

30 January 2015

**QUARTERLY REPORT FOR THE THREE MONTHS
ENDED 31 DECEMBER 2014****HIGHLIGHTS**

- **Cokal has completed the In-Principal Forest Area approval conditions including**
 - **survey and pegging the approved boundary and operational area,**
 - **providing various undertaking regarding rehabilitation, and**
 - **payment of applicable taxes,****prior to the issue of the Borrow and Use of Forest Area Permit. The Borrow and Use of Forest Area Permit is the final approval to allow site works to commence**
- **Indonesian Government announces the BKPM “one stop shop” for approvals to streamline foreign investment, expected to accelerate BBM forestry approval**
- **Completed detail mapping and geological model evaluation of coal outcrops in areas planned for initial mining**
- **Annual General Meeting held on 17 November 2014**
- **Subsequent events**
 - **Cokal announces updated JORC Resource Statement for Bumi Barito Mineral (BBM) Project**
 - **Bridging loan term extended to 6 August 2015**

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

BBM's Production IUP covers an area of 14,980 hectares (ha), immediately adjacent to BHP Billiton's Juloi tenement, straddling the Barito River and has multiple seams of high quality metallurgical coal.

Highlights

- **Completed detailed surface geological mapping of proposed open pits Pit 1 and Pit 2 at BBM East Block.**
- **Completed detailed geological model evaluation of B, C, and D seam group in proposed open pits Pit 1 and Pit 2.**
- **Completed detailed geological model evaluation of J seam group in proposed open pits Pit 3 and Pit 4.**

DETAIL SURFACE MAPPING

During the Quarter further detailed geological survey mapping in and around proposed BBM open pits Pit 1 and Pit 2 (see Photo 1 and Figure 1) was conducted by Cokal's team of geologists. Analytical results of the outcrop samples have confirmed sufficient quantities of a low ash (2% - 7%) coking coal for the initial 2 years of mining as scheduled in BBM's Definitive Feasibility Study.

Completed detail geological mapping in Pit 1 (with total length of 3,600m) recorded a total of 147 coal outcrops with coal seam thicknesses ranging from 0.12 – 1.98 m. A total of 56 plies from within Pit 1 have been sampled using channel sampling method and subsequently analysed at a local laboratory for basic physical properties.

Completed detail geological mapping in Pit 2 (with total length of 3,900m) recorded a total of 116 coal outcrops with coal seam thicknesses ranging from 0.08 – 1.88m. A total of 34 plies within Pit 2 have been sampled and sent to a local laboratory for analytical testing.



Photo 1: Channel Sampling Coal Outcrops from the Proposed Open Pit –2 in BBM East Block

