

ASX ANNOUNCEMENT / MEDIA RELEASE
31 October 2018

Debt Restructure Transaction

BMA Payment Received and Magna Repayment

Cokal Limited (Cokal ASX:CKA, “Cokal” or “the Company”) advises that it is currently in discussion with the Platinum Entities concerning the conversion of the debt owing by the Company into a production royalty.

On 22 July 2016, the Company announced that it had reached an agreement to convert the Blumont Loan and Northrock Loan (together the **Platinum Loans**) into a production royalty, subject to the preparation of definitive agreements (**Debt Restructure Transaction**). The Company entered into a definitive royalty deed on 29 April 2017 under which the Company will be granted a discharge and release of its obligations under the Platinum Loans in exchange for a production royalty, subject to certain conditions being satisfied. The terms and conditions of the royalty deed (including the conditions) were announced to the market on 2 May 2017.

On 20 February 2018, the Company issued 75 million Options to Northrock Financial LLC, Platinum Partners Credit Opportunities Master Fund LP and Platinum Partners Value Arbitrage Fund LP (in official liquidation) (**Platinum Entities**) with an expiry date of 20 February 2023 and an exercise price of 1.6 cents (**Existing Platinum Options**). Each Existing Platinum Option currently vests once all the Platinum Loans have been released and discharged.

The conditions precedent under the royalty deed relating to ongoing production and financing budgets (**Subsequent Conditions**) have not yet been satisfied. Under the current terms of the royalty deed, the Subsequent Conditions must be satisfied by 9 December 2018. The Company is negotiating an extension to this date to 31 July 2020 on the basis of an issue of **New Platinum Options** (37.5 million options with a 4 year term and exercise price of 1.6 cents), subject to shareholder approval, and the Platinum Entities agreeing not to exercise 37.5 million of the Existing Platinum Options.

To the extent the Company is able to, subject to regulatory requirements, 37.5 million Existing Platinum Options will be cancelled. The cancellation of these options is not conditional on the issue of the New Platinum Options.

This proposed transaction will ensure that the Company will meet its commitments as to production under the Debt Restructure Transaction in line with its current financing and production start-up options.

BMA Group Update

The Company advises that it has received a further USD500,000 from BMA Group under the Key Principles of Agreement announced on 21 September 2018, bringing the total received to date to USD1,500,000.

Magna Convertible Note Repayment

As announced on 26 October 2018, the Convertible Notes held by MEF I, L.P. (“**Magna**”) are to be repaid in cash, not converted to shares. The Company confirms repayment of the total amount of USD186,251 has occurred.

ENDS

Further enquiries:

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About Cokal Limited

Cokal (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.