

ASX ANNOUNCEMENT
31 March 2014**COKAL ACCEPTS FUNDING PACKAGE FOR BBM**

Global metallurgical coal group, Cokal Limited (ASX:CKA), is pleased to announce that it has accepted a proposal for a funding package of up to US\$150 Million(M) from Platinum Partners.

Mr Peter Lynch Chairman and CEO said "He welcomed such strong financial support from a major global financing partner such as Platinum Partners. Their experience internationally and in the region coupled with their financial capability added a significant new dimension to Cokal and its ability not just to get the BBM Project into operation but for Cokal to develop its other resources in Indonesia and become a major global producer of premium quality coking coal supplying Asian steel producers in Indonesia, Japan, Korea, Taiwan, India and of course China."

The total amount of the initial facility is being finalised but will be in the order of US\$80M to \$100M. It also includes a US\$3.5M bridging loan to provide funding to progress the BBM Project while the facility is being finalised. The bridging loan can be rolled into the facility once it is in place.

The facility will be sufficient to fund construction and commissioning of Cokal's 2 Mtpa Bumi Barito Mineral (BBM) Project and Cokal's general working capital requirements during this phase of development.

The key terms of the proposed project finance facility are:

- Committed facility of US\$80M to \$100M, with a higher commitment subject to further discussions
- Availability period 2 of years from signing of definitive agreements
- While the final repayment schedule is to be agreed the repayment period being discussed is 2 to 3 years after drawdown
- 13% interest rate plus fees
- Subject to shareholder approval, 100 million warrants with an exercise price of A\$0.20 for 4 years
- Marketing fee of 3% of gross sales, over coal produced from BBM Project
- Royalty of 1% of gross sales from the BBM Project
- Security customary for a major project financing in Indonesia
- Provision of short term USD\$3.5 million Bridge loan repayable in 6 months for general working capital purposes, subject to the execution of definitive legal documents

Closing is conditional on satisfaction of various conditions within 6 months including diligence, there being no material adverse changes, execution of definitive legal agreements reflecting the commercial terms, all project approvals being in place and other usual and customary terms for major project financing in Indonesia.

Cokal has agreed an exclusivity period of 14 weeks from the drawdown of the bridging loan to finalise the funding arrangements. A break fee of 1.5% of the minimum commitment is payable if the arrangements do not close within this exclusivity period.

In addition to the above financing, Cokal as part of the 50:50 river Barging Joint Venture with Meratus Advance Maritime (MDM) plans to raise bank financing for its share of the barging fleet (approximately US\$15M). The Platinum facility will provide the equity funding for Cokal share of the Barging Joint Venture.

“The Platinum financing is a significant achievement for the company and puts us on target for production in 2015” said Chairman and CEO Peter Lynch. “It builds on the major advances achieved this year, of

- BBM JORC upgrade to 261 Mt, 340% increase over previous estimate
- The release of the Definitive Feasibility Study which confirmed BBM is an economically and technically robust project.”

Mr Lynch said “the company has its resources focussed on obtaining our final forestry approval which will enable construction to commence. With this approval and now with financing almost in place we should be able to proceed rapidly into construction.

PROJECT OVERVIEW

The BBM Coal Project is situated in Central Kalimantan, Indonesia in the prospective metallurgical Upper Barito Coal Basin, Regency of Murung Raya. The Project covers an area of 14,980 hectares. The Project is adjacent to the BHP Billiton’s, Indomet Coal, Joloi Project in Murung Raya Regency.

BBM currently has a JORC Coal Resource of 261 Million tonnes (Mt) in multiple seams comprised of 10.5Mt Measured, 13.5Mt Indicated and 237Mt Inferred Coal Resources.

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Further enquiries:

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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 four projects in Central Kalimantan, Indonesia considered prospective for metallurgical coal. Cokal has also signed a joint venture to explore for coal in Tanzania with Tanzoz Resource Company Limited.

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 Person Statement

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 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”.

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.