

ASX ANNOUNCEMENT

June 30, 2017

Imminent production from new operation

Key Points:

- **Imminent production of high-quality coal from BBM Anak, a newly targeted mining area within BBM**
- **BBM Anak is a separate and additional project to the BBM PCI Project (announced to the ASX on 24 May 2017).**
- **Cokal able to generate attractive cashflows from low-risk production**
- **Production of a high calorific-value, high-volatility PCI coal, suitable for blending with lower quality coals, will be sold to local coal companies**
- **Contract miner to undertake mining operations, with minimal upfront capital costs or working capital for Cokal**
- **Cokal to benefit from 100% of initial cashflows until BBM project costs incurred by Cokal fully recovered**
- **Development of the BBM PCI Project remains a focus, with site activities at BBM Anak, and cash flow generation for Cokal, contributing to the early development works at BBM PCI.**
- **BBM PCI Project funding has been deferred to 31 July 2017, however, this will not impact the development timeline of the BBM PCI Project, which remains on schedule to achieve first coal production in December 2017 / January 2018. For further details on the BBM PCI Project, please refer to Cokal's announcement to the ASX on 24 May 2017**

Cokal Limited (Cokal ASX:CKA, "Cokal" or "the Company") is pleased to announce that preparations are advanced, with coal production imminent from at BBM Anak: a newly targeted mining area within the Bumi Barito Mineral Coal Project ("BBM"). BBM Anak is a separate and additional project to the BBM PCI Project as BBM Anak product coal has volatile matter greater than 12%. BBM PCI Project participants previously agreed to limit the BBM PCI Project to coal products with less than 12% volatile matter. BBM (Cokal 60%) is Cokal's flagship asset, located in Central Kalimantan, Indonesia.

Cokal is establishing a small scale coal mining operation, which will produce a high calorific-value, high-volatility PCI coal. Product coal will be sold to local coal companies for blending with their lower quality coals. The location of the mine is in close proximity to the Barito River requiring a very short haul (around one kilometer) to the stockpile area.

Cokal has acquired the relevant regulatory approvals including the mining, environmental and forestry approvals from the various Indonesian Government Departments.

Cokal has successfully completed negotiations with the landowners and both parties are pleased with the outcome. As well, Cokal has negotiated terms for the supply of fuel, for land-clearing contractors and for a small fleet of mining and barging equipment.

Cokal expects to build a stockpile of coal beside the Barito River in July/August and commence barging to local coal producers downstream on the river.

Cokal's on-site technical team has prepared comprehensive mine-plans, mining schedules and financial budgets, in accordance with internationally accepted mining standards. Cokal's technical team has extensive experience in coal exploration and mining in Indonesia and throughout the world and is highly confident in the technical and financial merits of BBM Anak. However, under current disclosure rules, there is not yet the level of assurance required to disclose the anticipated operational metrics or financial performance of BBM Anak. Cokal looks forward to providing further details as and when we are able.

Development of the BBM PCI Project remains a focus, with site activities at BBM Anak contributing to the early development works at BBM PCI. The expected cash flow from BBM Anak will assist Cokal to continue to fund development of the BBM PCI Project, with production of an export quality Premium PCI coal forecast for December/January in accordance with Cokal's announcement on 24 May 2017.

Cokal's Director, Patrick Hanna, said "This is great news for Cokal's shareholders. We thank them for their patience and now look to reward them by building up a strong export metallurgical coal business over the coming year. And the best part is that we are able to do this with minimal capital to kick start the business at a time when the global outlook for coal is indicating strong demand in the very near future, particularly in the Asian region.

Meanwhile, Cokal's independent consultants continue to work on producing a Reserves Statement in accordance with the JORC Code and a Valmin evaluation report on Cokal's assets. These reports have been delayed by a few weeks due to national holidays in Indonesia in the past month.

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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 and one project (which holds three exploration licences) in West Kalimantan, Indonesia considered prospective for metallurgical coal.

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 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 Coal Resource estimate was announced on 29 April 2016, titled "Cokal announces updated JORC Resource Statement for Bumi Barito Mineral (BBM) Project". The information in the report relating to Mineral Resources is based on information compiled by Yoga Suryanegara who is a Member of the Australasian Institute of Mining and Metallurgy and a full time employee of Cokal Limited. Mr Suryanegara 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".

The Company confirms that it is not aware of any new information or data that materially affects the information included in the announcement made on 29 April 2016 and that all material assumptions and technical parameters underpinning the estimates in the announcement made on 29 April 2016 continue to apply and have not materially changed.

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 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves".