

ASX ANNOUNCEMENT / MEDIA RELEASE
2 JULY 2014**Forestry Approval Confirms BBM Mine, Haul Road and Port areas****HIGHLIGHTS**

- Cokal has received the In-Principal Forest Area approval confirming the development of up to 6Mtpa BBM mine, haul road and port as per the Definitive Feasibility Study previously announced.
- The In-Principal Forest Area approval states that subject to
 - survey and pegging the approved boundary and operational area,
 - providing various undertaking regarding rehabilitation, and
 - payment of applicable taxes,the Borrow and Use of Forest Area Permit will be issued.
- The Borrow and Use of Forest Area Permit is the final approval to allow site works to commence
- The In-Principal approval provides for an initial operational area of approximately 1,242 ha to allow operations of the port, haul road and initial mine development areas to commence on the 2 Mtpa premium coking coal initially planned for BBM

Cokal Limited (Cokal ASX:CKA, "Cokal" or "the Company") is pleased to announce the Indonesian Minister for Forestry has approved the Borrow and Use Forest Area and issued the *Izin Prinsip Ijin Pinjam Pakai Kawasan Hutan* or "In-Principal Forestry Permit" for its 60% owned Bumi Barito Mineral Coal Project ("BBM" or "the Project"), located in Central Kalimantan, Indonesia.

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.

An Initial area of approximately 1,242 ha has been approved by the Forestry Department for the operations of the port, haul road and the initial mine site once the conditions of the In-Principal Forestry Permit are met. In accordance with standard Mining Department practice, the initial operational area is reviewed by the Department and extended as required to meet the planned mine development.

Cokal's Chairman Peter Lynch commented "We are pleased that the final stage in forestry permitting is nearing completion. The effort of our team to achieve this milestone in the timeframe is testimony of the way in which Cokal has been able to work in a professional manner with stakeholders from all three levels of Government". Lynch further commented that "We have the ability to expand the operation from the initial 2Mtpa up to potentially 6 Mtpa of premium coking coal for future development and this considerably increases our confidence in the success of this exciting Project."

In addition to providing written undertakings regarding the payment of relevant taxes and rehabilitation, Cokal will spend the next 2 to 3 months completing the pegging of the Borrow and Use Forest Area and satisfying all the conditions required by the In-Principle Forestry Permit. The timing on this will mainly be driven by the boundary pegging which requires approximately 2,000 concrete boundary pegs to be put in

place at the boundary of the initial 1,242 ha Borrow and Use Forest Area. In parallel Cokal will be finalizing the Platinum Loan documentation to enable final design and construction drawings for the Project to be complete and long lead items order to be placed. This parallel process has been the basis of the construction plan which will enable production early in the second half of 2015.

