

28<sup>th</sup> October 2011

**QUARTERLY REPORT FOR THE 3 MONTHS ENDED  
30<sup>th</sup> September 2011**

## **HIGHLIGHTS**

- Increased equity in prospective metallurgical coal projects (BBM & BBP) to 60%
- BBM scheduled to define an initial Coal Resource in accordance with the JORC Code by the end of 2011
- BBM drilling results continue to confirm premium quality metallurgical coal
- Manning and infrastructure for 4 drilling rigs in place at BBM
- BBP drilling programme scheduled to commence December 2011
- Geological mapping programme completed for AAM coal project
- Tanzanian initial drilling results indicate minimal coal from the upper part of the Karoo – now mapping further areas

## Corporate

### Completed Purchase of additional 10 % of BBM and BBP projects - Cokal now owns 60%

As announced on 21 September 2011, global metallurgical coal group Cokal Ltd (ASX:CKA) completed the purchase of an additional 10% of both the Bumi Barito Mineral (BBM) and Borneo Bara Prima (BBP) projects. The purchase of the additional equity will bring Cokal's ownership of the two projects to 60%.

Cokal has paid US\$8,000,000 plus issued 1,000,000 ordinary shares in Cokal Ltd (ASX:CKA). Under the terms of the transaction Cokal has purchased an additional 10% of the shares in the two PMA holding companies PT Bumi Barito Mineral and PT Borneo Bara Prima.

Cokal has previously confirmed high quality premium metallurgical coal at its Bumi Barito Mineral (BBM) project in the Indonesia territory of Central Kalimantan.

BBM covers an area of 19,920 ha, immediately adjacent to BHPBilliton's Juloi tenement, and straddles the Barito River. BBP covering an area of 13,050 ha is located adjacent to BHPBilliton's Maruwai tenement.

## Updated Coal Quality Results

### BBM project

Australian Laboratory results continue to confirmed premium quality metallurgical coal at the BBM project in Central Kalimantan.

Coal quality ranges from premium coking coal to ultra low volatile PCI, all with highly sought qualities (refer Table 1 and Table 2).

**Table 1:** Showing the range of product coal qualities which result from the samples analysed from exploration in BBM to date. Some products are raw in-situ while others post float sink testing (washed @1.6RD) with a laboratory yields ranging from 76.8% to 83.9%

