
ASX ANNOUNCEMENT**3 March 2015****Cokal receives unsolicited takeover proposal**

Global metallurgical coal group, Cokal Limited (ASX:CKA), advises it has received an unsolicited non-binding and incomplete proposal in relation to a conditional off market takeover bid by PT Cakra Mineral Tbk (CKRA) for all of the ordinary shares of Cokal. CKRA is an Indonesian company listed on the Indonesia Stock Exchange (IDX:CKRA)

Cokal has not formed any opinion on the proposal. Its present intention is to engage with CKRA to evaluate the proposal.

The outcome of the proposal is speculative. Shareholders should be aware that there is no certainty that any agreement will be reached or that any transaction will eventuate from the current or any future discussions.

A further announcement will be made if the negotiations result in a binding agreement.

Shareholders should take no action at this stage until the Directors have evaluated the proposal

Proposed Transaction

CKRA propose to acquire all of the issued securities of COKAL pursuant to a conditional off market takeover bid on the following terms:

(a) CKRA propose to offer cash or CKRA shares for each Cokal share on issue

i. **Cash Settlement:** Based on Cokal equity value of AUD70 million. Assuming approximately 471.5 million Cokal shares on issue, proposed cash offer price is AUD \$0.15 per share.

ii. **Share Settlement:** Shares in CKRA equivalent to the value of Cokal shares. Value of CKRA shares to be agreed. Cokal equity value to be AUD70 million plus 25% premium. Assuming approximately 471.5 million Cokal shares on issue, proposed scrip consideration implies offer price of AUD \$0.19 per share.

(b) the bid will be subject to :

i. **Minimum acceptance** by holders of 90% of Cokal's issued shares;

ii. **Other terms:** certain conditions which are customary for an off market bid for an ASX listed company

PT Cakra Mineral Tbk [CKRA]

CKRA is domiciled in Central Jakarta, DKI Jakarta and has operations in the province of West Sumatra and Central Kalimantan.

The main activity of the Company is a holding company conducting mining operations of iron ore, zircon sand and perform marketing services for their business group. The company has several subsidiary companies engaged in iron ore mining and mineral commodities trading. CKRA wishes to expand their

mining operations and create a coal mining division. To achieve this CKRA has recently been active in acquiring a number of coal tenements including taking the following minority interest in Cokal's exploration properties:

- PT Tambang Benua Alam Raya - 25 %
- PT Anugerah Alam Katingan - 25 %
- PT Anugerah Alam Manuhing - 25 %
- PT Silangkop Nusa Raya – 24.8%

CKRA website: <http://www.ckra.co.id/#>

Pre-conditions

- Due diligence
- Finalising funding of cash component. CKRA has engaged (subject to conditions, including due diligence and satisfactory book build) PT Sinarmas Sekuritas to act as a non-exclusive standby buyer (i.e. underwriter) for a USD\$100 million rights issue to be undertaken by CKRA.

PT Sinarmas Sekuritas is a subsidiary of PT Sinar Mas Multiartha, the investment holding company for Sinar Mas Group and one of the largest conglomerates in Indonesia. The company is a leader in financial services that includes fund management, investment research, stock brokering, bonds, and other derivative products to retail, corporate, and institutional customers.

- Bid implementation agreement containing customary terms and conditions including timetable, exclusivity, break fee and Cokal Board recommendation

Timing

CKRA has advised Cokal of CKRA's its intention to proceed without delay and to work towards entering into an implementation agreement by **[date being 30 days from date of letter]**.

Status of proposal

The release of this proposal cannot be taken as a public proposal to make a takeover bid for securities in Cokal.

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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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 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”.