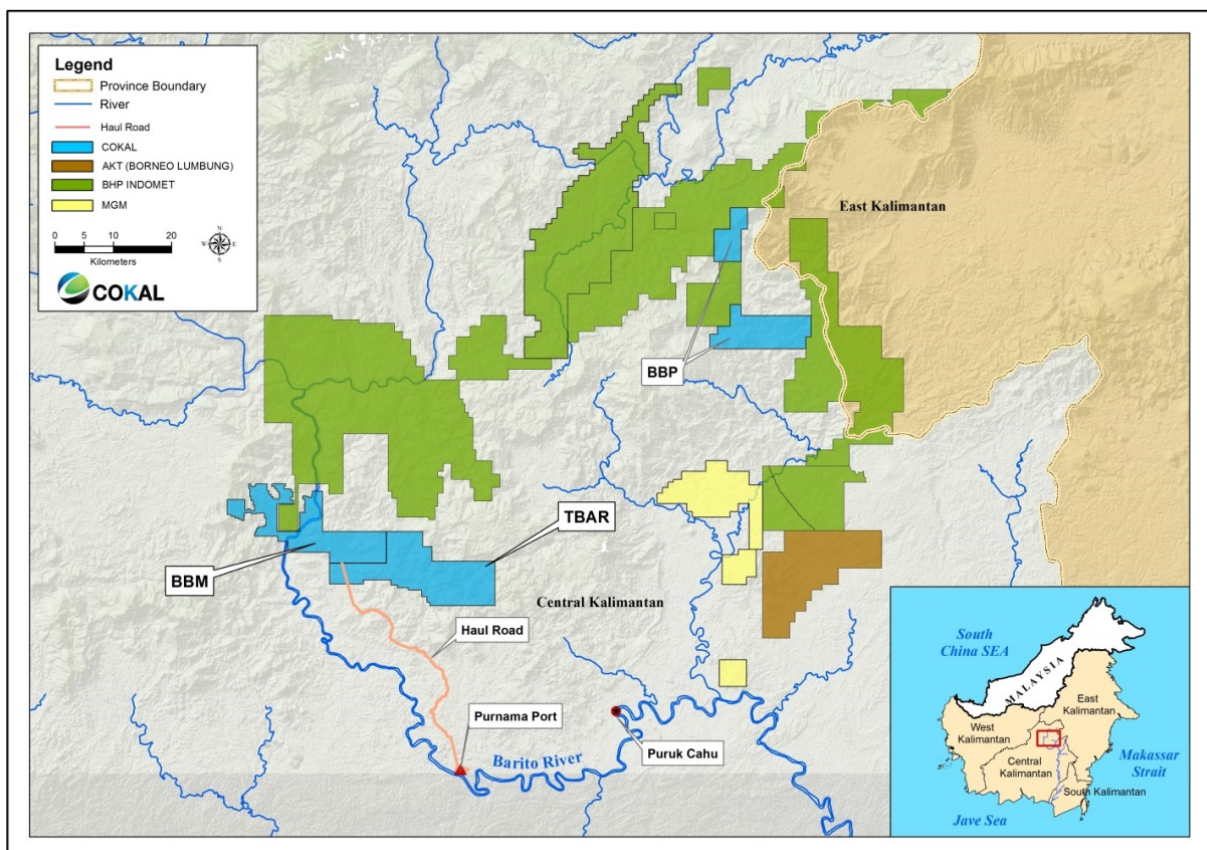
PROJECT OVERVIEW

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 Crucible Swell Numbers ("CSN") values generally 9 or more.

- Total Coal Resource estimate of 261Mt at BBM, comprised of 10.5Mt Measured, 13.5Mt Indicated and 237Mt Inferred Resources reported in accordance with the 2012 JORC Code*
- Resource increase attributed to the additional 'J' Seam in the KLM area which is 100% Premium Coking Coal
- Product split for the total BBM Coal Resource is estimated to be 90% Coking Coal and 10% PCI
- Product split used in the Study (approx. 20Mt) was approximately: 82% Coking Coal and 18% PCI

Figure 1: Location of BBM Coal Tenement (IUP 188.45/273/2010)



*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". 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. See Appendix A for further technical information.

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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 four projects in Central Kalimantan, Indonesia considered prospective for metallurgical coal. Cokal has also signed a joint venture to explore for coal in Tanzania with Tanzoz Resource Company Limited.

Forward Looking Statements

Statements regarding plans with respect to the Company's exploration properties are forward-looking statements. There can be no assurance that the Company's plans for development of its properties will proceed as currently expected. There can also be no assurance that the Company will be able to confirm the presence of additional deposits, that any mineralisation will prove to be economic or that a mine will successfully be developed on any of the Company's exploration properties.

Competent Person Statement

The information in this report relating to Mineral Resources is based on information compiled by Tri Yoso who is a Member of the Australasian Institute of Mining and Metallurgy and a full time employee of Cokal Limited.

Mr Yoso 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".

Mr Yoso consents to the inclusion in the report of the matters based on the information, in the form and context in which it appears.

Appendix A

Table 1: BBM Coal Resources by Category and Seam

Seam Name	Seam Thickness (m)	Measured Resources (Mt)	Indicated Resources (Mt)	Inferred Resources (Mt)	Total Resources (Mt)
J	1.34	10.5	13.5	31	55
D	1.37			75	75
C	1.14			70	70
B	0.97			61	61
TOTAL		10.5	13.5	237	261

Table 2: BBM Coal Resources by Category and Depth of Cover

Depth Range (m)	Measured Resources (Mt)	Indicated Resources (Mt)	Inferred Resources (Mt)	Total Resources (Mt)
0-50	5.0	2.0	6	13.0
0-100	9.3	8.0	18	35.3
0-150	10.5	13.0	39	62.5
0-200	10.5	13.5	60	84.0
0-250	10.5	13.5	86	110.0
0-300	10.5	13.5	120	144.0
>300	10.5	13.5	237	261.0

Table 3: In-situ Average Coking Coal Quality, 'J' Seam (% adb)

Product	Yield	Inherent Moisture	Ash	Volatile Matter	Fixed Carbon	Total Sulphur	Calorific Value Kcal/kg	CSN	Relative Density	Phosphorus
Raw Coal	100	0.9	6.5 – 23.2	15.6 – 18.9	58.4 – 74.8	0.31 – 0.55	6500 – 8100	9	1.39	0.009
Washed Coal	81	0.7	5.3	18.1	76.0	0.42	8,300	9	1.32	N/A

Table 4: In-situ Average PCI Quality, 'B, C and D' Seams (%adb)

Inherent Moisture	Ash	Volatile Matter	Fixed Carbon	Total Sulphur	Calorific Value Kcal/kg	CSN	Relative Density	Phosphorus
1.0	6.5	9.5	83.0	0.42	8,100	1.5	1.37	0.002