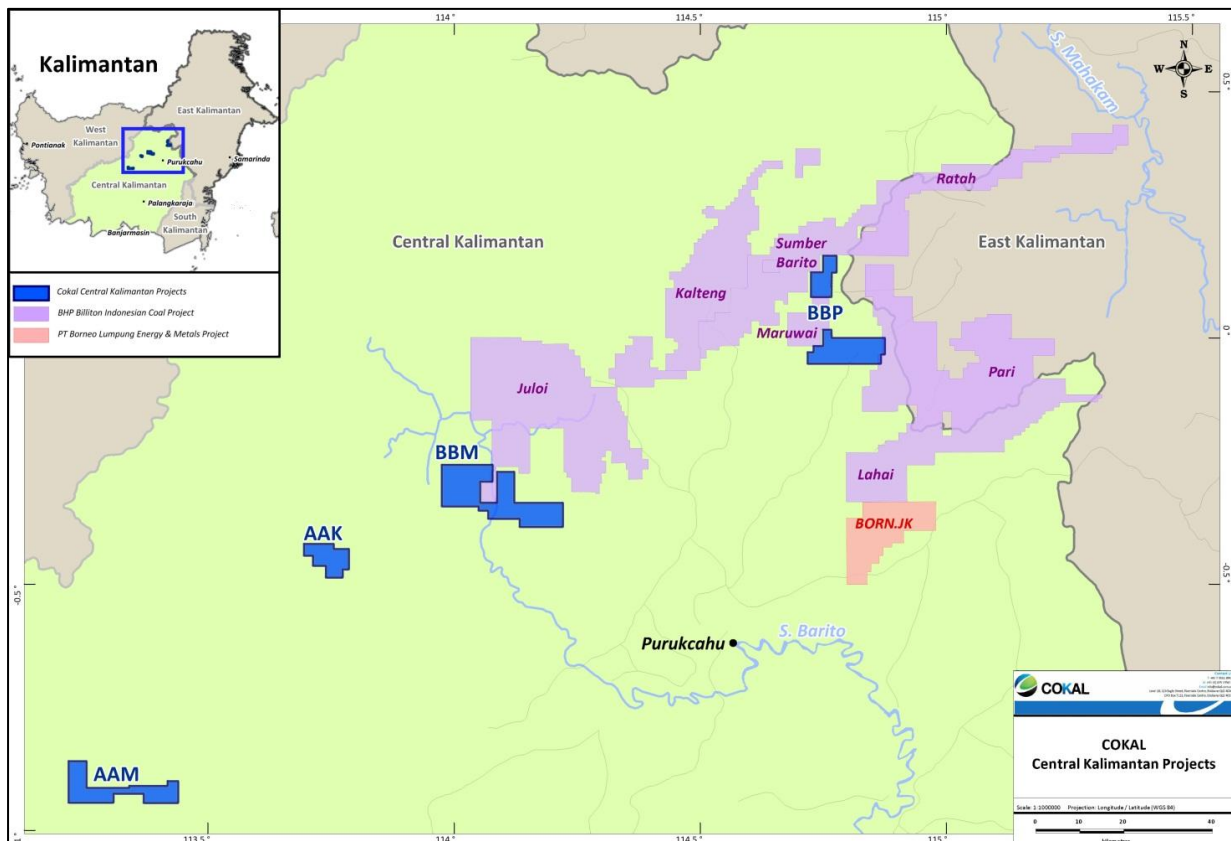
Product	Ash %	Vols. %	Fixed Carbon %	Moisture ad %	Total Sulphur %	Phos %	Calorific Value Kcal/kg	CSN	Vitrinite Content %
Ultra Low Vol PCI	3.8-5.8	5.6-7.2	86.1-88.9	1.1-1.5	0.42-0.50	≤0.005	8144-8236	0	95.8-96.9
Low Vol PCI	2.8-8.8	12.8-14.6	69.3-82.7	0.5-2.4	0.32-0.45	≤0.005	7154-8548	0-3.5	94.5-96.8
Blend Coking Coal	4.6-5.7	15.4-15.7	78.5-79.4	0.3-0.4	0.33-0.35	≤0.005	8266-8348	4.5-7	94.8-95.2
Premium Coking Coal	3.6-6.5	18.0-19.3	74.8-77.4	0.2-0.7	0.39-0.49	≤0.005	8100-8404	>9	95.2-97.8

**Table 2:** Relative location of exploration results obtained from the BBM project

Hole / Sample	Easting (Local Coordinate)	Northing (Local Coordinate)	Collar RL (m)	angle o	Remark	Depth to 1st Coal (m)	Nett Coal (m)	No seams / plys	Depth to base Coal (m)
BBM001	275793	9761801	109	90	Drillhole	25.90	4.19	4	39.25
BBM002	276783	9763327	97	90	Drillhole	23.70	6.21	5	40.63
BBM003	276665	9762193	198	90	Drillhole	18.10	5.17	5	54.60
BBM004	277640	9763961	227	90	Drillhole	63.80	3.30	3	72.60
BBM005	274895	9762066	98	90	Drillhole	33.38	3.54	4	53.18
BBM008	277725	9762075	184	90	Drillhole	29.38	3.04	3	42.70
BBM013	279228	9761525	315	90	Drillhole	76.90	0.85	1	77.75
BBM019	281612	9760544	200	90	Drillhole	19.91	1.31	1	21.22
Channel Sample	281,566	9,760,555	194	90	Outcrop	5.70	1.30	1	7.0

## Exploration

**Central Kalimantan** Figure 1: Locality plan of the Central Kalimantan Coal Projects on the island of Kalimantan - Coal concession areas are shown in blue.



