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Half Yearly Report

31 December 2015

Cokal Limited ACN 082 254 1437
Half Yearly Report for the period ended 31 December 2015

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Competent Person Statement:
The Total Coal Resource estimate was announced on 29 January 2015, 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 January 2015 and that all material assumptions and technical parameters underpinning the estimates in the announcement made on 29 January 2015 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"

Mr Hanna consents to the inclusion in the report of the matters based on the information, in the form and context in which it appears.

Corporate Information

DIRECTORS
Peter Lynch
Pat Hanna
Domenic Martino
Agus Widjojo

COMPANY SECRETARIES
Duncan Cornish
Teuku Juliansyah

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Directors' Report

The directors hereby present the following half-year report for the period ended 31 December 2015.

The following persons were directors of the company during the whole of the half-year end and up to the date of this report, unless otherwise stated:

Peter Lynch - Executive Chairman and Chief Executive Officer
Pat Hanna - Executive Director
Domenic Martino – Non Executive Director
Lt General (Ret.) Agus Widjojo - Non-Executive Director

PRINCIPAL ACTIVITIES

The principal activities of the consolidated entity during the financial period were focused on the identification and development of coal projects within the highly prospective Central Kalimantan coking coal basin in Indonesia.

OPERATING RESULTS

For the half-year ended 31 December 2015, the loss for the consolidated entity after providing for income tax was US$3,381,177 (31 December 2014: US$ 6,231,490).

DIVIDENDS PAID OR RECOMMENDED

There were no dividends paid or recommended during the financial period.

CHANGE IN CAPITAL

There have been no changes in share capital in the current financial period.

Options Exercised

During the half-year ended 31 December 2015, no ordinary shares were issued on exercise of options.

At 31 December 2015, there were 499,342,704 shares on issue, and 60,800,000 unexpired options.

CORPORATE

Notice of Annual General Meeting

The Annual General Meeting of Shareholders of Cokal Limited was held on 16 November 2015.

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Directors' Report (Continued)

APPROVALS AND EXTERNAL RELATIONS

BBM PRODUCTION APPROVAL ADVANCES – UPDATE

On August 12, 2015 Cokal received the "Ijin Pinjam Pakai Kawasan Hutan – Operasi" or "Borrow To Use Forestry Permit - Operation" for its BBM Project. This Forestry Permit is the last stage which will allow the Company to start construction and mining.

The Forestry Permit has been issued for an area covering 1,242 ha which enables the development of the port, haul road and the initial development of the mine site.

We must thank both BKPM (Investment Coordinating Board) and the Ministry of Environment and Forestry for their assistance and help in providing this Permit as this was one of the first permits issued under the new investment regulation and therefore had some "teething" problems due to the significant change in process from that previously used.

BBM WEST BLOCK EXPLORATION IPPKH EXTENSION

Since the issue of the Borrow To Use Permit – Exploration (IPPKH-OP) Cokal has proceeded with the application for a Borrow To Use Permit – Exploration for the Western Block of BBM and this application is currently with Planology Dept. at the Ministry of Environment and Forestry.

BBP PRODUCTION APPROVAL ADVANCES – UPDATE

The IUP production / operation (Mining Lease) licence is still with the Murung Raya Bupati for signing. Whilst expected to be issued during this period ended 31 December 2015 it is now expected to be issued in the second half of 2016.

Cokal has submitted its application for the Clean and Clear Certificate Exploration from the Director General of the National Mines & Energy Department formalising the previous award of Clean and Clear status.

TBAR EXPLORATION FORESTRY PERMIT

Cokal continued during the last quarter to progress the Exploration Forestry Permit for TBAR with the Central Kalimantan Provincial Government. Due to Cokal's focus on fulfilling the administrative requirements to obtaining the IPPKH for BBM, together with workloads within the Provincial Forestry Department the site visit to the TBAR concession has been delayed until the second half of 2016.

CORPORATE SOCIAL RESPONSIBILITY

Cokal has continued with the implementation of its Community Development programs. Cokal has undertaken the following programs, which covered health, education, environmental awareness, and community empowerment aspects.

In health, Cokal has continued to provide medical support to local villages around BBM through providing access to onsite medical staff. During the current smoke / haze occurrence which has been extreme in Central Kalimantan during August – November 2015 period, Cokal has provided appropriate masks (N95 type) to Murung Raya Government for distribution for the locals particularly "at risk" persons such as children, elderly, and pregnant women.

In education issues, Cokal continued its support for Tumbang Tuan Junior High School (nearest school to BBM site) through the sponsorship of 3 local teachers. This programme is being implemented in conjunction with the local Education Department.

Cokal has also continued its scholarship program with the selection of the new cohort of scholarship holders, Cokal has awarded scholarships to 16 local students from Murung Raya Regency to continue their next level of education at University of Palangka Raya at various faculties.

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Directors' Report (Continued)

CORPORATE SOCIAL RESPONSIBILITY (Continued)

As well, in association with the Mining Faculty of the University of Palangkaraya, Cokal has continued its support and contribution that covered regular lecture programmes, donation of mining magazines, and other support needed to improve the quality and enthusiasm of mining students.

In relation to environmental awareness, Cokal continued its support and coordination with Borneo Orang Utan Survival (BOS) Foundation on its related "Orangutan Release Programme" plans. A "staging point" for the accommodation of 8–10 orangutans has been jointly constructed by Cokal and BOS personnel at BBM site, near to its Nursery area. A substantial amount of material used for the construction was recovered and reused from a recently abandoned gold mine that had previously been used as the "staging point". These facilities will be used prior to Orangutan release at the nearest favourable area for orangutan habitation at Bukit Betikap Protection Forest, approximately 150 kilometres northeast of the BBM site. Both parties will continue to work together in the future to ensure the success of this programme.

It is to be noted that there is no evidence of orangutan habitat within the BBM tenement area, and this includes the surrounding areas of BBM. This is believed to be due to insufficient feed which has been a problem since humans moved into the region, hundreds of years ago.

Cokal also continued the School Tree-Planting Programme during the quarter. This programme aims to provide the local schools in the Project area with plants from the on-site nursery to be planted in the local villages. Cokal aims to have a total of 5,000 plants established through this program, and continuing through the life of the project.

Following obligations of BBM Forestry Permit (IPPKH-OP) obtained in August 2015, replanting programmes were continued by Cokal, in relation with 'critical land rehabilitation project' at an appointed area in Barito Riverbanks Area, nearest the BBM project. These programmes will be conducted with community involvement, planting 'productive trees' suggested by locals, and will be supervised and monitored by the relevant Forestry Offices from regency, provincial, and central level. Cokal has committed to fulfill both of IPPKH obligations and also sharing benefits from these programmes with its local neighbours.

In the following months, Cokal will also initiate new approaches in relation with 'community empowerment' programmes, which will start to motivate and support local groups to become Self-Help Groups (SHGs). These SHGs will be focused both on micro-economic activities (savings), and also conducting its productive business. Initiatives on preparing relevant activities, including Social Mapping, Motivation Sessions, and series of community trainings will be arranged. This programme aims to build community self-reliance for communities surrounding the mine.

MANNING

A significant reduction in staff and employee numbers has been made to limit expenditure. All redundancy and reduction requirements have been carried out in accordance with Indonesian labour regulations and Cokal has been assisted in this process with substantial help from both local and provincial labour departments

ENVIRONMENTAL REHABILITATION

Cokal continued last quarter to undertake environmental monitoring on site as part of ongoing baseline studies. Rehabilitation activities have been substantially completed throughout the previously disturbed exploration areas. Both ground cover and trees are becoming "distressed" but still highly viable due to the extended dry season currently being experienced.
Effort is now being expended into increasing nursery stocks both for the school planting programme and mine infrastructure replanting in the future.

ENVIRONMENTAL ISSUES

The consolidated entity is subject to environmental regulation in relation to its exploration activities. There are no matters that have arisen in relation to environmental issues up to the date of this report.

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Directors' Report (Continued)

EVENTS SUBSEQUENT TO 31 DECEMBER 2015
OFFER BY PT CAKRA MINERAL TBK (CAKRA)
The Company's securities were suspended pending clarification by Cakra of its intention to make a fresh takeover offer to acquire all of the shares of the Company after its recent offer closed on 15 November 2015.

Based on various meetings and discussions with Cakra, Cakra's earlier offer lapsed due to internal commercial issues which emerged during the offer period. Cakra advised that these issues could be resolved in a timely manner, it was actively taking steps to secure a resolution and that, following resolution, Cakra intended to make a fresh bid. To date, however, Cakra has not provided any further firm guidance as to timing for resolution of its commercial issues or any fresh bid.

Cokal remains in continuing discussions of a confidential and incomplete nature with Cakra in relation to its capacity and intentions. Cokal remains open to a transaction involving scrip consideration in an Indonesian listed entity either with Cakra or other parties.

OTHER PROPOSALS RECEIVED
In August 2015 when Cokal obtained its final Indonesian government approval for the BBM mine to proceed, this significantly de-risked Cokal and the BBM project and drew positive interest from a number of potential strategic partners. However because of the Cakra exclusive negotiation period Cokal was unable to purse any of these until the offer expired.

Subsequent to the expiry of the offer, Cokal has been engaged in active discussions of a confidential and incomplete nature in relation to two potential alternative transactions.

MERGER PROPOSAL - ASX LISTED COMPANY
The first is a potential merger with an established ASX listed entity. The entity has an experienced Board and management and it has conducted technical due diligence investigations of Cokal including site visits and advised Cokal that its diligence enquiries have substantially been completed.

The entity has advised Cokal that there is a key bid pre-condition (which is not within Cokal's control) and that subject to satisfaction of that condition, it is willing to quickly progress the proposal to finality.

FINANCING / IPO CHINA
Cokal has engaged with BM Intelligence in Guangzhou, China. BM Intelligence is a very successful Hong Kong and China based financial services provider, servicing over 800 listed company clients and has a very strong and accomplished IPO consultancy arm, particularly in China. They have assisted over 80 companies with successfully listings. The Interest from BM Intelligence has arisen particularly now that Indonesia has recently become a prime country for Chinese foreign investment.

The preferred structure that has been proposed to Cokal involves Cokal floating its immediate Singapore subsidiary, Cokal Holdings Pte-Ltd through a Cokal owned Chinese subsidiary, on the Shanghai exchange to raise US$50M- US$100M.

BM Intelligence have a strong track record of IPO’s with in the target range of US$50M - $100M. BM Investments has substantial experience with resource and mining related companies but in addition they have strong relationships with several of the larger Chinese companies and provincial authorities in related downstream industries.

