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14 August 2015

Market Announcements Office
ASX Limited

Dear Sirs

COKAL LIMITED - OFF-MARKET BID BY PT. CAKRA MINERALS TBK

We act for PT. Cakra Minerals Tbk (**Cakra**).

For the purposes of step 5 of section 633(1) of the *Corporations Act*, attached is a copy of Cakra's bidder's statement sent to Cokal Limited today.

Yours faithfully

A handwritten signature in black ink that reads "Julian Atkinson".

Julian Atkinson
Principal
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PT Cakra Mineral Tbk

Bidder's Statement

To acquire all of your shares in Cokal Limited (ABN 55 082 541 437) (**Cokal**) for:

- 10.327 Cakra Shares per Cokal Share;
- \$0.16 cash per Cokal Share; or
- a combination of both.

This is an important document and requires your immediate attention. If you are in doubt as to how to deal with this document you should consult your financial, legal or other professional adviser immediately.

Important Information

This Bidder's Statement is dated 14 August 2015.

This Bidder's Statement is given by Cakra under Part 6.5 of the Corporations Act. This Bidder's Statement includes an Offer dated 14 August 2015 to acquire your Cokal Shares and also sets out certain disclosures required by the Corporations Act.

A copy of this Bidder's Statement was lodged with the Australian Securities and Investments Commission (ASIC) on 14 August 2015. ASIC takes no responsibility for the contents of this Bidder's Statement.

A number of defined terms are used in this Bidder's Statement. Unless the contrary intention appears or the context requires otherwise, these terms are defined in section 19.

Investment decisions: This Bidder's Statement does not take into account the investment objectives, financial and tax situation or the particular needs of any person. Before deciding whether or not to accept the Offer you may wish to seek independent financial and taxation advice.

Forward looking statements: This Bidder's Statement contains forward looking statements including statements of current intentions, statements of opinion and predictions as to possible future events.

Forward looking statements are not based on historical facts, but are based on current expectations of future results or events. These forward looking statements are subject to known or unknown risks, uncertainties and assumptions which could cause actual results or events to differ materially from the expectations described in such forward looking statements. Those risks, uncertainties, assumptions and other important factors are not all within the control of Cakra and cannot be predicted by Cakra. While Cakra believes that the expectations reflected in the forward looking statements in this document are reasonable, no assurance can be given that such expectations will prove to be correct. The risk factors set out in section 14 of this Bidder's Statement, as well as other matters as yet not known to Cakra or not currently considered material by Cakra, may cause actual results or events to be materially different from those expressed, implied or projected in any forward looking statements. Any forward looking statement contained in this document is qualified by this cautionary statement.

None of Cakra, its officers, any persons named in this document with their consent or any person involved in the preparation of this document makes any representation, assurance or guarantee as to the accuracy or likelihood of fulfilment of any forward looking statement or any outcomes expressed or implied in any forward looking statements. Any forward looking statement contained in this document is qualified by this cautionary statement.

Subject to any continuing obligations under law (including

the Corporations Act) or the IDX Listing Rules, Cakra and its officers disclaim any obligation or undertaking to disseminate after the date of this document any updates or revisions to any forward looking statements to reflect any change in expectations in relation to any forward looking statements or any change in events, conditions or circumstances on which such statements are based.

Offers outside Australia: While Cakra is an Indonesian, IDX-listed company, this document has been prepared in accordance with Australian securities laws. Therefore, Shareholders whose address in Cokal's register of members is not in Australia or New Zealand will not be entitled to receive Cakra Shares on acceptance of the Offer (unless Cakra determines otherwise). Ineligible Foreign Shareholders who accept the Offer will receive cash calculated in accordance with section 17.24 of this Bidder's Statement. This Bidder's Statement does not constitute an offer to issue or sell, or the soliciting of an offer to buy, any securities referred to in this Bidder's Statement in any jurisdiction in which the issue of such securities would be unlawful.

