

ASX ANNOUNCEMENT
21st March 2016**Sale of AAM & Consultancy injects US\$550,000**

Cokal Limited (Cokal ASX:CKA, "Cokal" or "the Company") is pleased to announce the completion of the sale of its 75% interest in of PT Anugerah Alam Manuhing (the "AMM") for US\$ 150,000 to PT. Jinantra Karya Raya an Indonesian company owning the tenements adjacent to AMM. Cokal considered AMM a non-core tenement located a considerable distance west, in another geological formation, from Cokal's main tenements located in Central Kalimantan. While PT AAM contains high Calorific Value (CV) thermal coal, it contains little possibility of any discovery of metallurgical coal, the core focus for Cokal. It was therefore considered appropriate in the current climate to realize the value of AAM, reduce ongoing liabilities and to use the funds for working capital while the Board pursue the funding options previously announced.

In addition and as a result of the experience built up over past five years by Cokal in the Indonesian mining regulatory process- Cokal's Bumi Barito Mineral Coal Project ("BBM") being the only mining project to be issued a new Production Forestry Borrow and Use Permit (IPPKH) approval since the new process was announced by the Indonesian Government on the 26th of January 2015 – Cokal will provide PT. Jinantra Karya Raya non-exclusive consulting services on a retainer basis. The retainer is for US\$400,000 and expires on 12 June 2016.

Cokal is glad to be working with PT Jinantra Karya Raya and its principals to achieve their goals in receiving the necessary regulatory approvals and the most efficient route to production for the growing interests in Indonesia.

FUNDING UPDATE: 3 TRANSACTIONS BEING PURSUED BY THE BOARD

- 1. Transaction resulting in Indonesian Listing**
- 2. Merger proposal with ASX listed company**
- 3. Financing IPO China**

This update should be read in conjunction with the funding update provide 15 January 2016.

INDONESIAN LISTING

The Cakra bid expired on the 15th of November 2015 and to date, Cakra still have not provided any further firm guidance as to timing for resolution of its commercial issues or any fresh bid.

Cokal remains in continuing discussions of a confidential and incomplete nature with Cakra in relation to its capacity and intentions. Cokal remains open to a transaction involving scrip consideration in an Indonesian listed entity either with Cakra or other parties and has now started discussion with other interested Indonesian parties.

The discussions with one such group have progressed through high level financial and technical analysis. The two parties are yet to agree the specific details and terms of the transaction and as such no further information can be supplied.

MERGER PROPOSAL with ASX LISTED COMPANY

The potential merger with an established ASX listed entity. These discussions have continued but unfortunately the key bid pre-condition (which is not within Cokal's control) has still not been satisfied. In the meantime the parties remain in discussions and are keen to progress discussions as soon as the bid pre-condition can be completed. While it has still been indicated to Cokal that the bid condition is expected to be positively resolved shortly it remains difficult to predict the exact timing or outcome.

