

ASX Announcement - 22 May 2013

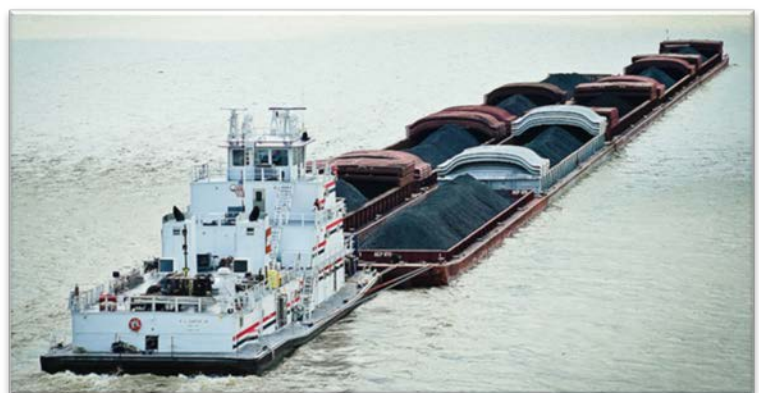
Cokal signs JV with Proven Operator, MDM, for River Barging - a critical milestone to achieving Production

Cokal Limited (ASX: CKA) is pleased to announce that it has entered into a 50:50 Joint Venture (JV) with Meratus Advance Maritime (MDM). The JV will own and manage the shallow river barges and tugs design specifically for PT Bumi Barito Mineral (BBM).



MDM is part of the Meratus Group which has operated in Indonesian shipping since 1957 and has provided barging and shipping services to a number of the major Kalimantan coal operations. MDM have also worked on the Barito River over a number of years. The Barito is a major coal barging river on which BBM is located.

The JV is an accumulation of almost 2 years of studies into river based shallow draft barging systems which have confirmed its effectiveness on the Barito River. While shallow draft barging systems are used extensively worldwide the system has not been used in Indonesia to date.



Example of Similar River Barging Operating Elsewhere in the World

Recently BBM's river barging solution moved to the next phase and US Naval Architects were retained to do detailed design for contract tenders to be issued. This is scheduled for completion in third quarter 2013. MDM's practical input and detail knowledge of barging on the Barito has been invaluable in this phase.

Cokal's Chairman and CEO Mr Peter Lynch said "this strategic partnership enables MDM to bring the experience and knowhow necessary to ensure the success of river barging on the Barito River, and for Cokal to be a part of controlling the critical part of its supply chain. This is a significant achievement for Cokal as we draw closer to the commencement of our coking coal production in mid 2014".



MDM Coal Transloader

MDM will operate the river barges and the river supply chain. They have a proven track record in this area and are an experienced and well respected operator throughout Indonesia where they are known for their innovative solutions.

MDM's Managing Director, Jorn Annweiler said "given our extensive experience in river barging in Indonesia we saw this as a real opportunity to be part of introducing new concepts to river barging in Indonesian that will bring about significant change and benefits to the industry".

PROJECT OVERVIEW

The BBM Coal Project (IUP 188.45/149/2013) is situated in Central Kalimantan, Indonesia in the prospective metallurgical Upper Barito Coal Basin, Regency of Murung Raya. The Project covers an area of 15,000 hectares. The Project is adjacent to the BHP Billiton's, Indomet Coal, Joloi Project in Murung Raya Regency.

BBM has a JORC Resource of 77 Million tonnes (Mt) in multiple seams comprised of 70Mt Inferred and 7Mt Indicated as well as an Exploration Target¹ of 200 to 350Mt in thirteen seams within the Eastern Block of the BBM IUP (approximately 40 percent of the Project area). Cokal is completing definitive studies and obtaining the necessary approvals with the aim of commencing construction in October 2013 which would see first production occur in the first half of 2014.

ABOUT MDM

Meratus is a leading Indonesian shipping company providing point-to-point transportation solutions. It has an integrated network of owned offices throughout Indonesia and places strong emphasis on safety, quality and customer focus. All vessels are maintained to international standards with AIACS and BKI Class, ISM and 9001 certification.

Established in 1957 Meratus has grown and become a household name in Indonesian shipping. Currently Meratus is engaged in several sectors of shipping and transportation.

Meratus Line-Ship Owning and Ship Operating Services: Provides full inter-island container services. Supported by a fleet of over 56 vessels and 33,400 TEU containers. Meratus container liner services cover an extensive shipping service network between Indonesia's major ports. Meratus currently operates 25 container liner services.

MDM-Coal logistics: Provides a total logistics service to mining companies, including modern tugs & barges and coal transloaders to facilitate vessel loading operations.

MIF-Logistics Solution and Freight Forwarding Service: Covers both domestic and international shipments worldwide. It provides logistics consolidation and warehouse services for major Indonesian mining companies and project cargo handling for the oil and gas industry.

MM Line-Regional Multipurpose Liner Service: Provides project cargo transportation throughout the Far East, South East Asia and North-Western Australia.

Agency: Provides commercial and port agency in Indonesia ports, with a network of owned agency offices throughout Indonesia.

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 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 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.

The information in this report relating to Mineral Resources is based on information compiled by Tri Yoso who is a member of the Australasian Institute of Mining and Metallurgy and a full time employee of Cokal Limited.

Mr Yoso 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 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves".

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

Note 1: Exploration Target

All statements as to Exploration Targets of Cokal Limited and statements as to potential quality and grade are conceptual in nature. There has been insufficient exploration undertaken to date to define a Coal Resource and identification of a Resource will be totally dependent on the outcome of further exploration. Any statement contained in this document as to exploration results or Exploration Targets has been made consistent with the requirements of the Australasian Code for Reporting of Exploration Results, Resources and Ore Reserves (JORC Code).