Cokal Holdings Pte Ltd ultimately holds all Cokal interests in Indonesia. The percentage ownership retained by Cokal will depend on the final pricing but it is Cokal’s aim to retain a majority percentage of Cokal Holdings Pte-Ltd.

The Board is open to other proposals and will actively evaluate and assess them as they arise including a combination of the above funding strategies to provide the best result for shareholders.

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Directors' Report (Continued)

AUDITOR'S INDEPENDENCE DECLARATION

The Auditor's Independence Declaration forms part of the Directors' Report and can be found on page 23.

This report is signed in accordance with a resolution of the directors.



Peter Lynch
Chairman

Brisbane
15 March 2016

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Cokal Limited
Interim Consolidated Statement of Comprehensive Income
For the half-year ended 31 December 2015

	Note	31 December 2015 US$	31 December 2014 US$
Revenue and other income	2	21,838	41,473
Employee benefits expenses		(614,876)	(916,475)
Depreciation		(60,772)	(106,540)
Finance costs	3	(297,349)	(1,708,796)
Legal expenses		(117,705)	(199,809)
Exploration expenditures derecognised		(1,734,359)	(2,000,000)
Administration and consulting expenses		(577,954)	(1,341,343)
Loss before income tax expense		**(3,381,177)**	**(6,231,490)**
Income tax expense		-	-
Loss for the period	3	**(3,381,177)**	**(6,231,490)**
Other comprehensive income		-	-
Total comprehensive loss for the period		**(3,381,177)**	**(6,231,490)**

Loss per share for loss attributable to owners of Cokal Ltd	**Note**	**Cents**	**Cents**
Basic Loss per Share	4	(0.68)	(1.32)
Diluted Loss per Share	4	(0.68)	(1.32)

The above Interim Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

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Cokal Limited
Interim Consolidated Statement of Financial Position
as at 31 December 2015

	Note	31 December 2015 US$	30 June 2015 US$
Current Assets			
Cash and cash equivalents		1,060,330	1,753,213
Short term deposits		209,834	1,538,595
Accounts receivable		174,382	138,402
Other current assets		-	232,742
Total Current Assets		**1,444,546**	**3,662,952**
Non-Current Assets			
Property, plant and equipment	7	1,572,170	1,628,081
Exploration and evaluation assets	8	58,250,124	59,424,333
Other non-current assets		226,805	191,312
Total Non-Current Assets		**60,049,099**	**61,243,726**
TOTAL ASSETS		**61,493,645**	**64,906,678**
Current Liabilities			
Accounts payable and others		729,068	939,821
Interest bearing loans	9	13,807,534	10,065,000
Total Current Liabilities		**14,536,602**	**11,004,821**
Non-Current Liabilities			
Deferred liability		43,445	72,409
Interest bearing loans	9	-	3,656,836
Total Non-Current Liabilities		**43,445**	**3,729,245**
TOTAL LIABILITIES		**14,580,047**	**14,734,066**
NET ASSETS		**46,913,598**	**50,172,612**
Equity			
Issued capital	10	83,622,140	83,622,140
Reserves	11	4,693,341	4,571,178
Accumulated losses		(41,401,598)	(38,020,706)
TOTAL EQUITY		**47,913,598**	**50,172,612**

The above Interim Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

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Cokal Limited
Interim Consolidated Statement of Changes in Equity
For the half-year ended 31 December 2015

	Issued capital	Reserves	Accumulated losses	Total
	US$	US$	US$	US$
At 1 July 2015	**83,622,140**	**4,571,178**	**(38,020,706)**	**50,172,612**
Total comprehensive loss for the period				
Loss for the period	-	-	(3,381,177)	(3,381,177)
Other comprehensive income	-	-	-	-
	-	-	(3,381,177)	(3,381,177)
Transactions with owners in their capacity as owners				
Issue of share capital	-	-	-	-
Costs associated with issue of share capital	-	-	-	-
Share based payments	-	122,163	-	122,163
	-	122,163	-	122,163
At 31 December 2015	**83,622,140**	**4,693,341**	**(41,401,883)**	**46,913,598**
At 1 July 2014	**81,710,873**	**3,062,378**	**(24,976,659)**	**59,796,592**
Total comprehensive loss for the period				
Loss for the period	-	-	(6,231,490)	(6,231,490)
Other comprehensive income	-	-	-	-
	-	-	(6,231,490)	(6,231,490)
Transactions with owners in their capacity as owners				
Issue of share capital	84,363	-	-	84,363
Costs associated with issue of share capital	-	-	-	-
Share based payments	-	1,125,006	-	1,125,006
	84,363	1,125,006	-	1,209,369
At 31 December 2014	**81,795,236**	**4,187,384**	**(31,208,149)**	**54,774,471**

The above Interim Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

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Cokal Limited
Interim Consolidated Statement of Cash Flows
For the half-year ended 31 December 2015