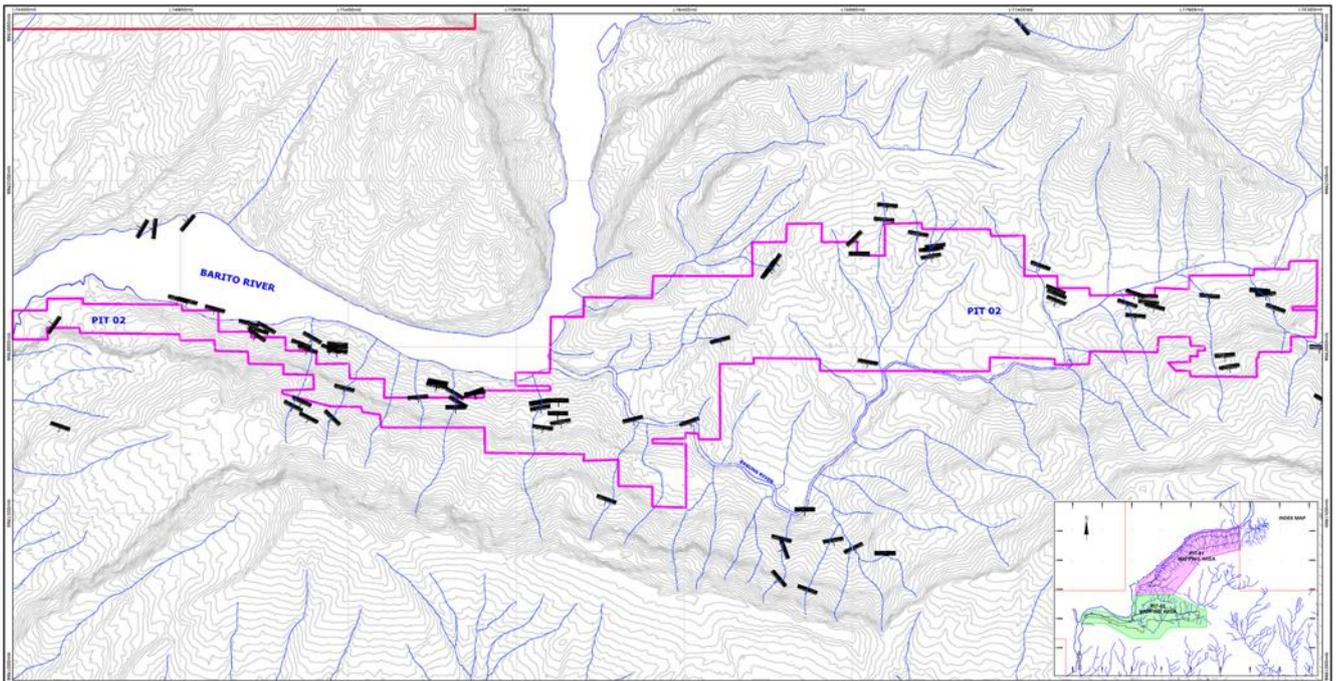


Figure 1: Detail Outcrop Mapping of Open Pit 2 in BBM East Block

RESOURCE UPGRADE

Cokal continues to evaluate the additional geological data from the surface mapping and is preparing an updated Report of BBM's Coal Resources for Seams B, C and D.

Geological modelling of the coal geology of BBM East has included both previous and recent geological data from exploration boreholes and coal seam outcrops. The new geological model accurately defines the outcropping coal for Seams B, C, D and J in Pits 1, 2, 3 and 4.

The updated geological model has confirmed continuity of the coal seams, and that other than the few major faults initially identified in the first Resource Report (December 2011), there is no evidence of any other significant structural discontinuity of the coal geology of BBM East. This endorses Cokal's Definitive Feasibility Study which anticipates minimal mining dilution due to seam continuity as well as the potential to use highly productive underground mining extraction methods such as longwall mining in the future beyond the DFS study period.

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.

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 Exploration Forestry Permit (IPPKH) and Clean and Clear Certificates continue to be processed.

SNR Project

Applications for the Exploration Forestry Permit (IPPKH) and Clean and Clear Certificate continue to be processed.