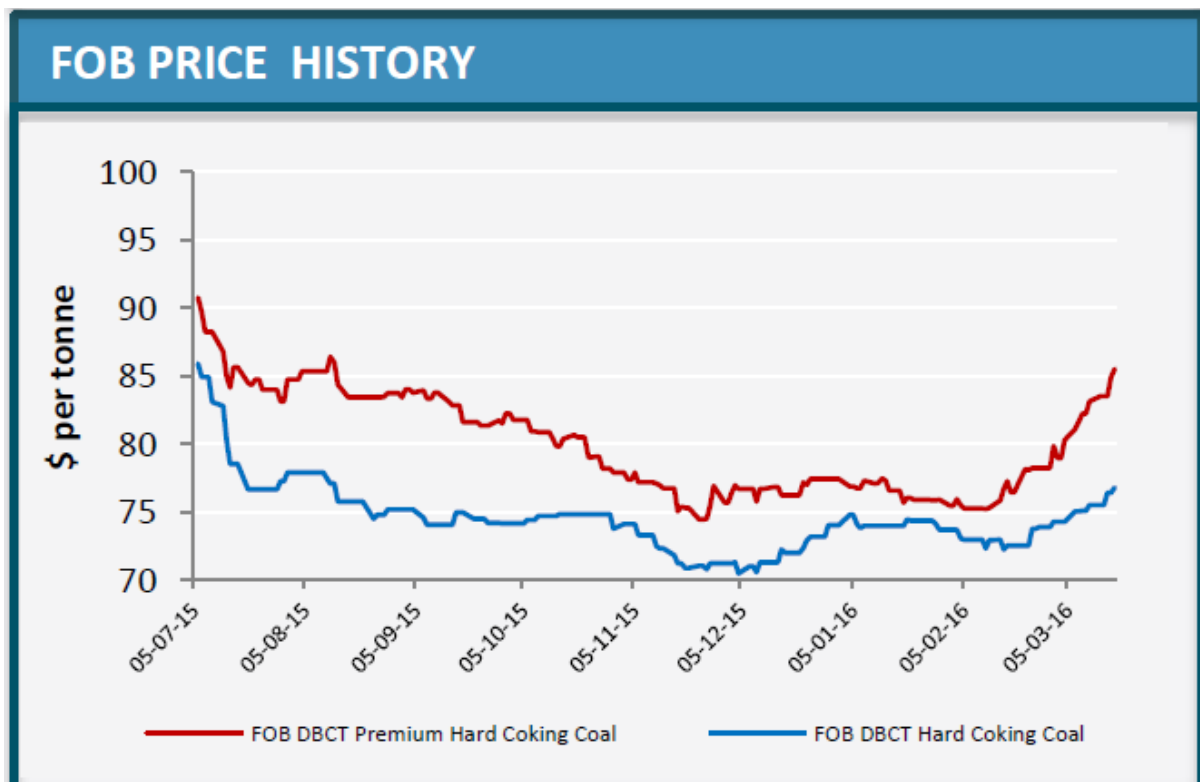
FINANCING / IPO CHINA

The work with BM Intelligence has continued with several positive meetings being held which have indicated that the proposal of Cokal floating its immediate Singapore subsidiary, Cokal Holdings Pte-Ltd through a Cokal owned Chinese subsidiary, on the Shanghai exchange to raise US\$50M- US\$100M remains a good possibility. Chinese SOEs appear keen to gain access to the growing Indonesian economy in view of the Jokowi government's push for strong foreign investment in Infrastructure.

There are a number of large Chinese SOE steel companies in the early planning stage for the establishment of hot metal production in Indonesia which would no doubt provide them greater access to the rapidly growing domestic steel market. Currently Indonesia consumes nearly 25Mtpa of steel while producing less than 6Mtpa. The consumer middle class of Indonesia is projected to grow but a further 90 million people by the year 2030, in 2012 the steel consumption intensity of Indonesia per capita was 49kg compared to 477kg in China at the same time.

So far early seed capital investors have been briefed as well as large strategic investors such as Mainland Chinese Steel Industry operators. Further meetings are planned in the near term and it is hoped that over the next few months it may be possible to develop this into a firm proposal.

UPWARD MOVEMENT IN COKING COAL PRICES PROVIDE FURTHER ENCOURAGEMENT



Daily Coking Coal Prices US\$/t FOB Dalrymple Bay Coal Terminal (DBCT) Central Queensland.
Source : Steel First Coking Coal Index – Daily Market Report, see www.steelfirst.com

Spot prices for Premium Hard Coking Coal (PHCC) bottomed in mid-February 2016, way below the March quarterly contract price of US\$81/t. Since that time Spot PHCC prices have risen to US\$85.52/t on Friday the 18th of March. The cost of producing coking coal from the world's largest supply source Central Queensland, Australia, is becoming more expensive in US\$ as the Australian dollar has strengthened to US\$0.7606.

The world's largest producer of seaborne traded coking coal BHP Billiton has made it's intentions clear to the biggest Union in the coal mining industry, the CFMEU, that it is determined to introduce major changes to work agreements covering its mines in Central Queensland. The CFMEU was quoted in a circular to members that BHPB management were headed to the "mother of all fights". The CEO of BHPB, Andrew Mackenzie, has reinforced the company's resolve in a speech to the AFR Business Summit on the 16th of March. Many predict the differences will result in considerable industrial unrest and potentially further supply tightening.

Supply has already tightened as more mines than normal have chosen to use this period to undertake major maintenance activities on key pieces of production machinery. Meanwhile demand from buyers such as China has firmed on the back of the government's desire to provide further stimulus while at the same time reducing loss making domestic coal production to reduce the growing debt required to support uncompetitive mines.

It has become apparent in recent weeks that this shift in the Coking Coal market has created stronger interest from not only the parties Cokal is already engaged with, but also from new enquiries. The Board remains open to other proposals and will actively evaluate and assess them as they arise including a combination of the above funding strategies to provide the best result for shareholders.

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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.

About BM Intelligence

BM Intelligence (<http://www.bmintelligence.com>) Vision is to be a pre-eminent service provider offering a uniquely integrated and customized corporate consultancy solutions to mid-size listed companies and private companies in the Greater China.

As a leading financial services provider in Asia Pacific Region, we are proud of our experienced management team and qualified professionals who possess extensive network in the business and investment financial services. The Group's head office is located in Hong Kong and supported by branch offices in Shanghai, Beijing and Shenzhen. It engages in a wide variety of professional services include pre-IPO consultancy, corporate finance, corporate services, professional translations, asset valuations, business centre, investment migration services, real estate & agency, financial & corporate communications, event management, strategic marketing, funds & wealth management, information technology as well as China business.

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".