	Note	31 December 2015 US$	31 December 2014 US$
Cash Flows from Operating Activities			
Payments to suppliers and employees		(1,373,651)	(1,238,701)
Interest and other income received		21,838	41,473
Finance costs paid		-	(900,000)
Net cash outflow from operating activities		**(1,351,813)**	**(2,097,228)**
Cash Flows from Investing Activities			
Decrease in deposits maturing after three months		1,328,761	-
Payments for property, plant and equipment		(5,000)	(856,555)
Payments for exploration and evaluation assets		(560,150)	(2,098,632)
Net payments for other non-current assets		(35,493)	-
Net cash (outflow)/inflow from investing activities		**728,118**	**(2,955,187)**
Cash Flows from Financing Activities			
Proceeds from borrowings		-	6,050,000
Net cash inflow from financing activities		**-**	**6,050,000**
Net (decrease)/increase in cash and cash equivalents		(623,695)	997,585
Cash and cash equivalents at beginning of period		1,753,213	2,593,011
Net foreign exchange differences		(69,188)	-
Cash and cash equivalents at end of period		**1,060,330**	**3,590,596**

The above Interim Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

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Cokal Limited
Notes to the Condensed Interim Consolidated Financial Statements for the half-year ended 31 December 2015

NOTE 1 GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) General Information

The consolidated financial statements of Cokal Limited for the half-year ended 31 December 2015 were authorised for issue in accordance with a resolution of the directors on 15 March 2016 and cover the consolidated entity (the "Group", "Cokal" or "Company") consisting of Cokal Limited and its subsidiaries.

Cokal Limited (the parent and ultimate parent of the Group) is a company limited by shares, incorporated and domiciled in Australia, whose shares are publicly traded on the Australian Securities Exchange.

The nature of the operations and principal activities of the Group are described in the director's report.

b) Basis of preparation

This interim financial report for the half-year ended 31 December 2015 has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the annual report for the year ended 30 June 2015 together with any public announcements made by the Group during the half-year ended 31 December 2015 in accordance with the continuous disclosure obligations of the ASX listing rules. In addition, results for the half-year ended 31 December 2015 are not necessarily indicative of the results that may be expected for the financial year ending 30 June 2016.

The financial statements are presented in the US Dollars.

Apart from the changes in accounting policies noted below, the accounting policies and methods of computation are the same as those adopted in the most recent annual financial report.

c) Going concern

At 31 December 2015, the current liabilities exceed the current assets by US$13,092,056 (30 June 2015: US$ 7,341,869). The financial report has been prepared on a going concern basis which contemplates the continuity of normal business activities and the realisation of assets and discharge of liabilities in the ordinary course of business. The ability of the Group to continue to adopt the going concern assumption will depend upon a number of matters including:

a) Financing arrangement for the evaluation and development activities of BBM project;
b) The successful raising in the future of necessary funding, through debt, equity or farm-out to complete the BBM project to operational status;
c) Management of short term interest bearing liabilities through BBM project financing, additional debt or equity raising or modified repayment terms with lenders; and
d) The successful exploration and subsequent exploitation of the Group's tenements.

Should these avenues be delayed or fail to materialize, the Group has the ability to scale back its activities to help the Group to manage to meet its debts as and when they fall due in the short term, however this would require the Group to renegotiate or satisfy current borrowings of US$13.8 million, through loan extensions (which require lender consent) and funding from other sources. In the event that sufficient funds are not available or loans are not re-negotiated when the amounts become due upon call by lenders the Group may enter default on this facility which would allow the lenders to demand for alternative arrangements for settlement.

The Directors are confident given the current permitting and financing processes undertaken and announced to the market that the Group will be successful in its endeavours.

The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities should the Group be unsuccessful in raising funds on managing its existing funds to enable it to realise its assets and discharge its liabilities in the ordinary course of business.

Specifically, the Group has assessed that no AASB 6 *Exploration for and Evaluation of Mineral Resources (AASB 6)* impairment indicators exist at 31 December 2015. This assessment is premised on the assumption the Group will raise additional funding to support substantive planned expenditure on its Indonesian Tenements, it continues to pursue the development of these assets and all tenements referred in Note 8 are renewed. Should the Group not be able to secure this additional funding or secure tenement renewals, the Group would be required to test for impairment under AASB 136 *Impairment of Assets*. In such circumstances and given prevailing coal market conditions, the Group may not be able to recover the full carrying amount of its tenements through sale of its assets.

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Cokal Limited
Notes to the Condensed Interim Consolidated Financial Statements for the half-year ended 31 December 2015 (Continued)

NOTE 1 GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d) Changes in Accounting Policies

There are a number of new and amended Accounting Standards issued by the Australian Accounting Standards Board, which are applicable for reporting periods beginning on or before 1 July 2015 as detailed in the annual financial report as of 30 June 2015. The Group has adopted all the mandatory new and amended Accounting Standards issued that are relevant to its operations and effective for the current reporting period. There was no material impact on the half-year financial report as a result of the mandatory new and amended Accounting Standards adopted.

The Group has not early adopted any other standard, interpretation, or amendment that has been issued, but is not yet effective.

