

30 October 2015

**QUARTERLY REPORT FOR THE THREE MONTHS
ENDED 30 SEPTEMBER 2015****HIGHLIGHTS**

- **BBM receives Borrow to Use Permit allowing the commencement of both mining and infrastructure construction**
- **Cokal receives Cakra's Bidders Statement**
- **Target's Statement released in response to the Cakra off-market takeover bid**
- **Notice of Annual General Meeting on 16 November 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.

GEOLOGICAL ACTIVITY

At the end of the last quarter all geological activities in East Block of BBM Area for the coal open pit exploration program had been completed and is up to date. Currently while waiting the Borrow and Use to be completed on BBM West Block Area, there has been no further geological work and expenditure has been kept to a minimum.

MINING ACTIVITY

During this quarter, an independent consultant had completed an estimation of coal reserves for BBM in accordance with the Indonesian Stock Exchange (BEI) requirements. According to the BEI requirements, a coal reserve statement should be reported in accordance with the Indonesian reporting standard "Kode Pelaporan Hasil Eksplorasi, Sumberdaya dan Cadangan Batubara Indonesia" (KCMI – 2011).

The KCMI Code – 2011 is very similar with Australian JORC Code 2004. As this does not comply with the ASX current requirement to use JORC Code 2012, Cokal is not in a position to report this estimate publicly. However, the work completed by the independent consultant was able to confirm the estimates used in Cokal's Definitive Feasibility Study of the 1st phase of mining at 2mtpa.

ENVIRONMENTAL ACTIVITY

In order to keep expenditure to a minimum while waiting construction and mining to begin in BBM, revegetation of 90% of areas affected by exploration activity is now complete. Over 15,000 seedlings have been planted along access roads and on drill sites, comprising of some 5,000 trees and some 10,000 ground cover.

BBP Project

No exploration activity was conducted on BBP during this period.