## **BBM Project**

The drilling programme for the BBM (Bumi Barito Mineral) project in Central Kalimantan was the core focus for the group during the September 2011 quarter. A base camp and four flying camps were established together with an active recruitment programme has enabled a total of four drills to be deployed during the quarter.

While good progress is being achieved on the planned drilling programme, some impact on exploration logistics was caused by heavy rain events and Ramadhan.

The drilling programme is on track to define an initial JORC compliant resource by the end of 2011.

## **BBP Project**

BBP (Borneo Bara Prima) project north east of BBM cover 13,050ha and is adjacent to BHP Billiton's Maruwai tenement. Geological mapping was completed during the quarter. Based on the favourable results from this work, it was decided to commence a drilling programme in the current quarter.

Drilling targets have now been defined and late in the quarter an additional two drilling rigs were secured for use on the BBP project. These rigs are ready to be deployed and resources and logistics are being organized to support the programme. It is planned to commence the programme during the month of December, 2011.

## **AAM and AAK Projects**

Cokal has a 75% share of Anugerah Alam Katingan (AAK) and Anugerah Alam Manuhing (AAM) projects also located in Central Province, Kalimantan, Indonesia. The AAK project area comprises 5,000m hectares and the AAM project comprises 10,000 hectares. Geological mapping of AAM was undertaken during the quarter and the results will be evaluated during the current quarter.

The company also remains active in evaluating other possible opportunities in the region.

## **Tanzania**

An initial drilling program has been completed in Tanzania, with seven boreholes drilled on the Manda Project (CKA earning 50%) and one borehole drilled on the adjoining Iwela lease (CKA earning 60%). The program included one fully cored borehole, two partially cored boreholes and four non-cored boreholes totalling 1,596m of drilling in the Manda lease. A non-cored borehole was drilling in the adjoining Iwela lease.

Drilling results from the Tanzanian tenements have not yielded any viable coal seams. The drilling intersected Permian upper part of the Lower Karoo, typically mudstones, sandstones and carbonaceous mudstones with thin (less than 10 – 15cm) occasional coal bands. While inter-banded mudstone and coal has similarities to the target Karoo sequence in nearby Mozambique, the initial intersections do not indicate economic coal.

A geological interpretation of strata from the borehole results is being used to identify drill sites with better prospectivity. The team has commenced mapping in other parts of Tanzania. The focus remains to identify the potential existence in Tanzania of the specific stratigraphic sequence which hosts the coking coals found in Mozambique's Moatize Basin.

### **Co-Operation Agreement Signed with Mozambique Government Owned EMEM**

Cokal signed a "Co-operation Agreement" with Empresa Moçambicana de Exploração Mineira (EMEM – Mozambique Mining Exploration Company) to, explore tenements in Mozambique for coal mining potential and jointly develop mines and associated facilities.

EMEM is a state owned corporation formed by the Mozambique government in order to participate in mining projects, undertake exploration and mining development as well as promoting value addition to mineral products. The formation of EMEM followed recognition by the Mozambique Government that coal was pivotal to the country's future economic development in the interest of all Mozambiquans.

Mozambique is developing a major coking coal basin and is poised to become Africa's major coking coal producer, and a major player in the world coking coal market. Projects in this basin are being developed by international mining companies including Vale (Brazil), Riversdale (Rio Tinto), Revubue (Nippon Steel, Posco et al).

Under the terms of this Agreement, EMEM will bring tenements to Cokal to review and if deemed suitable by Cokal, these tenements will be brought into the 80:20 (Cokal:EMEM) JV. Appropriate tenements are currently being sought by EMEM for the JV.

## About Cokal Limited

Cokal is an ASX listed company which has the objective of becoming a coking coal producer with a global presence. Cokal has interests in four projects in Central Kalimantan, Indonesia considered prospective for coking coal, and a joint venture in Tanzania .

For further information please refer to our website [www.cokal.com.au](http://www.cokal.com.au) or contact:

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### 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 persons

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 Ltd.

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 he is undertaking, to qualify as Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves".

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