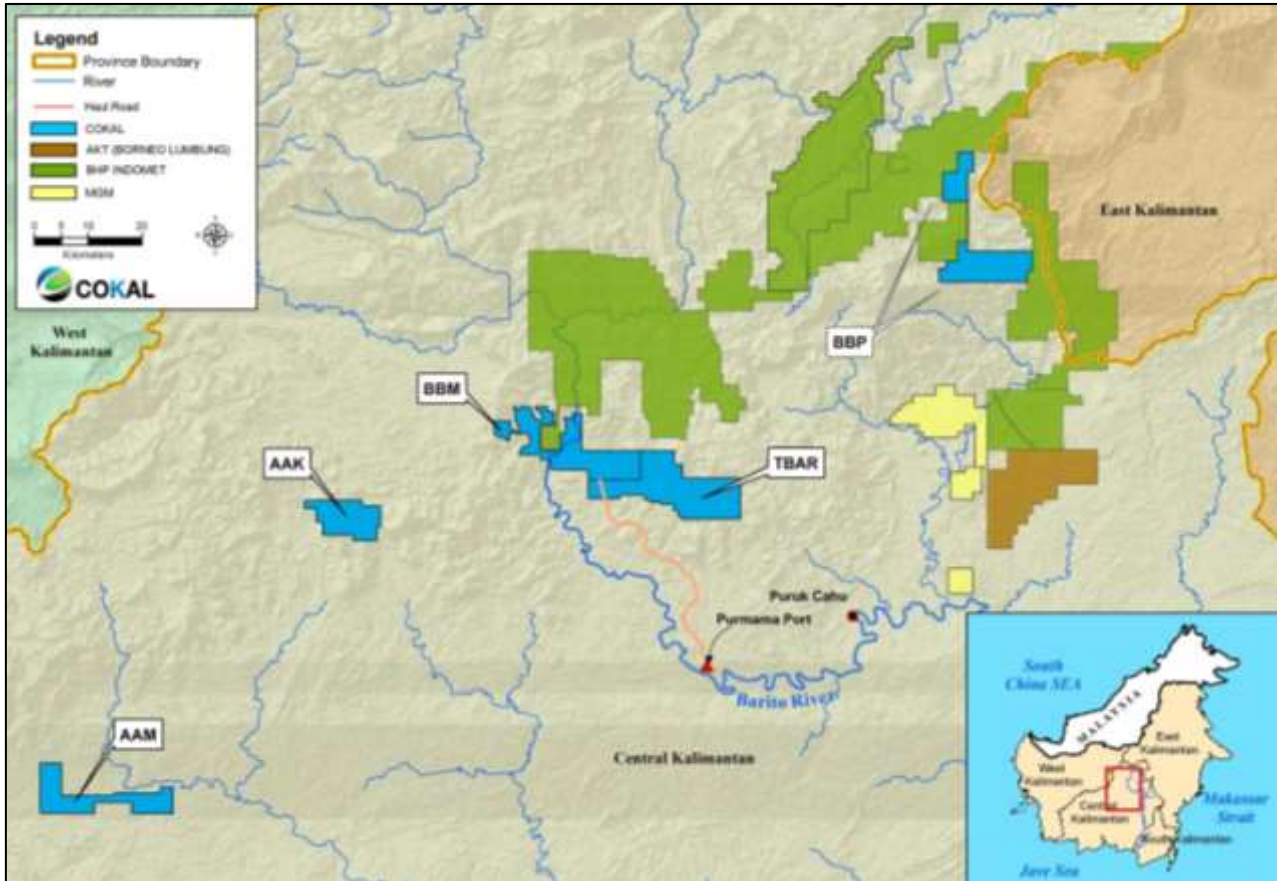
Borneo Bara Prima (BBP) Project

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 coal seam in the KLM area.

Anugerah Alam Katingan (AAK) and Anugerah Alam Manuhing (AAM) Projects

Cokal has a 75% share of AAK and 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



Silangkop Nusa Raya (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.

No further work was conducted in Tanzania this quarter as Cokal's resources were focussed on bringing the BBM coking coal project to production at the earliest time.

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 nearing completion with the aim of delivering a fully designed and costed project to a high level of confidence. The DFS is focused on the initial 2 Million tonnes per annum (Mtpa) direct ship start up phase. All approvals and government processes have been submitted to allow development of an operation of up to 6Mtpa capacity.

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

Mine Design

Detailed mine design and costing commenced in the late September Quarter. This work focused on a detail mine plan based on the J Seam outcrop area, the KLM area and the BCD seams near the Barito River.

Detailed discussions are currently underway with several mining contractors for the initial 2Mtpa direct shipping operation. Responses and interest has been strong and at present all groups seem to be 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

Detailed design and costing of the entire haul road route from the BBM mine site to the Purnama Barge loading jetty on the Barito River is underway. This includes the final bridge design and geotechnical investigations for both the bridges at Osom and Babuat rivers. An hydrological review has also been undertaken to confirm bridge design parameters. The full design covers all cut and fill quantities and identification of certain selected naturally occurring building materials along the optimum route.

A land usage and ownership survey for the approximate 57 kilometres (km) of haul road has been completed successfully with positive contributions from the local government and local land owners.

Barge Loading Facility

Land acquisition arrangements for the Purnama Port are underway with the majority of the 150ha site being identified as available and appropriate for acquisition. Very significant contributions were made by the local community, land owners and local government to ensure this result. The loading facility is based on successfully operating facilities tailored for shallow draft hopper barging systems.

Gootechnical investigations have been completed for both the on-shore and off-shore components. Currently finalising the final earthworks design and costing.