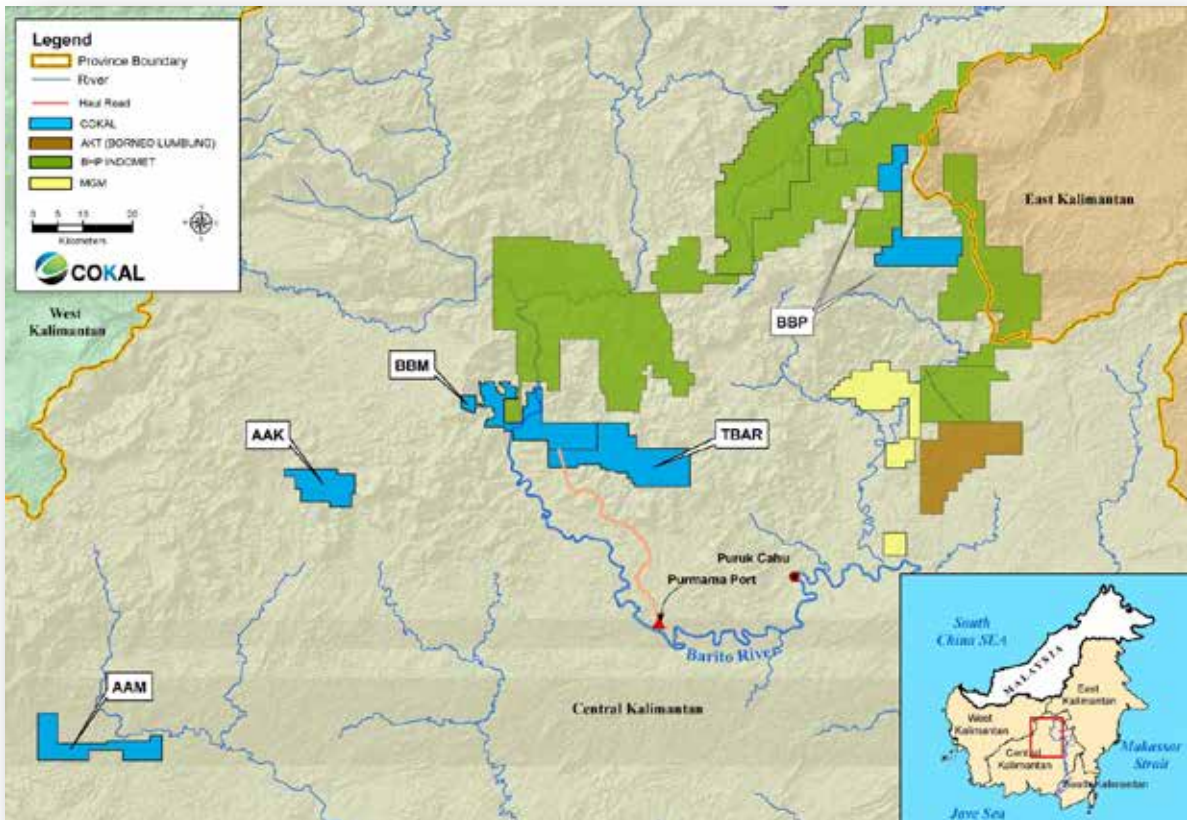
AAM and AAK Projects

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)	Central Kalimantan, Indonesia	75%
PT Anugerah Alam Manuhing (AAM)	Central Kalimantan, Indonesia	75%
PT Bumi Barito Mineral (BBM)	Central Kalimantan, Indonesia	60%
PT Borneo Bara Prima (BBP)	Central Kalimantan, Indonesia	60%
PT Silangkop Nusa Raya (SNR)	West Kalimantan, Indonesia	75.2%
PT Tambang Benua Alam Raya*	Central Kalimantan, Indonesia	75%

**In the process of acquiring*

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

MANNING

A significant reduction in staff and employee numbers have been made to limit expenditure. All redundancy and reduction requirements have been carried in accordance with Indonesian labour regulations and Cokal has been assisted in this process with substantial help from both local and provincial labour departments

ENVIRONMENTAL REHABILITATION

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

Rehabilitation activities have been substantially completed throughout the previously disturbed exploration areas. Both ground cover and trees are becoming “distressed” but still highly viable due to the extended dry season currently being experienced

Effort is now being expended into increasing nursery stocks both for the school planting programme and mine infrastructure replanting in the future

APPROVALS & EXTERNAL RELATIONS

BBM PRODUCTION APPROVAL ADVANCES – UPDATE

On August 12, 2012 Cokal received the “Izin Pinjam Pakai Kawasan Hutan – Operasi” or “Borrow To Use Forestry Permit - Operation” for its BBM Project. This Forestry Permit is the last stage which will allow the Company to start construction and mining.

The 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

We must thank both BKPM (Investment Coordinating Board) and the Ministry of Environment and Forestry for their assistance and help in providing this Permit as this was one of the first permits issued under the new investment regulation and therefore had some “teething” problems due to the significant change in process from that previously used

BBM WEST BLOCK EXPLORATION IPPKH EXTENSION

Since the issue of the Borrow To Use Permit – Exploitation (IPPKH-OP) Cokal has proceeded with the application for a Borrow To Use Permit – Exploration for the Western Block of BBM and this application is currently with Planology Dept. at the Ministry of Environment and Forestry

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 4 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.

TBAR EXPLORATION FORESTRY PERMIT

Cokal continued during the last quarter to progress the Exploration Forestry Permit for TBAR with the Central Kalimantan Provincial Government. 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 Q4 2015.

CORPORATE SOCIAL RESPONSIBILITY

Cokal has continued with the implementation of its Community Development programmes. Cokal has undertaken the following programmes, which covered health, education, environmental awareness, and community empowerment aspects.

In health aspect, Cokal has continued to provide medical support to local villages around BBM through providing access to onsite medical staff. During the current ‘smoke / haze occurrence which has been extreme in Central Kalimantan since August 2015, Cokal has provided appropriate masks (N95 type) to Murung Raya Government for distribution for the locals particularly “at risk” persons such as children, elderly and pregnant mothers.



Figure 2: Visibility due to smoke/haze on consecutive days at Murung Raya regency

In education aspect, Cokal continued its support for Tumbang Tuan Junior High School (nearest school to BBM site) through the sponsorship of 3 local teachers. This programme is being implemented in conjunction with the local Education Department.

Cokal has also continued its scholarship program with the selection of the new cohort of scholarship holders, Cokal has awarded scholarships to 16 local students from Murung Raya Regency to continue their next level of education at University of Palangka Raya at various faculties.

As well, in association with the Mining Faculty of the University of Palangkaraya, Cokal has continued its support and contribution that covered regular lectures programmes, donation of mining magazines, and other support needed to improve the quality and enthusiasm of mining students.

In environmental awareness aspect, Cokal continued its support and coordination with Borneo Orang Utan Survival (BOS) Foundation on its related "Orangutan Release Programme" plans. A "staging point" for the accommodation of 8–10 orangutans has been jointly constructed by Cokal and BOS personnel at BBM site, near to its Nursery area. A substantial amount of material used for the construction was recovered and reused from a recently abandoned gold mine that had previously been used as the "staging point". These facilities will be used prior to their release at the nearest favourable area for orangutan habitation approximately 150 kilometres northeast of the BBM site. Both parties will continue to work together in the future to ensure the success of this programme.

