

ASX ANNOUNCEMENT / MEDIA RELEASE**12 August 2020****Final BBM Vendor Payment Converted to Production Based Payment****Highlights**

- Cokal has signed a Settlement Agreement for the deferred purchase consideration of PT Bumi Barito, owner of the BBM Project
- US\$200,000 plus US\$ amount per tonne of coal sales

Cokal Limited (ASX:CKA, "Cokal" or "the Company") advises that it has entered into a Settlement Agreement with BBM Vendor Mr Hery Gianto relating to the US\$10M contingent liability in respect of the acquisition of 60% of PT Bumi Barito, the holder of the BBM Project.

Previously this final BBM Vendor payment was due on commencement of production.

It has now been agreed that an amount of US\$10.5 million will be paid via:

1. US\$200,000 within 30 days of signing the agreement;
2. During the first and second year of coal sales to a third party, monthly at a rate of US\$2 per tonne of coal sold;
3. From the third year of coal sales to a third party, monthly at a rate of US\$3 per tonne of coal sold.

Payments under items 2 and 3 are to total US\$10.3 million.

The Chairman, Domenic Martino, commented *"this is the last of the significant legacy financial commitments that Cokal had on its balance sheet and in its contingent liabilities, which has now been removed from immediate payment. With this settlement agreement and the conversion by Alpine of the Platinum debt to a payment per tonne of coal sold, Cokal is now free to enter the production phase without any legacy debt impediment. All of the stake holders are now aligned to successful production from the BBM mine."*

This settlement does not affect Cokal's right to recoup the substantial loans owing to Cokal by PT Bumi Barito minority shareholders for the funding provided by Cokal in the development of BBM. Effectively 100% of the net cashflow from BBM will now flow to Cokal until these loans are repaid.

The Company is also pleased to announce that it has appointed well-known stockbroker Taylor Collison as its corporate advisor. Taylor Collison will assist the Company with financial services including general corporate advisory and capital markets advice, assistance with documentation and preparation of marketing materials, and deal structuring. Taylor Collison will be paid a Corporate Advisory Retainer of AU\$10,000 (excl GST) per month which is payable in shares at an issue price of the lower of either 5 cents per share or the 5 day VWAP at the issue date, with a floor price of 4 cents per share. The agreement is for 12 months, with 50% of shares to be issued at 3 months and 50% at 9 months. Either party may terminate

with 30 days' written notice. In addition the Company will issue 15 million broker options exercisable at \$0.05 and with a three year term.

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This ASX announcement was authorised for release by the Board of Cokal Limited.

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, which are considered prospective for metallurgical coal.

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 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.