

**ASX ANNOUNCEMENT/MEDIA RELEASE**  
**2 January 2018****Update on Coal Offtake Finance Letter of Intent**

**Cokal Limited** (ASX:CKA, “Cokal” or “the Company”) advises that further to the Company’s ASX release of 20 December 2017, it is continuing negotiations with Renjian International Trading (Shanghai) Co Ltd (**Renjian**) in respect of a coal off-take agreement for 2.5 million tonnes of premium PCI coal from the BBM PCI Project.

Renjian have advised that due to their preoccupation with their year end accounting clearances for Renjian they have deferred meeting with Cokal to finalise negotiations in respect of the pricing mechanism for the sale of BBM PCI coal to this week commencing 2 January 2018. Cokal has developed a financial model based on the Platts index with appropriate discount compensations for prepayment which it has presented to Renjian and which forms the basis of ongoing discussions between Renjian and Cokal. The model includes the prepayment of funding over 3 months in advance and the repayment from coal produced by allocating a portion of monthly production to loan repayment as well as compensation and discount for the prefunding.

ENDS

**Further Enquiries:**

Domenic Martino

Non-Executive Chairman

Tel: +61 2 8823 3177

Email: [dmartino@cokal.com](mailto:dmartino@cokal.com)