It is to be noted that there is no evidence of orangutan habitat within the BBM tenement area, and this includes the surrounding areas of BBM. This is believed to be due to insufficient feed which has been a problem since humans moved into the region, hundreds of years ago.



**Figure 3:
holding
BOS
Foundation**

**Unloading
cages with**



Figure 4: Completed holding cages compound at Krajan (BBM Mine site) approximately 150km from the released area



Figure 5: Orang Utan in transit cages prior to release

Cokal also continued the School Tree-Planting Programme during the quarter. This programme 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.

Following obligations of BBM Forestry Permit (IPPKH-OP) obtained in August 2015, replanting programmes also will be continued by Cokal in the following months, in relation with 'critical land rehabilitation project' at an appointed area in Barito Riverbanks Area, nearest the BBM project. These programmes will be conducted with community involvement, planting 'productive trees' suggested by locals, and will be supervised and monitored by the relevant Forestry Offices from regency, provincial, and central level. Cokal has committed to fulfill both of IPPKH obligations and also sharing benefits from these programmes with its local neighbours.

In the following months, Cokal will also initiate new approaches in relation with 'community empowerment' programmes, which will start to motivate and support local groups to become Self-Help Groups (SHGs). These SHGs will be focused both on micro-economic activities (savings), and also conducting its productive business. Initiatives on preparing relevant activities, including Social Mapping, Motivation Sessions, and series of community trainings will be arranged. This programme aims to build community self-reliance for communities surrounding the mine.

CORPORATE RELATED ISSUES

NOTICE OF ANNUAL GENERAL MEETING

The Annual General Meeting of Shareholders of Cokal Limited will be held at the Endeavour Room, Christie Centre, Level 1, 320 Adelaide Street, Brisbane, Queensland, on 16 November 2015 at 11:00am (Brisbane time)

COKAL RECEIVES CAKRA BIDDER'S STATEMENT

Cokal Limited received a Bidder's Statement from PT Cakra Mineral Tbk (Cakra) in relation to its offer to acquire all of the shares in Cokal

Cakra is offering a choice of:

- (all cash consideration) A\$0.16 per Cokal share; or
- (all share consideration) 10.327 Cakra Shares for every 1 Cokal Share; or
- (mix of cash and share consideration) a combination of cash and Cakra shares, at the election of Cokal shareholders

The Offer however is subject to Indonesian regulatory approval and to Cakra raising approximately US\$113 million by way of a rights issue.

TARGET'S STATEMENT

Cokal Directors consider the Cakra Offer is FAIR AND REASONABLE in the absence of a Superior Proposal or Material Adverse Change, for the reasons set out in the Target's Statement.

The Target's Statement explains however that the Cokal Directors are unable to form a final view at this stage as to whether the Cakra Share Consideration represents fair value. Directors will have more information when the Cakra Rights Issue has been finally approved, priced and completed.

Accordingly, the Directors recommend that Cokal shareholders TAKE NO FURTHER ACTION until Cakra's Rights Issue has been finally approved, priced and completed and your Directors can provide further guidance as to the value of the Share Consideration.

An independent expert, BDO Corporate Finance (QLD) Ltd, has also reviewed the Cakra Offer and concluded that the Offer is fair and reasonable to Cokal shareholders because there is cash consideration available which the Independent Expert considers fair and reasonable.

MANAGEMENT CHANGES

Cokal advises that Mr Moosa Fense has been appointed as Chief Financial Officer and Mr Teuku Juliansyah has been appointed as Joint - Company Secretary of the Company, effective 1st September 2015.

Mr Fense was previously the Financial Controller for Cokal. He is a member of The Association of Chartered Certified Accountants (ACCA) and has a Master's in Business Administration. Previously to joining Cokal Mr Fense held a number of roles with Queensland Rail including Finance Manager and Commercial Manager.

Mr Juliansyah is currently Finance Manager –Indonesia for Cokal. He is a Registered Accountant with the Indonesian Ministry of Finance and has a Bachelor's Degree in Economics majoring in Accounting. Previously to joining Cokal Mr Juliansyah was a manager with PricewaterhouseCoopers.

Mr Vic Kuss, the Company's current CFO and Joint Company Secretary, has stepped down from these roles to focus on managing and implementing the activities associated with the proposed Cakra takeover of Cokal.

Mr Duncan Cornish will continue as Joint Company Secretary.

ENDS

Further enquiries:

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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 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.