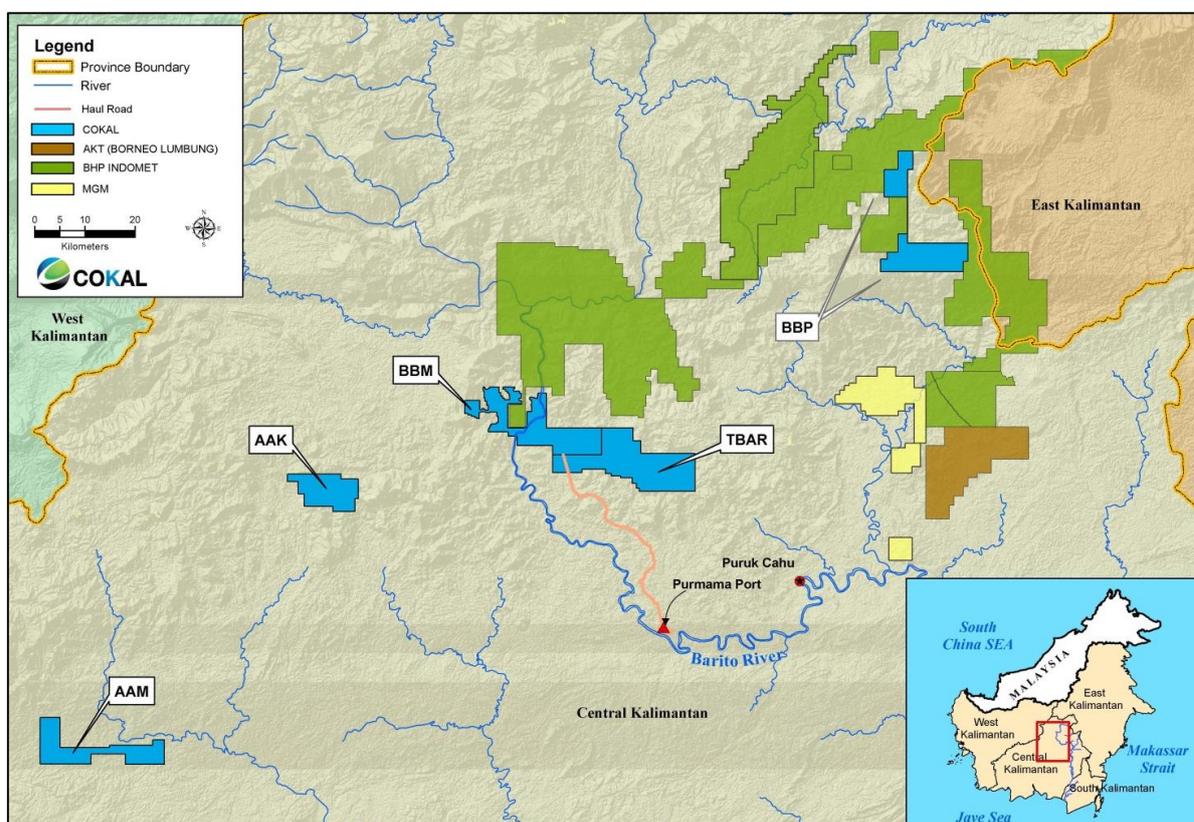


Figure 1: Locality Plan of the Central Kalimantan Coal Projects on the Island of Kalimantan
- Cokal's Coal concession areas are shown in blue

AFRICA

Tanzania

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

Mozambique

Cokal continues to focus on the development of the BBM project, but is maintaining a watching brief on Mozambique and watches carefully the events of current producers and explorers as they unfold.

DISCLOSURES REQUIRED UNDER ASX LISTING RULE 5.3.3

Mining tenements held at the end of the quarter and their location

Tenement Name	Location	% Ownership
PT Anugerah Alam Katingan (AAK)	Kalimantan, Indonesia	75%
PT Anugerah Alam Manuhing (AAM)	Kalimantan, Indonesia	75%
PT Bumi Barito Mineral (BBM)	Kalimantan, Indonesia	60%
PT Borneo Bara Prima (BBP)	Kalimantan, Indonesia	60%
PT Silangkop Nusa Raya (SNR)	Kalimantan, Indonesia	75.2%
PT Tambang Benua Alam Raya*	Kalimantan, Indonesia	75%
PL6281	Tanzania	50%

Mining tenements acquired and disposed of during the quarter and their location

Not applicable this quarter

Beneficial percentage interests held in farm-in or farm-out agreements at end of the quarter and beneficial percentage interests in in farm-in or farm-out agreements acquired or disposed of during the quarter

The Company is not party to any farm-in or farm-out agreements.

PROJECT DEVELOPMENT

EARLY WORKS DETAILED ENGINEERING & CONTRACUAL DOCUMENTATION

Work has been completed to detailed design and quotation stage on a number of critical path construction items. By completing these items the project construction can commence as soon as the full funding package is available.

