



ASX Announcement

March 14, 2011

COKAL COMMENCES DRILLING IN CENTRAL KALIMANTAN

Global coal group, Cokal Limited (ASX-CKA), has announced the commencement of drilling at its flagship project in the Indonesian territory of Central Kalimantan, Bumi Barito Mineral (BBM).

Cokal Executive Chairman Peter Lynch said the company has engaged long established and well respected Indonesian drilling contractor, Kasam, to implement the drilling program.

“The first drill is in place on the BBM project and we have commenced the first hole of a program aimed at defining the coal quality, and ultimately the resource potential of the project area,” Mr Lynch said.

The commencement of the drilling program follows gaining of the necessary regulatory approvals for drilling. The program has been designed by Cokal Executive Director Pat Hanna and will be supervised by Yoga Suryanegara, Cokal’s Resource and Exploration Geologist.

Mr Hanna said the BBM project is located immediately adjacent to BHP Billiton’s Juloi project and is bisected by the Barito River.

“We’ve been busy with a team of geologists on the ground since the start of the year mapping the known and new outcrops of coal,” he said.

“The mapping has been important in improving our understanding of the coal seams and determining the appropriate locations for locating the drill holes in order to efficiently prove up our deposit.

“We will be undertaking open and fully cored holes to the standards required by JORC. The core will be dispatched to an approved laboratory for analysis to determine the coal quality.”

Mr Lynch said the company was looking to expand the drilling program and hopes to employ additional drill rigs across the various projects it has in Central Kalimantan.

“We have also mobilised geophysical logging services which are expected to arrive at the project in due course,” he said.

Cokal (CKA) is an ASX listed company with 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. Cokal has also signed a joint venture to explore for coal in Tanzania with Tanzoz Resources, which currently holds interests in Tanzania for uranium, gold and coal.

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Cokal Executive Director, Pat Hanna (far right) and Resource and Exploration Geologist, Yoga Suryanegara (second from right) along with Cokal’s Field geologist oversee the commencement of drilling at the BBM project, Central Kalimantan.