

ASX ANNOUNCEMENT
October 8, 2014**COKAL UPDATE ON BBM PROJECT**

Cokal Limited (ASX:CKA) is pleased to announce that it continues to make good progress with the finalization of early works ahead of the granting of the final Borrow and Use of Forest Area Permit. On the 11th of August Cokal announced that Platinum Partners had extended further funding via a bridge loan to allow early work to be undertaken and thereby maintain the project schedule.

The early works included the final detailed engineering design and contract documentation to facilitate the immediate commencement of site based construction once project financing documentation has been completed.

Final Borrow and Use of Forest Area Permit

A significant amount of the funds advanced by Platinum Partners via the extended bridge loan were to complete the procedural matters associated with processing of the final borrow and use forestry area permit. The obtaining of this permit is a condition precedent for the provision of the full funding package. The key activities which have been occurring are:

- Survey and pegging the approved boundary and operational area, the majority of the concrete boundary pegs have been installed
- Provision of various undertakings regarding rehabilitation, a restoration area (DAS) has been established near the project and inspections of the progress have occurred.
- Payment of Applicable taxes, this has involved the detailed survey of all trees of commercial quality in the Forestry area, the compensation payable to the Forestry ministry is dependent on the actual number of these trees utilized in the area.

A report prepared by Cokal in conjunction with the inspections undertaken by forestry officials will be submitted shortly. Based on this report the Forestry Department will issue the final Borrow and use of Forest Area Permit.



The majority of the boundary pegs have been installed and inspected by forestry officers

Early Works detailed engineering and contractual documentation

To maintain the project schedule timeline a number of critical path construction items have been advanced through detail design and quotation. By making these items “shovel ready” the project construction can commence as soon as the full funding package is available.



- Plotting / survey of road corridor from Barito river to BBM being carried out, 100% complete. The centerline of the road corridor has been gradually cleared and control survey marks established for earthworks cut and fill control.
- Purnama Port land mapping complete and documents prepared for compensation payments
- Some minor engineering design optimized and finalized ready for re-pricing
- Detailed Geological mapping and sampling has been undertaken with the aim of increasing the portion of Measured and Indicated Resources
- Detailed river sounding carried out :
 - ✓ Dredging areas
 - ✓ Purnama Port
 - ✓ Puruk Cahu to Krajan
 - ✓ In excess of 30Gb of data obtained and currently being processed

Project Financing

Cokal and Platinum are still finalizing the full funding package details, even though Platinum partners exclusivity period expired on the 6th of October the two parties are continuing to work in good faith. The terms of the financing are in line with details already released to the market. Cokal aim to have most details completed in the next four weeks coinciding with the expected timing of the removal of the major condition precedent, the issuance of the Borrow and Use of Forestry Area Permit.

PROJECT OVERVIEW

BBM's Production IUP covers an area of 14,980 hectares (ha), immediately adjacent to BHP Billiton's Juloi tenement. The tenement covers ground which has been zoned as Production Forest. Production Forest zones are areas that have been designated by the Central Government of Indonesia to allow for forestry and mining activities by local and international companies.

The IUP straddles the Barito River and has numerous outcrops of bright coal. Coal core samples analysis confirmed BBM's coal to be a premium coking coal with Crucible Swell Numbers (“CSN”) values generally 9 or more.

- Total Coal Resource estimate of 261Mt at BBM, comprised of 10.5Mt Measured, 13.5Mt Indicated and 237Mt Inferred Resources reported in accordance with the 2012 JORC Code*

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- Resource increase attributed to the additional 'J' Seam in the KLM area which is 100% Premium Coking Coal
 - Product split for the total BBM Coal Resource is estimated to be 90% Coking Coal and 10% PCI
 - Product split used in the Study (approx. 20Mt) was approximately: 82% Coking Coal and 18% PCI

*The Total Coal Resource estimate was announced on 11 February 2014, titled "*Cokal announces release of JORC Resource Statement compliant with the 2012 JORC Code for Bumi Barito Mineral (BBM) Metallurgical Coal Project in Central Kalimantan, Indonesia*". The Company confirms that it is not aware of any new information or data that materially affects the information included in the announcement made on 11 February 2014 and that all material assumptions and technical parameters underpinning the estimates in the announcement made on 11 February 2014 continue to apply and have not materially changed.

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About Cokal Limited

Cokal Limited (ASX:CKA) is an Australian listed company with the objective of becoming a metallurgical coal producer with a global presence. Cokal has interests in five projects in Central Kalimantan and one project (which holds three exploration licences) in West 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 2012 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 he is undertaking, to qualify as a Competent Person as defined in the 2012 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).