

## ASX ANNOUNCEMENT

### 4<sup>th</sup> October 2016

#### PT BBM UPDATED DEFINITIVE FEASIBILITY STUDY UPDATE

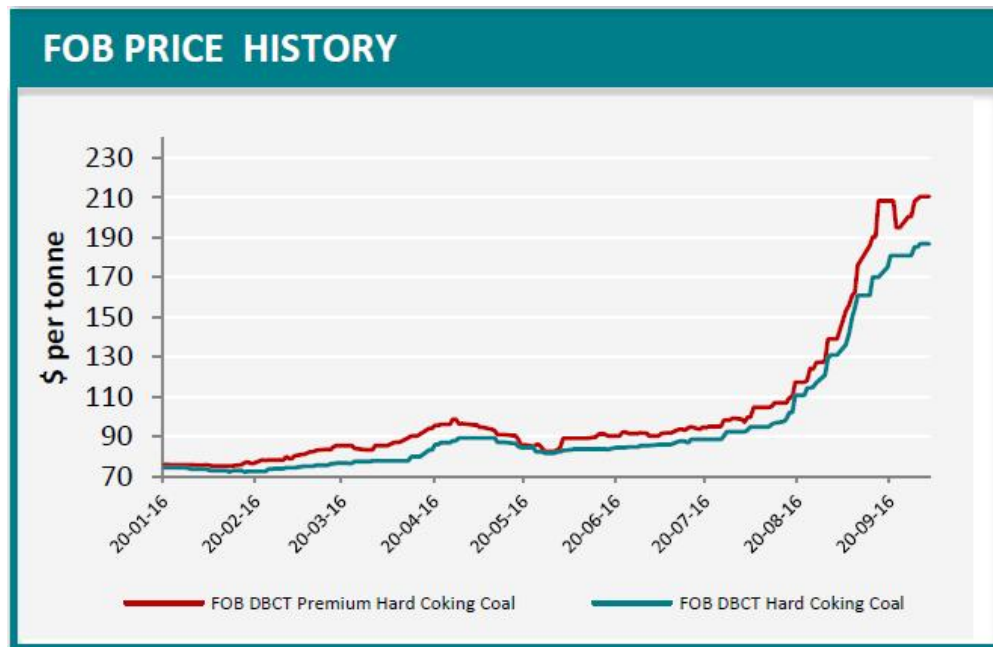
Cokal Limited (Cokal ASX:CKA, "Cokal" or "the Company") is pleased to announce that it has engaged consultants PT Resindo Resources (Resindo) to update the Definitive Feasibility Study (DFS) for PT Bumi Barito Minerals (BBM) coking coal project in Central Kalimantan, Indonesia. Resindo completed the original DFS in 2014.

#### DFS UPDATE

Recently, the cost of construction materials, power and fuel, have reduced significantly as the price of commodities reduced, particularly for thermal coal. This reduction in costs has also translated to reductions in contract mining rates which has been compounded by the downturn in thermal coal mining activity in Indonesia. Contractors are offering competitive mining rates in order to win the few projects that are surviving through downturn in the thermal coal industry.

Resindo, a well-established and well renowned engineering consultancy, conducted the original DFS for BBM in 2014. Cokal has engaged Resindo to update the DFS using current costs and pricing to determine savings in CAPEX and OPEX

The results from this study are expected to be announced in two to three weeks.



Graph of DBCT spot pricing for coking coal 03/10/16 courtesy [www.MetalBulletin.com](http://www.MetalBulletin.com)

With the spot price of coking coal reaching US\$208/tonne in recent days, it is expected that the quarterly contract benchmark pricing for premium coking coal will settle well at a price short of the current spot market but much higher than the previous quarterly benchmark. As a consequence, it is expected that

the long-term brokers consensus pricing for coking coal will be revised upwards once the negotiations have been completed.

Cokal Chairman Peter Lynch said “This is exciting times in our industry as our expectations for a recovery of coking coal pricing have been exceeded by far. It is no doubt that recent events will greatly improve the value of BBM and its attractiveness to investors looking to enter the coking coal market via a project which has all its approvals ready in place to commence construction.”

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## **ENDS**

### **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.

### **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.