These items include;

- Plotting and survey of road corridor from the Barito River to BBM being carried out, 100% complete. The centreline of the road corridor has been established and control survey marks established for earthworks cut and fill control
- Additional geotechnical investigation for port, stockpile and bridge locations.
- Purnama Port land mapping completed
- Engineering design optimised and re-quoted
- Detailed river bottom and channel survey work completed for the load out port at Purnama and surrounding areas

BBM DEFINITIVE FEASIBILITY

Further costing, delivery confirmation and price enquiries were carried out during the Quarter in order to confirm both the BBM Definitive Feasibility Study and consequent changes associated with the Detailed Engineering works carried out during the Quarter

MINING

A number of site visits by reputable mining contractors were made to the Bumi Barito Mineral (BBM) project during the Quarter reflecting the strong interest in the project by mining contractors and the current over capacity of mining equipment and services in Indonesia from the downturn in the thermal coal sector

RIVER BARGING

Since obtaining the Port location approval, work has continued on obtaining design and construction approval of the facilities. The full design and construction approval application was submitted to the Department of Transport in Q4 2014, with approval expected in Q1 2015.

ENVIRONMENTAL REHABILITATION

Cokal continued last quarter to undertake environmental monitoring on site as part of ongoing baseline studies.

Rehabilitation activities have continued over the last quarter with activities concentrating on finalising the rehabilitation of the exploration drill pads and access tracks, the riverside buffer area and the site access road. Approximately 12 hectares had been rehabilitated and near on 4,000 plants from the BBM nursery used as part of the rehabilitation activities.

APPROVALS & EXTERNAL RELATIONS

BBM PRODUCTION APPROVAL ADVANCES – UPDATE

As reported previously Cokal received the Izin Princip Ijin Pinjam Pakai Kawasan Hutan or “In-Principal Forestry Permit” for its BBM Project. The In-Principle Forestry Permit is the last stage prior to the issuance of the “Borrow and Use of Forest Area Permit (Ijin Pinjam Pakai Kawasan Hutan (“IPPKH”)) which allows the Company to start construction and mining.

The In-Principal Forestry Permit has been issued for an area covering 1,242 ha which enables the development of the port, haul road and the initial development of the mine site once the conditions of the In-Principal Forestry Permit are met.

Cokal has fulfilled all of the administrative obligations necessary to obtain the full IPPKH. It was expected that the IPPKH would have been issued Q4 2014; however, delays associated with process changes due to the amalgamation of the Environment and Forestry Department under the new Government has pushed back the expected issue of the IPPKH to Q1 2015.

On the 26th of January, 2015 the Indonesian Government announced the commencement of the BKPM as the new one-stop integrated service (PTSP) to simplify investment licensing procedures. This move is expected to free up the issuing of the final borrow and use permit for the BBM project.

Detailed landowner and land use mapping is complete for the Purnama Port and now substantially completed for the haul road corridor. Mapping of the first development areas within the mine area is scheduled to commence in Q1 2015.

BBM PORT DESIGN APPROVAL

BBM has submitted its full application to the Transport Department to have the design of the Purnama Port facilities approved for construction. The approval from the Transport Department expected in Q1 2015.

BBM FOREST INVENTORY SURVEYS

BBM has concluded the forest inventory surveys for the Port and Haul Road IPPKH areas during the last quarter. The inventory surveys for the initial mine development area will be completed in Q1 2015 in line with the issue of the full IPPKH. The data collected during the forest inventory surveys will be used to establish the various Government taxes payable by Cokal for activities in Production Forest areas.

BBM WEST BLOCK EXPLORATION IPPKH EXTENSION

The application remains under evaluation by the Environment and Forestry Department due to delays associated with process changes due to the amalgamation of the Environment and Forestry Department under the new Government. Approval is expected in Q1 2015 and once the extension is issued, BBM can commence exploration in the BBM West Block.

BBP PRODUCTION APPROVAL ADVANCES - UPDATE

The IUP production / operation (Mining Lease) licence is still with the Murung Raya Bupati for signing. Whilst expected to be issued during this quarter it is now expected to be issued in Quarter 1 2015.

Cokal has submitted its application for the Clean and Clear Certificate Exploration from the Director General of the National Mines Department formalising the previous award of Clean and Clear status. As reported previously award of the Clean and Clear certificate has been delayed due to workloads in the Mines Department and this continued last quarter. Cokal has continued with discussions with the Mines Department and it is now expected the granting of the certificate will occur in Quarter 1 2015 in parallel to the issue of the IUP production / operation.

