

ASX ANNOUNCEMENT – 19 December 2013**COKAL'S FLAGSHIP BBM METALLURGICAL COAL PROJECT
RECEIVES APPROVAL FOR THE LOCATION OF ITS RIVER
BARGING TERMINAL (PURNAMA PORT)**

- **Update on the forest rent use permit (Operation / Production) (IPPKH) Approval**
- **Update on BBM Definitive Feasibility Study (DFS)**
- **Update on funding discussions**

Global metallurgical coal group, Cokal Limited (ASX:CKA), is pleased to announce that it has received written approval from the Indonesian Minister for Transport for the location of the river barge loading terminal (Purnama Port) on the Barito River for its flagship Bumi Barito Mineral (BBM) Coal Project, located in Central Kalimantan, Indonesia.

The approved Purnama Port site covers an area of 150 hectares that includes a 1.5 kilometre Barito River frontage adjacent to the Purnama Village. The Purnama Port will be developed in two stages; with an initial 2 Million tonnes per annum (Mtpa) operation as the first stage and an expansion of up to 6 Mtpa in line with the development of the BBM mine. Cokal Chairman and CEO Peter Lynch, said "this approach is consistent with the EIS approval granted in April this year that covers the integrated development of the BBM mine, haul road and Purnama Port."

Together with the approval of the haul road, the approval of the Purnama Port site secures the locations of the two critical supporting infrastructure required for the BBM Project. Peter Lynch, said "the approval of the Purnama Port site (and previously the haul road alignment) is a major milestone for the BBM Project and is the culmination of a significant effort over the last 12 months by the Cokal team to work with the Regency, Provincial and National Governments as well as the local community at Purnama."

Land acquisition arrangements for the Purnama Port are continuing with the majority of the 150 hectare site being identified as available and appropriate for acquisition. A cooperative collaboration with significant contributions from the local community, land owners and local government helped to ensure this result. The location of the Purnama Port is based on successful operating facilities tailored for shallow draft hopper barging systems.

Geotechnical investigations have been completed for both the on-shore and off-shore components of the Purnama barge loading terminal. The approval of the barge loading terminal now enables Cokal to complete the final earthworks design and costing and remain on track to commence operation in the first half of 2014. This timeframe is consistent with the schedule for the issuing of the Forest Rent Use Permit (Operation / Production) or Izin Pinjam Pakai Kawasan Hutan (IPPKH) for its BBM Coal Project which is expected now in early Q1 2014.