NOTE 2 REVENUE AND OTHER INCOME

	31 December 2015 US$	31 December 2014 US$
Revenue	-	-
Other income		
- Interest income	14,290	41,473
- other income	7,548	-
Total other income	21,838	41,473
Total revenue and other income from continuing operations	**21,838**	**41,473**

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Cokal Limited
Notes to the Condensed Interim Consolidated Financial Statements for the half-year ended 31 December 2015 (Continued)

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NOTE 3 LOSS FOR THE PERIOD

	31 December 2015 US$	31 December 2014 US$
Loss before income tax includes the following specific expenses:		
Depreciation on plant and equipment	60,772	106,540
Salaries and wages	220,478	360,195
Superannuation	11,716	15,961
Share-based payments (options) – to employees	122,163	188,225
Operating lease expense – minimum lease payment	115,820	204,679
Finance costs		
Interest on borrowings	85,698	84,658
Facility fees and other borrowing costs	-	900,000
Expense relating to options issued for extension of loan repayment amortised	211,651	724,138

NOTE 4 LOSS PER SHARE

	31 December 2015	31 December 2014
Loss attributable to owners of Cokal Limited used to calculate basic and diluted loss per share (US$)	(3,381,177)	(6,231,490)
Weighted average number of ordinary shares used as the denominator in calculating basic loss per share (US$)	499,342,704	471,280,188
Adjustments for calculation of diluted earnings per share:		
- Options *	-	-
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted loss per share	499,342,704	471,280,188
Basic loss per share (cents per share) (US$)	**(0.68)**	**(1.32)**
Diluted loss per share (cents per share) (US$)	**(0.68)**	**(1.32)**

* Options are considered anti-dilutive as the Group is loss making. Options could potentially dilute earnings per share in the future. As at 31 December 2015, there were 60,800,000 (30 June 2015: 66,150,000) unlisted options on issue.

NOTE 5 DIVIDENDS AND FRANKING CREDITS

There were no dividends paid or recommended during the half-year period ended 31 December 2015 (30 June 2015: Nil). There were no franking credits available to the shareholders of the Group.

Cokal Limited
Notes to the Condensed Interim Consolidated Financial Statements for the half-year ended 31 December 2015 (Continued)

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NOTE 6 RELATED PARTY DISCLOSURE

Key Management Personnel

Employment benefits	31 December 2015 US$	31 December 2014 US$
Short term employee benefits	607,214	671,511
Post-employment benefits	10,192	11,205
Share based payments	112,137	134,471
	729,543	**817,186**

Related party balances	31 December 2015 US$	30 June 2015 US$
Payables to senior executives and directors	**21,278**	**4,873**

NOTE 7 PROPERTY, PLANT AND EQUIPMENT

31 December 2015	Land	Computer equipment	Furniture and office equipment	Motor vehicles	Capital WIP	Total
	US$	US$	US$	US$	US$	US$
Balance at the beginning of the period	**31,526**	**75,271**	**354,536**	**3,494**	**1,163,254**	**1,628,081**
Additions	-	-	-	-	5,000	5,000
Disposals/write-off	-	(27)	(112)	-	-	(139)
Depreciation expense	-	(40,585)	(19,188)	(999)	-	(60,772)
Carrying amount at the end of the period	**31,526**	**34,659**	**335,236**	**2,495**	**1,168,254**	**1,572,170**

NOTE 8 EXPLORATION AND EVALUATION ASSETS

	31 December 2015 US$
Non-Current	
Exploration and evaluation expenditure capitalised - exploration and evaluation phases	58,250,124
Movements in carrying amounts	
Balance at the beginning of the year	59,424,333
Additions	560,150
Exploration expenditures derecognised	(1,734,359)
Carrying amount at the end of the year	58,250,124

Cokal Limited
Notes to the Condensed Interim Consolidated Financial Statements for the half-year ended 31 December 2015 (Continued)

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NOTE 8 EXPLORATION AND EVALUATION ASSETS (Continued)

Based on the assessment under AASB 6, the Group has decided not to pursue and to write off the expenditures incurred for Anugerah Alam Manuhing (AAM) project and P.T. Kreasindo project amounting to $1,584,359 and $150,000 as they are non-core tenements for the Group.

With the exception of the above, the Group has assessed no AASB 6 impairment indicators exist at 31 December 2015. This assessment is premised on two key assumptions:

1. The Group expects to raise additional funding to support substantive planned expenditure on its Indonesian Tenements and it continues to pursue the development of these assets; and
2. In respect of the Borneo Bara Prima (BBP) project, Anugerah Alam Katingan (AAK) project , AAM project and PT Tambang Benua Alam Raya (TBAR) projects the associated exploration tenures expired on 29 September 2014, 19 June 2015, 19 June 2015 and 4 June 2014 respectively. In all cases, the Group has lodged renewal applications with the Indonesian Authorities and has satisfied the administrative and technical requirements but at this time the renewals have not been received. Pursuant to Government Regulation (PP) No. 23 2010, the Group retains tenure over the various tenements until such time as the renewal process is complete and based on the Group's interpretation of the applicable regulation the tenures cannot be granted to another party without justifiable grounds. At the date of this report the Directors are not aware of any such grounds nor anything unusual in the process or regulatory timeframe. The cumulative carrying amount of the tenure subject to renewal at 31 December 2015 is $11,767,376.

NOTE 9 INTEREST BEARING LOANS

	31 December 2015 US$	30 June 2015 US$
Current		
Platinum Partners facility	10,065,000	10,065,000
Blumont Group facility	3,742,534	-
Non-Current		
Blumont Group facility	-	3,656,836
Total Interest bearing loans	**13,807,534**	**13,721,836**

Blumont Group Facility

On 5 November 2013, the Group entered into a loan facility agreement with Blumont Group Limited, a shareholder. Under this facility the Group has drawn down US$3.4 million (30 June 2014: US$3m) and no further drawdown is expected under this facility in the future periods.

