

**ASX ANNOUNCEMENT**9<sup>th</sup> February 2015**COKAL STRENGTHENS FUNDING PACKAGE FOR BBM**

Global metallurgical coal group, Cokal Limited (ASX:CKA), is pleased to announce that Cedrus International Limited (**Cedrus**) has joined with Platinum Partners (**Platinum**) to provide a non-binding term sheet to Cokal in relation to a US\$110 million project finance facility (**Facility**) for the BBM project.

Platinum and Cedrus will fund the Project equally.

The Cedrus International Limited ('CIL') team manages a global portfolio of proprietary direct investments in China, Southeast and Central Asia, Australia and Africa, primarily in the natural resources, commodities, cleantech and life sciences sectors.

Commenting on the Facility, Mr Peter Lynch Chairman and CEO said:

*"We welcome the participation of Cedrus, who together with Platinum Partners will provide Cokal with strong financial support from two global financing partners. The addition of Cedrus with their strong global and regional presence provides further support for Cokal's view of the merits of the BBM project and confidence in Indonesian mining opportunities generally."*

*The confirmation of the Platinum/Cedrus financing is a significant achievement for the company and, when completed, will put us on target to start construction promptly after receiving the final forestry approval which is expected this quarter."*

The total amount of the facility is US\$110M. This includes rolling the Platinum Bridging loan into the facility once it is in place.

The facility will be sufficient to fund construction and commissioning of Cokal's 2 Mtpa Bumi Barito Mineral (BBM) Project and Cokal's general working capital requirements during this phase of development.

The key terms of the Facility are:

- Syndicated facility of US\$110M
- 13% interest rate
- 85 million options at an exercise price of A\$0.13 and an 8 year exercise period
- Marketing fee of 2.5% of gross sales from coal produced and sold from the initial 2Mtpa phase of the BBM Project
- Royalty of 1.35% of gross sales from coal produced and sold from the whole BBM Project (the initial phase and subsequent expansions)
- Security customary for a major project financing in Indonesia.
- The loan term and repayment schedule is subject to negotiation

In addition to the above financing, Cokal as part of the 50:50 river Barging Joint Venture with a local Indonesian shipping company, Meratus Advance Maritime (MDM) which will be funded by equity from the joint venture participants and senior debt, Cokal plans to raise bank financing for its 50% share of the barging fleet senior debt (approximately US\$15M). The facility will provide the equity funding for Cokal's share of the Barging Joint Venture.

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## Disclaimer

Closing of the Facility is conditional on satisfaction of various conditions, there being no material adverse changes, execution of definitive legal agreements reflecting the commercial terms, all project approvals being in place and other usual and customary terms for project financing in Indonesia for comparable projects. Accordingly, although the financiers and Cokal are committed to finalising the funding, there remains completion risk.

## 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 low ash, low sulphur and ultra-low Phosphorus, as well as Crucible Swell Numbers ("CSN") values generally 9.

- Total Coal Resource estimate of 266.6 Mt at BBM, comprised of 19.5Mt Measured, 23.1Mt Indicated and 224Mt Inferred Resources reported in accordance with the 2012 JORC Code\*
- Product split for the total BBM Coal Resource is estimated to be 90% Coking Coal and 10% PCI

## ENDS

Further enquiries:

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Chairman

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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

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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 Total Coal Resource estimate was announced on 29 January 2015, titled "Cokal announces updated JORC Resource Statement for Bumi Barito Mineral (BBM) Project". The information in the report relating to Mineral Resources is based on information compiled by Yoga Suryanegara who is a Member of the Australasian Institute of Mining and Metallurgy and a full time employee of Cokal Limited. Mr Suryanegara 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".

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 29 January 2015 and that all material assumptions and technical parameters underpinning the estimates in the announcement made on 29 January 2015 continue to apply and have not materially changed.

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".