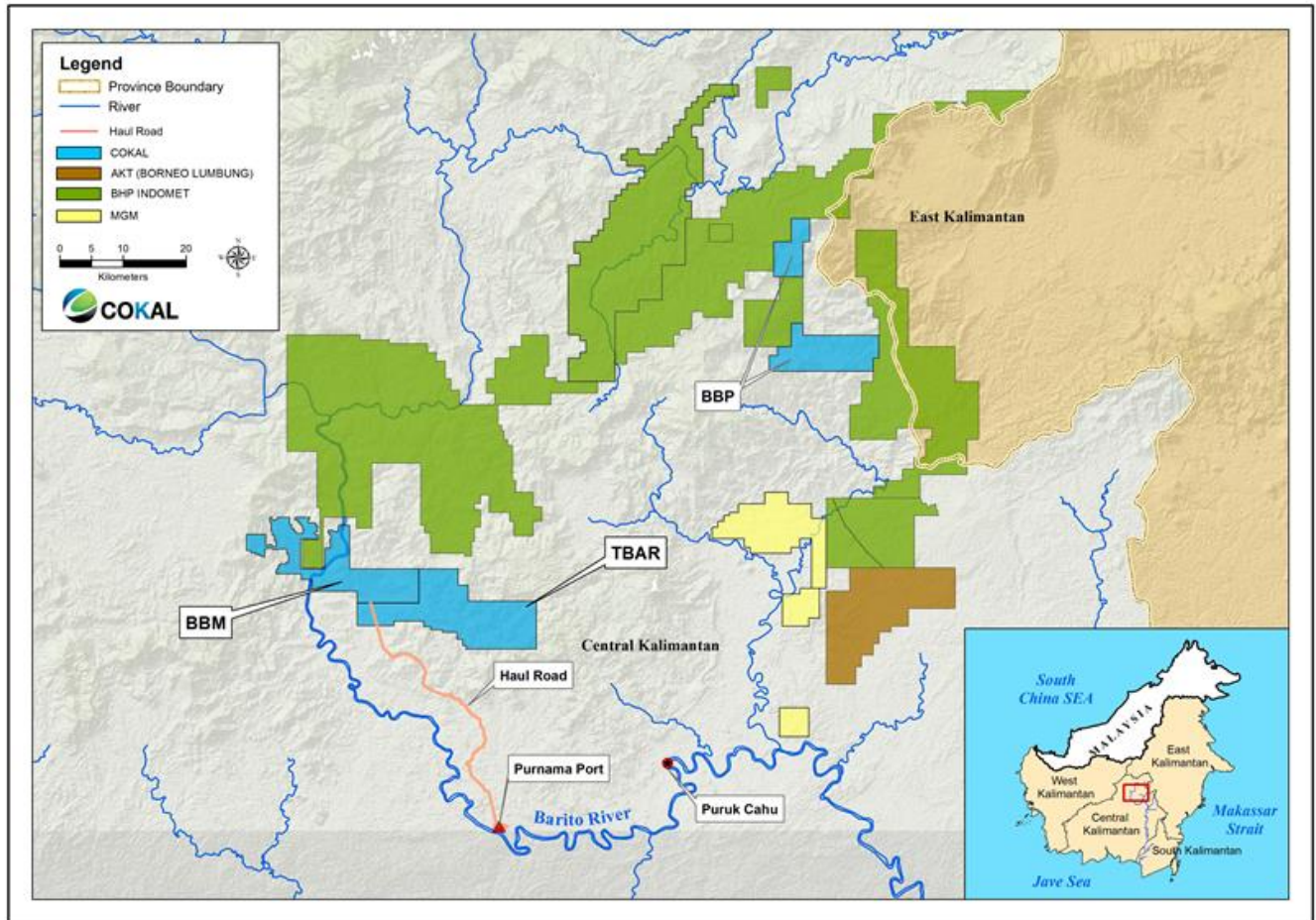


Figure 1: The Purnama Barge Loading facility is matched to Cokal’s shallow draft barging solution to maximize safe and efficient coal transportation

Detailed studies of the Barito River have been completed confirming the suitability of the Purnama Port location and the practicality of using a river based shallow draft barging system.

UPDATE ON THE FOREST RENT USE PERMIT (OPERATION / PRODUCTION) (IPPKH) APPROVAL

As previously reported, Cokal has applied to the National Forestry Department to upgrade the BBM Forest Utilisation Approval permit (exploration stage) (Izin Pinjam Pakai Kawasan Hutan or IPPKH) to Forest Rent Use Permit (Operation / Production stage) for its BBM Coal Project. Cokal is pleased to announce that it has received written confirmation from the Indonesian National Forestry Department confirming that the BBM Project has fully satisfied the technical requirements necessary for the “In-principal Approval” of the IPPKH by the Forestry Minister.

Once granted, the upgraded forestry permit will enable construction of the BBM coking coal project to commence. In line with the integrated development of the BBM Project, the application to upgrade the forestry permit includes the forestry areas associated with the development of the BBM mine, haul road and river barging terminal.

On receipt of the IPPKH approval from the Forestry Minister, Cokal will have completed the full suite of approvals required to commence the construction and development of the integrated BBM metallurgical coal project.

UPDATE ON BBM DEFINITIVE FEASIBILITY STUDY (DFS)

Cokal commenced work on the Definitive Feasibility Study (DFS) after receiving positive outcomes from its Pre-feasibility Study (PFS) in October 2012. The work on the DFS is being undertaken by a wide variety of sub-consultants with the overall project headed up by the respected Indonesian engineering consultants, Resindo.

The DFS will provide an industry standard bankable outcome suitable for project financing. Detailed design and engineering has been completed for the full coal delivery chain from the Mine, haul road, barge loading facility, shallow draft barging solution, intermediate stockpile, ocean going barging and transshipment to the customers' chartered vessels. The overall capital costs are in-line with the predictions of the PFS and significant optimization of the project delivery schedule has been undertaken to manage the construction program and capital requirements.

An announcement on the outcomes of the DFS is expected early in first quarter 2014 which will coincide well with the completion of the final approvals for the commencement of construction.

UPDATE ON FUNDING DISCUSSIONS

As announced on the 4th of December 2013, Cokal has received a US\$150M funding offer in the form of a non-binding MOU from an International consortium including Platinum Partners. The company is still in discussions with a number of other parties regarding alternative funding arrangements.

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 currently has a JORC Resource of 264 Million tonnes (Mt) in multiple seams comprised of 10.5Mt Measured, 13.5Mt Indicated and 240Mt Inferred Coal Resources. Cokal is completing definitive studies and obtaining the necessary approvals with the aim of commencing construction in early 2014 which would see first production occur in H2 2014.

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 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.