The loan is repayable within 3 years, interest is 5% per annum, payable quarterly in arrears and can be capitalised and repaid at maturity. The facility is secured by up to 5% of Cokal's shares in Cokal Holdings Pte Ltd. If a future placement is made to Blumont and should the subscription agreement require, the placement funds received from Blumont will be used to repay the loan. The loan is otherwise on customary terms and conditions for a loan of this nature, size and type.

Platinum Partners Facility

On 29 March 2014, the Group entered into a short term loan agreement for US$3.5m with Platinum Partners (Platinum) for working capital. The loan is subject to withhold (prepaid interest) at the date of utilisation the aggregate amount of:

- US$600,000, as a non-refundable work fee payable to the lender in respect of the facility; and
- US$150,000, as the borrower's contribution for costs and expenses as stipulated in the agreement, the balance of which amount is refundable on the repayment date to the extent not utilised by the lender.

On 6 August 2014, the Group entered into an additional short term loan agreement for US$5.65m with Platinum for working capital. The loan is subject to withhold (prepaid interest) at the date of utilisation the aggregate amount of:

- US$500,000, as a non-refundable work fee payable to the lender in respect of the facility; and
- US$150,000, as the borrower's contribution for costs and expenses as stipulated in the agreement, the balance of which amount is refundable on the repayment date to the extent not utilised by the lender.

Cokal Limited
Notes to the Condensed Interim Consolidated Financial Statements for the half-year ended 31 December 2015 (Continued)

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NOTE 9 INTEREST BEARING LOANS (Continued)

During the 2015 financial year, Cokal announced the total fund managed by Platinum has extended the term of its bridging loan facility to 6 August 2015. Upon extension the total loan for the project development to date totalled US$10,065,000 including additional non-refundable working fee for the extension of US$ 915,000. The present intention is that the loan will be refinanced by the BBM project financing facility once it is in place upon receipt of forestry permit.

Under the extension agreement, Cokal granted the following options to Platinum:

- On 27 August 2014, 15,000,000 options at US$ 0.186 expiring on 27 August 2018; and
- On 6 February 2015, 25,000,000 options at US$ 0.101 expiring on 6 February 2019.

The options will be exercisable at any time before expiry. Payment of the exercise price may be satisfied by the holder paying the exercise price in cash or causing the provider of the bridge loan or project finance to reduce the principal owing by the amount of the exercise price. Shares issued on exercise of an option rank equally with all other ordinary shares then on issue.

The full amount of Platinum loan was repayable on 6 August 2015. The extension is still being negotiated and no demand for repayment has been received.

The loans are secured by 950 ordinary shares and 46,608,900 preference shares of Cokal Holdings Pte. Ltd. and for all shares of Cokal-BBM Pte. Ltd.

NOTE 10 ISSUED CAPITAL

	31 December 2015 US$	30 June 2015 US$
471,487,926 authorised and fully paid ordinary shares (30 June 2014: 471,103,926)	**83,622,140**	**83,622,140**

	31 December 2015		30 June 2015	
	Number	US$	Number	US$
At the beginning of the period/year	499,342,704	83,622,140	471,103,926	81,710,873
Share issue from capital raising	-	-	27,777,778	1,935,100
Conversion of options to shares	-	-	-	-
Share issue to consultant and employee	-	-	461,000	92,273
Costs associated with issue of share capital	-	-	-	(116,106)
At the end of the period/year	**499,342,704**	**83,622,140**	**499,342,704**	**83,622,140**

NOTE 11 RESERVES

	31 December 2014 US$	30 June 2015 US$
Share based payments Option Reserve	6,243,925	6,121,762
Translation Reserve	(1,550,584)	(1,550,584)
	4,693,341	**4,571,178**

Option Reserve
The option reserve records the value of options issued as part of capital raisings, and consultant services as well as expenses relating to director, executive and employee share options.

Translation Reserve
Translation reserve represents net exchange differences arising from the translation as a result of change in presentation currency to US Dollars from AUD effective 1 July 2014.

Cokal Limited
Notes to the Condensed Interim Consolidated Financial Statements for the half-year ended 31 December 2015 (Continued)

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NOTE 12 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The contingent liabilities are in relation to the acquisition of tenements. At 31 December 2015, the Group has further obligations to make contingent payments of up to US$24.70 million (30 June 2015: US$24.70 million) on the achievement of certain milestones, including the establishment of certain JORC Inferred Coal Resources and the issuance of production operation IUPs (licences) and production forestry permit.

Cokal received the BBM's forestry permit in August 2015. Per agreement, US$10m final payment for BBM is required to be paid upon receipt of Forestry Permit (milestone achieved) and other conditions precedent. However, Directors believe obligation for payment of this liability effective 13 August 2015 is not satisfied until the commencement of BBM development activities.

The Group executed a JV agreement with MDM, an Indonesian Group, to engage in the ownership of push tugs and barges for shallow river operations. The parties wish to establish a mutually owned company for this operation and the registration of this is in progress. The JV company will manage the barging operation for the BBM project should production commence and other conditions precedent take place. Once the JV company is incorporated, Cokal will hold 49% interest by contributing an estimated US$11 million (49% ordinary share capital of JV company, Indonesian Rupiah 200 billion).

The directors are not aware of any other material contingent liabilities or contingent assets at the date of this report.

