

ASX ANNOUNCEMENT
2 April, 2015**Cokal Unsolicited Takeover Proposal Update**

Global metallurgical coal group, Cokal Limited (ASX:CKA), advised on 3 March 2015 (refer announcement for further details) it had 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)

The Cokal has since then entered into detailed discussion with CKRA. The discussions have been progressing but have highlighted the need to jointly manage the process on both the Australian and Indonesian Stock Exchanges and under two company regulatory regimes. We believe that as this is the first such transaction of this type between the two countries, there is no precedent. An understanding of these processes has been extremely important before reaching an agreement on a bid implementation agreement. Cokal therefore has not formed any opinion on the proposal.

As the discussions are still in progress and both parties remain engaged positively in this process, it remains Cokal's intention is to engage with CKRA in evaluating 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.

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

Forestry Approval Final Stage

As previously announced the approval required to start construction has now moved to the BKPM (the Coordinating Investment Board of Indonesia) the final government body who will approve the issue of the necessary permit. The BKPM has requested confirmation from a number of departments on the approval area. They also required that a regional public presentation be given on the project. Cokal has completed the presentation and has received written confirmation from the various departments. These letters have been submitted to the BKPM this week.

Cokal believes the BKPM now has all the necessary documentation to issue its approval and we expect their final review to move quickly. However, as we are at the forefront of this new government process, there may still remain some teething issues which may cause slight delays in the timing of the approval.

Background previously reported

Cokal received the Izin Princip Ijin Pinjam Pakai Kawasan Hutan or "In-Principal Forestry Permit" for its BBM Project. 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.

Cokal has fulfilled all of the administrative obligations necessary to obtain the full IPPKH; however, with process changes due to the amalgamation of the Environment and Forestry Department under the new Government delays occurred. These have now been overcome

and the new combined department has completed their assessment positively and passed the necessary documentation to the BKPM for the final phase of the approval process.

On the 26th of January, 2015 the Indonesian Government announced the commencement of BKPM as the new one-stop integrated service (PTSP) to simplify investment licensing procedures. This move is expected to free up the issuing of the final borrow and use permit for the BBM project.

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

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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".