River Barging

Detailed studies of the river have been completed confirming 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. Detailed design is nearing completion on beam, draft and propulsion components of the barging system and also preliminary work has commenced on identifying suitable ship yards. Preliminary work has commenced on producing an GPS river navigation system.

A barging Joint Venture (JV) agreement has been executed with a well-respected and experienced Indonesian barging company, MDM Meratus Line.

An operating draft of 2m has been confirmed for this project at approximately 3,000 tonne (t) 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 6Mtpa throughput.

River Transloading Station

Detailed design and costing is also almost complete on the 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 currently being carried out and near completion with a number of potential sites available.

APPROVALS & EXTERNAL RELATIONS

BBM Production Approval Advances – Update

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 Governor of the Central Kalimantan Government. 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.

Approval has been obtained from the Regency government mines inspector for the location of both the explosives magazine and fuel storage facilities. For the explosives magazine and fuel storage facilities further operational approvals will be obtained.

Cokal has received full approval for the BBM river barge loading facility from the Regency Government and Central Kalimantan Government for the port location. The Provincial Government approval is the final approval required before the National Government can approve the location of the Port. The National Government approval is currently in progress.

Cokal has received a CNC Certificate from the Director General of the national Mines Department formalising the previous award of CNC status.

The boundary marking of the BBM concession has been completed and formally presented to the Murung Raya Mines Department. This boundary marking is a condition of the concession and a prerequisite for the issue of the Forest Rent Use Permit (Operation / Production stage).

BBP Production Approval Advances - Update

After receipt of 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 finalization of the upgrade of the IUP exploration to an IUP production / operation (Mining Lease) by the Murung Raya Regency Government has commenced.

Cokal expects to have the upgraded IUP for BBP from the Regency Government in Q4 2013.

TBAR Exploration Forestry Permit

Cokal has commenced the process of obtaining the exploration forestry permit, and written approval from the Murung Raya Regency Government has been obtained. Significant progress has been made by the Central Kalimantan Provincial Government in assessing the application with a provincial site inspection due during the early part of Q4 2013. Cokal expects to have a written approval for the forestry permit from the Governor during Q4 2013.

Corporate Social Responsibility

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

- 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 and twelve scholarships have been awarded to Murung Raya Regency students commencing in September 2013. This program will then be rolled out to include trade based scholarships and internships for university graduates.
- In association with the mining and civil engineering faculties of the University of Palangkaraya Cokal has instituted a regular monthly series of lectures with guest lecturers covering aspects of mining and mining infrastructure. The inaugural lecture had over 500 students attending including some from local vocational schools

CORPORATE

Appointment Of Director

Cokal is pleased to announce the appointment of Lieutenant General (Retired) Agus Widjojo as a Non-executive Director. The Board believes his appointment will provide Cokal with a depth of knowledge and experience in Indonesia to help Cokal to achieve its targets and goals in creating a successful and progressive coking coal mining business in Central Kalimantan.

Lt. Gen. (Ret.) Widjojo is well respected amongst Indonesia's leaders and is considered a key contributor in the development of Indonesia's international ties on various levels.

Lt. Gen. (Ret.) Agus Widjojo graduated from the Indonesian Armed Forces Academy in 1970. Among other postings he served as a staff officer in the International Commission for Control and Supervision in Vietnam 1973 and with the Indonesian Battalion with UNEF II in Sinai in 1975.

He holds a Masters Degree in Military Art and Science and in National Security Strategy as a graduate of the US Army Command and General Staff College, Leavenworth WA, and the US National Defence University, as well as a Masters of Public Administration from the George Washington University. He was a Visiting Senior Fellow at the Institute of Defence and Strategic Studies, Nanyang Technological University, Singapore in 2003. He was also a Visiting Fellow at University of Canberra, Australia, in 2012.

He has also held a range of staff and command appointments in Indonesia including Command of an airborne infantry battalion and brigade, and Command of the TNI Command and Staff College (SESKO TNI). He was the Assistant for General Plans and Strategic Policies of TNI Command in 1998.

His penultimate assignment was Chief of Staff for Territorial Affairs to the Commander of the Armed Forces followed by his final military assignment as leader of the TNI/Police faction in the National Parliament (DPR) and Deputy Speaker of the People's Representative Assembly (MPR). As Vice Chairman of the national Parliament he was a leading participant in deliberations leading to the reform of the Indonesian armed forces in the post-Soeharto period and the transition to democracy (1998-2004).

Lt. Gen. (Ret.) Widjojo retired in 2003 and has maintained close connection with political, defence and security institutes and has been commissioned to represent the government on various assignments. He is a Vice Chairperson of the Executive Board of The Partnership for Governance Reform, a Senior Fellow at CSIS Jakarta, a member of the advisory Board of the Institute of Peace and Democracy, Udayana University and was deputy of the Presidential Policy implementation Unit and the Indonesian representative on the Indonesia-Timor Leste Commission of Truth and Friendship.

Lt. Gen. (Ret.) Widjojo frequently addresses conferences and seminars in Indonesia and overseas on Indonesian and regional security issues and perspectives.

He is one of the founders of the Forum Silaturahmi Anak Bangsa and institution consisting of the second and third generation of families involved in past internal conflicts trying to work to establish reconciliation through an informal cultural approach.

He is currently Chairman of the Centre for Policy Studies & Strategic Advocacy (CPSSA), a Jakarta based think tank.

Notice Of Annual General Meeting

The Annual General Meeting of Shareholders of Cokal Limited was held at the Polo Club, 1 Eagle Street, Brisbane QLD 4000, on 18 October 2013 at 11.00am (EST/Brisbane time).

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 Tanzoz Resource Company Limited.

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 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.

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).