NOTE 13 COMMITMENTS

	31 December 2015 US$	30 June 2015 US$
(a) Operating lease commitments		
Future minimum rentals payable under non-cancellable operating leases are as follows:		
Payable		
- not later than 12 months	275,451	347,977
- between 12 months and 5 years	284,393	454,960
- greater than 5 years	-	-
	559,844	**802,937**

Cokal Limited
Notes to the Condensed Interim Consolidated Financial Statements for the half-year ended 31 December 2015 (Continued)

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NOTE 14 OPERATING SEGMENTS

AASB 8 requires operating segments to be identified on the basis of internal reports that are used by the chief operating decision makers (CODM) in order to allocate resources to the segment and to assess its performance. The CODM of the Group are the Board of Directors.

For management purposes, the Group is organised into three main operating segments, which involves the exploration of coal in Indonesia, Tanzania and Australia. The Singapore operation was considered separately for corporate services.

	Australia	Indonesia	Singapore	Tanzania	Total
	US$	US$	US$	US$	US$
Segment performance for the half-year ended 31 December 2015					
Revenue					
Other revenue	7,548	-	-	-	7,548
Interest revenue	14,172	118	781,675	-	795,965
Intersegment income	-	-	(781,675)	-	(781,675)
Total segment income	**21,720**	**118**	**-**	**-**	**21,838**
Depreciation	(44,153)	(16,619)	-	-	(60,722)
Exploration expenditures derecognised	-	(1,734,359)	-	-	(1,734,359)
Other expenses	(1,085,935)	(453,756)	(68,193)	-	(1,607,884)
Total segment expenses	**(1,130,088)**	**(2,204,616)**	**(68,193)**	**-**	**(3,403,015)**
Segment net loss before tax	**(1,108,368)**	**(2,204,616)**	**(68,193)**	**-**	**(3,381,177)**
Segment assets and liabilities as at 31 December 2015					
Property, plant and equipment	252,814	1,319,356	-	-	1,572,170
Exploration and evaluation assets	-	58,250,124	-	-	58,250,124
Other segment assets	1,397,790	273,561	-	-	1,671,351
Total segment assets	**1,650,604**	**59,843,041**	**-**	**-**	**61,493,645**
Total segment liabilities	**14,066,269**	**463,722**	**50,056**	**-**	**14,580,047**

Cokal Limited
Notes to the Condensed Interim Consolidated Financial Statements for the half-year ended 31 December 2015 (Continued)

NOTE 14 OPERATING SEGMENTS (CONTINUED)

	Australia US$	Indonesia US$	Singapore US$	Tanzania US$	Total US$
Capital expenditure for the half-year ended 31 December 2015					
Property, plant and equipment	-	5,000	-	-	5,000
Exploration and evaluation assets	-	560,150	-	-	560,150

	Australia US$	Indonesia US$	Singapore US$	Tanzania US$	Total US$
Segment performance for the half-year ended 31 December 2014					
Revenue					
Other revenue	-	-	-	-	-
Interest revenue	25,769	15,704	574,024	-	615,497
Intersegment income	-	-	(574,024)	-	(574,024)
Total segment income	**25,769**	**15,704**	**-**	**-**	**41,473**
Depreciation	(73,248)	(33,292)	-	-	(106,540)
Exploration expenditures derecognised	-	(2,000,000)	-	-	(2,000,000)
Other expenses	(3,505,098)	(632,295)	(29,030)	-	(4,166,423)
Total segment expenses	**(3,578,346)**	**(2,665,587)**	**(29,030)**	**-**	**(6,272,963)**
Segment net loss before tax	**(4,052,577)**	**(2,649,883)**	**(29,030)**	**-**	**(6,231,490)**
Segment assets and liabilities as at 30 June 2015					
Property, plant and equipment	297,078	1,331,003	-	-	1,628,081
Exploration and evaluation assets	-	59,424,333	-	-	59,424,333
Other segment assets	3,557,604	296,660	-	-	3,854,264
Total segment assets	**3,854,682**	**61,051,996**	**-**	**-**	**64,906,678**
Total segment liabilities	**14,236,898**	**447,593**	**49,575**	**-**	**14,734,066**
Capital expenditure for the year ended 30 June 2015					
Property, plant and equipment	-	935,628	-	-	935,628
Exploration and evaluation assets	-	3,154,690	-	-	3,154,690

The accounting policies applied for internal reporting purposes are consistent with those applied in the preparation of these financial statements.

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Cokal Limited
Notes to the Condensed Interim Consolidated Financial Statements for the half-year ended 31 December 2015 (Continued)

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NOTE 15 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

At 31 December 2015, the financial assets and liabilities include bank balances, accounts receivables, accounts payable and interest bearing loan, whose fair values approximate their carrying value.

AASB 7 Financial Instruments: Disclosures requires disclosure of fair value instruments by level of the following fair value measurement hierarchy:

(a) quoted prices (unadjusted) in active markets for identical assets and liabilities (level 1);

(b) inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (level 2); and

(c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

At 31 December 2015 there are no financial instruments, other than interest bearing loans, whose fair value was determined using the above valuation technique. The interest bearing loans are determined using level 2 valuation techniques.

Fair values of the Group's interest bearing loans are determined by using the DCF method using discount rates that reflect the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk as at 31 December 2015 was assessed to be insignificant.

