



Cokal signs JV with MDM, for River Barging- a critical milestone to achieving Production



Operating Services: Provides full inter-island container services. Supported by a fleet of over 56 vessels and 33,400 TEU containers. Meratus container liner services cover an extensive shipping service network between Indonesia's major ports. Meratus currently operates 25 container liner services.



Left to Right : Hari Nugroho (MDM Operation Manager), Katherine The (MDM Commercial Manager), Adiansyah (MDM Finance & Account Manager), Jorn Annweiler (CEO of MDM), Peter Lynch (Chairman & CEO of Cokal), Victor Kuss (CFO of Cokal)

Cokal Limited (ASX: CKA) is pleased to announce that it has entered into a 50:50 Joint Venture (JV) with MDM, Meratus Advance Maritim (MDM). The JV will own and manage the river barges and tugs for PT Bumi Barito Mineral (BBM).

MDM is part of the Meratus Group which has operated in Indonesian shipping since 1957 and has provided barging and shipping services to a number of the major Kalimantan coal operations. MDM have also worked on the Barito River over a number of years. The Barito is a major coal barging river on which BBM is located.

The JV is an accumulation of almost 2 years of studies into river based shallow draft barging systems which have

confirmed its effectiveness on the Barito. While shallow draft barging systems are used extensively worldwide they have not previously been used in Indonesia.

Recently the BBM Barging solution moved to the next phase and US Naval Architects were retained to do detailed design for contract tenders to be issued. This is scheduled for completion in mid-2013. MDM's practical input and detail knowledge of barging on the Barito has been invaluable in this phase.

Cokal's Chairman and CEO Mr Peter Lynch said "this strategic partnership enables MDM to bring the experience and know how necessary to ensure the success of river barging on the Barito and for Cokal to be a part of controlling the critical part of its supply chain".

MDM will operate the river barges and the river supply chain. They have a proven track record in this area and are an experienced and well respected operator throughout Indonesia who is known for their innovative solutions.

MDM's Managing Director Jorn Annweiler said "given our extensive experience in river barging in Indonesia we saw this as a real opportunity to be part of introducing new concepts to river barging in Indonesian that will bring about significant change and benefits for the industry.

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 has a JORC Resource of 77 Million tonnes (Mt) in four seams comprised of 70Mt Inferred and 7Mt Indicated as well as an Exploration Target¹ of 200 to 350Mt in thirteen seams within the Eastern Block of the

BBM IUP (approximately 40 percent of the Project area). Cokal is completing definitive studies and obtaining the necessary approvals with the aim of commencing construction in October 2013 which would see first production occur in the first half of 2014.

ABOUT MDM

Meratus is a leading Indonesian shipping company providing point-to-point transportation solutions. It has an integrated network of owned offices throughout Indonesia and places strong emphasis on safety, quality and customer focus. All vessels are maintained to international standards with IACS and BKI Class, ISM and 9001 certification.

Established in 1957 Meratus has grown and become a household name in Indonesian shipping. Currently Meratus is engaged in several sectors of shipping and transportation.

Meratus Line-Ship Owning and Ship

MDM-Coal logistics: Provides a total logistics service to mining companies, including modern tugs & barges and coal transloaders to facilitate vessel loading operations.

MIF-Logistics Solution and Freight Forwarding Service: Covers both domestic and international shipments worldwide. It provides logistics consolidation and warehouse services for major Indonesian mining companies and project cargo handling for the oil and gas industry.

MM Line-Regional Multipurpose Liner Service: Provides project cargo transportation throughout the Far East, South East Asia and North-Western Australia.

Agency: Provides commercial and port agency in Indonesia ports, with a network of owned agency offices throughout Indonesia.

