

**ASX ANNOUNCEMENT / MEDIA RELEASE**  
**26 October 2018**

## **Financial Irregularities and Fraudulent Activity Contained and in the Process of Being Rectified**

**Cokal Limited** (Cokal ASX:CKA, "Cokal" or "the Company") advises that the Board has been made aware of possible financial irregularities and fraudulent activity which have impacted the Company's financial statements for the year ended 30 June 2018.

The Board is currently investigating the irregularities and activities which concern the Company's Chief Financial Officer and seven employees having received monies from a supplier of barging services to the Company in Indonesia. The employees have notified the Board that they have received money from the supplier totalling approximately \$150,000.

In addition, the Company has allegedly been charged for services not incurred and/or charged non-arm's length amounts for services provided by that supplier. Further investigation is taking place to confirm whether the Group's barging expenses have been validly incurred by the Group, whether the cost of barging services received represented an arm's length price for those services, and the amount of the payments made and expenses accrued for the barging services that should be accounted for as other expenses on the basis they had been misappropriated.

The Company notes that amounts are currently still outstanding and payable to this supplier, which will not be paid until the investigation is complete. Some of the money received by the employees has been refunded and the Board is confident that with this, and the outstanding amounts owing being reduced by agreement with the supplier, there will be no financial loss to the Company.

Once the Company has concluded its investigations into the above matters, it will take appropriate measures in respect of the Chief Financial Officer and the relevant employees.

Authorisations and a new organisation structure have been put in place under the CEO James Coleman to assist in the prevention of such matters in the future.

The Board thanks the Company's auditor, Ernst & Young for identifying the irregularities and its diligence and professionalism in working through this issue.

Completion of the 2018 Annual Report has been delayed until next week.

### **ENDS**

Further enquiries:

Domenic Martino  
Non-Executive Chairman  
E: [dmartino@cokal.com.au](mailto:dmartino@cokal.com.au)

### **About Cokal Limited**

Cokal (ASX:CKA) is an Australian listed company with the objective of becoming a metallurgical coal producer with a global presence. Cokal has interests in four projects in Central Kalimantan, Indonesia considered prospective for metallurgical coal.

For personal use only