TBAR EXPLORATION FORESTRY PERMIT

Cokal continued during the last quarter to progress the Exploration Forestry Permit for TBAR with the Central Kalimantan Provincial Government. Site visits by the Provincial Government were expected to occur during Quarter 4 2014 and the issue of the Provincial Government technical recommendation expected early Quarter 1 2015. Due to Cokal's focus on fulfilling the administrative requirements to obtaining the IPPKH for BBM, together with workloads within the Provincial Forestry Department the site visit to the TBAR concession has been delayed until Q1 2015.

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.

Continued to provide 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. With the selection of the new cohort of scholarship holders, Cokal has awarded scholarships to 24 Murung Raya Regency students since the inception of the program.

In association with the mining and civil engineering faculties of the University of Palangkaraya Cokal has continued with its regular monthly series of lectures covering aspects of mining and mining infrastructure.

Cokal continued the school tree planting program during the quarter. This tree planting program aims to provide the local schools in the Project area with plants from the on-site nursery to be planted in the local villages. Cokal aims to have a total of 5,000 plants established through this program by the end of 2015, and then continuing through the life of the project.

CORPORATE

BBM Project Financing

Discussion with Platinum Partners on the previously announced project financing offer continued during the quarter. We continue to work closely with Platinum Partners during the quarter as the bridging loan funded both early works program and the completion of the BBM IPPKH approval process. The granting of the final Forestry Borrow and Use permit is a critical condition precedent for the project financing and as such increased work on the final detailed legal aspects of the project financing facility will occur over the next quarter

ANNUAL GENERAL MEETING

The Cokal Annual General Meeting was held on 17 November 2014 in Brisbane

SUBSEQUENT EVENTS

Bridge loan extended

Cokal, is pleased to announce the fund managed by Platinum Partners (**Platinum**) has extended the term of its bridging loan facility to 6 August 2015. The total loan for the project development to date is now US\$10,065,000.

The present intention is that the loan will be refinanced by the BBM project financing facility once it is in place.

Under the extension agreement Cokal will grant Platinum 25 million options with an exercise price of A\$0.13 and an exercise period of 4 years from the date of grant.

The options will be exercisable at any time before expiry. The options will not be listed but will be transferrable. Payment of the exercise price may be satisfied by the holder paying the exercise price in cash or causing the provider of the bridge loan or project finance to reduce the principal owing by the amount of the exercise price. Shares issued on exercise of an option rank equally with all other ordinary shares then on issue. If trading in Cokal shares has been suspended for more than 10 days during the 12 months before or if Cokal is delisted or its substantial assets privatised, the option expiry date will be extended to 8 years after the date of grant. Customary provisions apply in relation to the adjustment of the option terms in the event of capital reconstruction, rights issues or bonus share issues.

JORC Resource Statement for the Bumi Barito Mineral (BBM) project

On 29 January 2015 Cokal announced an updated JORC Resource Statement for the Bumi Barito Mineral (BBM) project which included;

- Total Coal Resource estimate of 266.6Mt at BBM.
- Comprised of 19.5Mt Measured (an 85% increase on previous estimate), and 23.1Mt Indicated Resources (a 70% increase on previous estimate).
- Measured and Indicated Resource increase attributed to the addition data from outcrop mapping and sampling of B, C and D Seams
- Measured and Indicated Resources encompass BBM's open pit 10 year schedule at 2mtpa
- B, C and D Seams Measured and Indicated Resources confirm <7% ash content for initial 18 months mine schedule without the need for beneficiation.
- Large portion of BBM Resource is amenable to underground mining due to very favourable ground conditions
- New Indonesian Laws allow Cokal to retain a maximum 70% ownership for life-of-mine on the basis of conducting underground mining of BBM.

ENDS

Further enquiries:

Peter Lynch
Chairman and Chief Executive Officer
Mobile: 0419 764 747

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 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”. Mr Yoso was a full time employee of Cokal Limited at the time of preparing the report and consented to its publication. 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.