

ASX ANNOUNCEMENT / MEDIA RELEASE

29 January 2025

Infrastructure Joint Venture to Increase Cokal's Near-term Coal Transport Capacity, Facilitating Ramp-up of BBM Metallurgical Coal Production**Key Highlights**

- **Cokal and Cratus are advancing their Strategic Partnership, which will transform Cokal's ability to maximise the value of their coal assets.**
- **Fundamental to the Strategic Partnership is the Infrastructure Joint Venture to materially increase the capacity and efficiency of Cokal's coal transport infrastructure, facilitating ramp-up of BBM metallurgical coal production.**
- **The Infrastructure Joint Venture has achieved a number of development milestones to increase Cokal's near-term coal transport capacity.**

Cokal Limited (**Cokal**) (ASX: **CKA**) is delighted to announce the following progress on the transformative transaction with Cratus Group ("**Cratus**"). Cokal and Cratus previously announced the creation of a **Strategic Partnership** to materially enhance and add value to Cokal's capabilities across coal sales & distribution, transport infrastructure, and finance (please refer to ASX announcement of 19 November 2024).

A key component of the Strategic Partnership with Cratus is the formation of the **Infrastructure Joint Venture ("IJV")** to materially increase the operating capacity and efficiency of Cokal's coal transport infrastructure, which is fundamental to achieving the scheduled ramp-up of coal production from BBM, and materially lowering operating costs per tonne.

Infrastructure Joint Venture

- The **IJV** is materially increasing coal transport infrastructure capacity for coal product from Cokal's assets, whilst also materially lowering operating costs per tonne.
- The medium-term objectives of the IJV are to:
 - i. Acquire and customise flat-bottom vessels for the transport of coal via the Barito River, to either an Intermediary Coal Stockpile ("**ISP**") at Buntock, or the Taboneo Anchorage;

- ii. Develop and upgrade site infrastructure and coal loading facilities at Cokal's existing jetties, and the potential development of an ISP.

The IJV has been actively working on the development of infrastructure capacity, and is pleased to provide the following updates:

1. First Vessels

The IJV has already obtained two self-propelled coal vessels that are well-suited for the initial stages of the IJV.

These vessels are equipped with onboard cranes, allowing them to load cargoes even before planned upgrades to the Krajan Jetty are complete.

Some refitting will be required to meet our specific needs and a shipyard has already been appointed to carry out these modifications and prepare the vessels for Indonesian classification.

The process is expected to take four weeks, commencing immediately after Chinese New Year.

Cratus has strong connections with the BKI (Indonesian Classification Society), with extensive experience in bringing vessels from China to Indonesia, ensuring a smooth transition.



2. Subsequent Vessels

Subsequent self-propelled vessels will be custom built to meet exact specifications and requirements of the IJV.

This approach allows wider vessels with reduced draft, tailored to Cokal's requirements. A vessel size of 2,500 tonnes is considered best suited as it would allow a draft of only 2 meters when fully loaded.

For personal use only

Custom building new vessels offers the advantage of securing attractive financing from shipyards where Cratus has strong relationships. The IJV anticipates appointing a shipyard by the end of February to begin construction shortly thereafter.

Each vessel will take approximately three months to construct, with production scaled in sets of two or three to align with Cokal's production ramp-up.

Once built, classification and transport to site will take an additional six weeks.

Based on current production forecasts, around 18 vessels will be required to handle the medium-term volumes from Cokal.

3. Krajan Jetty

The Krajan Jetty will be upgraded to accommodate the new vessels, which will require approximately six-weeks of works.

This includes expanding the jetty with metal pilings to accommodate three vessels simultaneously.

The loading system will feature a 100-meter-long, 1.4-meter-wide conveyor capable of loading 1,000 tonnes per hour. The requisite equipment can be delivered within six-weeks of placing the order, followed by another six weeks for delivery and installation on-site.

Additionally, dredging will be undertaken to remediate the significant silt accumulation around the Jetty, the Jetty's footprint will be expanded to allow for larger stockpiles, and upgrading of the road to the mine will be carried out.

4. Logistics

Product coal will be transported from Krajan Jetty to Batu Tuhup (or, depending on water levels, an ISP further downstream) using the self-propelled vessels.

From there, barges will move the coal further downriver using either one or two ISPs, depending on the water level.

At the secondary ISP (on the land already secured by Cokal), the IJV will consolidate the cargoes onto larger barges for transfer to seagoing vessels at Tabaneo Anchorage, minimizing loading times.

CEO of Cokal Karan Bangur commented *"This is a key component in expanding, upgrading and making more efficient the logistics chain to market. The increased capacity on river with these specialised barges, especially from Krajan, will not only substantially improve transport of greater volumes of coal but more importantly is a key driver in reducing our FOB cost per tonne of this coal produced at the company's BBM mine."*

ENDS

Further enquiries:

Domenic Martino

Non-Executive Chairman

dmartino@cokal.com.au

This ASX announcement was authorised for release by the Board of Cokal Limited.

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, 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.