NOTE 16 EVENTS AFTER THE REPORTING PERIOD

OFFER BY PT CAKRA MINERAL TBK (CAKRA)

The Company's securities were suspended pending clarification by Cakra of its intention to make a fresh takeover offer to acquire all of the shares of the Company after its recent offer closed on 15 November 2015.

Based on various meetings and discussions with Cakra, Cakra's earlier offer lapsed due to internal commercial issues which emerged during the offer period. Cakra advised that these issues could be resolved in a timely manner, it was actively taking steps to secure a resolution and that, following resolution, Cakra intended to make a fresh bid. To date, however, Cakra has not provided any further firm guidance as to timing for resolution of its commercial issues or any fresh bid.

Cokal remains in continuing discussions of a confidential and incomplete nature with Cakra in relation to its capacity and intentions. Cokal remains open to a transaction involving scrip consideration in an Indonesian listed entity either with Cakra or other parties.

OTHER PROPOSALS RECEIVED

In August 2015 when Cokal obtained its final Indonesian government approval for the BBM mine to proceed, this significantly de-risked Cokal and the BBM project and drew positive interest from a number of potential strategic partners. However because of the Cakra exclusive negotiation period Cokal was unable to purse any of these until the offer expired.

Subsequent to the expiry of the offer, Cokal has been engaged in active discussions of a confidential and incomplete nature in relation to two potential alternative transactions.

MERGER PROPOSAL - ASX LISTED COMPANY

The first is a potential merger with an established ASX listed entity. The entity has an experienced Board and management and it has conducted technical due diligence investigations of Cokal including site visits and advised Cokal that its diligence enquiries have substantially been completed.

The entity has advised Cokal that there is a key bid pre-condition (which is not within Cokal's control) and that subject to satisfaction of that condition, it is willing to quickly progress the proposal to finality.

FINANCING / IPO CHINA

Cokal has engaged with BM Intelligence in Guangzhou, China. BM Intelligence is a very successful Hong Kong and China based financial services provider, servicing over 800 listed company clients and has a very strong and accomplished IPO consultancy arm, particularly in China. They have assisted over 80 companies with successfully listings. The Interest from BM Intelligence has arisen particularly now that Indonesia has recently become a prime country for Chinese foreign investment.

Cokal Limited
Notes to the Condensed Interim Consolidated Financial Statements for the half-year ended 31 December 2015 (Continued)

NOTE 16 EVENTS AFTER THE REPORTING PERIOD (Continued)

The preferred structure that has been proposed to Cokal involves Cokal floating its immediate Singapore subsidiary, Cokal Holdings Pte-Ltd through a Cokal owned Chinese subsidiary, on the Shanghai exchange to raise US$50M- US$100M.

BM Intelligence have a strong track record of IPO's with in the target range of US$50M - $100M. BM Investments has substantial experience with resource and mining related companies but in addition they have strong relationships with several of the larger Chinese companies and provincial authorities in related downstream industries.

Cokal Holdings Pte Ltd ultimately holds all Cokal interests in Indonesia. The percentage ownership retained by Cokal will depend on the final pricing but it is Cokal's aim to retain a majority percentage of Cokal Holdings Pte-Ltd.

The Board is open to other proposals and will actively evaluate and assess them as they arise including a combination of the above funding strategies to provide the best result for shareholders.

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Declaration by Directors

In accordance with a resolution of the directors of the Cokal Limited, I state that:

In the opinion of the directors:

a) The financial statements and notes of the Group for the half-year ended 31 December 2015 are in accordance with the Corporations Act 2001, including:
   i. giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and of its performance for the half-year ended on that date; and
   ii. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*; and
b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the board



Peter Lynch
Chief Executive Officer

Brisbane
15 March 2016

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Auditor's Independence Declaration to the Directors of Cokal Limited

As lead auditor for the review of Cokal Limited for the half-year ended 31 December 2015, I declare to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Cokal Limited and the entities it controlled during the financial period.

Ernst & Young

Andrew Carrick
Partner
15 March 2016

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Independent auditor's report to the members of Cokal Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Cokal Limited, which comprises the interim consolidated statement of financial position as at 31 December 2015, the interim consolidated statement of comprehensive income, interim consolidated of statement of changes in equity and interim consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the directors determine are necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Cokal Limited and the entities it controlled during the half-year, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the Directors' Report.

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Conclusion

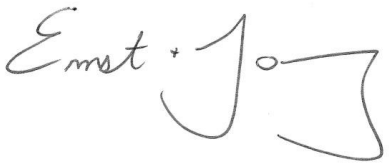
Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Cokal Limited is not in accordance with the *Corporations Act 2001*, including:

a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and of its performance for the half-year ended on that date; and

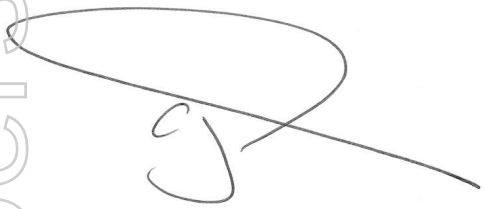
b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Emphasis of Matter – Going Concern

Without qualifying our conclusion, we draw attention to Note 1 (c) in the half-year financial report which describes the principal conditions that raise doubt about the consolidated entity's ability to continue as a going concern. As a result of these matters, there is significant uncertainty whether the entity will continue as a going concern, and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report. The half-year financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the entity not continue as a going concern.



Ernst & Young



Andrew Carrick
Partner
Brisbane
15 March 2016