Privacy collection statement: Personal information relating to your shareholding in Cokal will be obtained by Cakra or its agents from Cokal in accordance with its rights under the Corporations Act. Cakra will share this information with its related bodies corporate, advisers and agents where necessary for the purposes of the Offer. Cakra, its related bodies corporate, advisers and agents will use this information solely for purposes relating to the Offer. If you would like details of your personal information held by Cakra or its agents please contact Cakra on info@ckra.com.au.

Currency: Exchange rates of 1 AUD to IDR10,014 and IDR13,538 to US\$1 were used in this Bidder's Statement as obtained on 10 August 2015.

Enquiries

If you have any queries in relation to the Offer or this Bidder's Statement, please email info@ckra.com.au.

Bid timetable

Announcement of Bid	29 April 2015
Bidder's Statement lodged with ASIC	14 August 2015
Offer opens (date of Offer)	14 August 2015
Cakra announces status of Offer Conditions	1 November 2015
Offer closes*	15 November 2015

*This date is indicative only and may be extended or withdrawn as permitted by the Corporations Act.

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Corporate Directory

Directors and Commissioners

Boelio Muliadi, Managing Director
 Alwijaya AW, President Commissioner
 Yasa Avi Dwipayana, Independent
 Commissioner
 Argo Trinandityo, Director
 Dexter Sjarif Putra, Director
 Johanes Sigfreid, Director

Registered Office

Jl. Raya Pecenongan No. 72
 Kebon Kelapa
 Jakarta Pusat 12950
 Ph: +62-21 351 9380, Fax: +62-21 345 3704
 IDX ticker: CKRA, E-mail: info@ckra.com.au

Standby Buyer for the Rights Issue

PT Sinarmas Sekuritas
 Sinarmas Land Plaza 3rd tower 5th floor
 Jalan M.H. Thamrin No. 51 Jakarta Pusat -
 10350

Accepting Share Registry for the Offer

Advanced Share Registry
 110 Stirling Hwy
 Nedlands WA 6009
 Ph: +61 8 9389 8033, Fax: +61 8 9262 3723

Investigating Accountant

Crowe Horwath Corporate Finance (Aust) Ltd
 120 Edward St, Brisbane QLD 4000
 Ph: 1300 856 065

Australian lawyers to the Bid

Kings Park Corporate Lawyers
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 45 Richardson Street
 West Perth WA Australia 6005

Indonesian lawyers to the Bid

Banong Nangoy Juan & Partners
 Gajah Mada Tower, 22ndFl. #003
 Jl. Gajah Mada No. 19-16
 Jakarta 10130, Indonesia

1 MANAGING DIRECTOR'S LETTER

Dear Cokal Shareholders

On behalf of the Board of Directors of Cakra, I am delighted to provide you with this Offer by Cakra to acquire all of your Cokal Shares. Both Cakra and Cokal believe the Offer is an attractive opportunity for you to receive value for your Cokal Shares by receiving cash or by becoming a shareholder in Cakra.

1.1 Background on Cakra

Cakra is an Indonesian incorporated, IDX listed mineral investment company that operates integrated mining business segments through its subsidiaries. Cakra's business ranges from exploration, mining and processing to marketing of minerals, and has a downstream focus, developed primarily due to the effective ban on exporting unprocessed ore from Indonesia which has been in place since 2014.

To this end Cakra is working with various Chinese mineral traders and producers to develop refineries with the aim of increasing production capacity and sales, and has entered into agreements to jointly develop ferronickel and pig iron smelters. For some time Cakra has also been actively seeking opportunities to acquire companies with high quality mineral resources and strong management with the intention of developing those assets.

Cakra is 74.23% owned by Redstone, a Singapore based company that specialises in mining investments, and is also advised by PT. Sinarmas Sekuritas (**Sinarmas**) which is part of the Sinar Mas Group, one of Indonesia's largest conglomerates.

1.2 Our interest in Cokal

The Cakra Board shares the Cokal Board's vision and strategy for Cokal's projects and believes that the projects have excellent potential. Cakra believes that it can provide the scale and financial and corporate resources to develop Cokal's projects, in particular its BBM Project, to their full potential in a timelier manner than without the added strength of Cakra behind Cokal.

Cakra believes the combination of Cakra's downstream capacity and Cokal's quality mining assets will add shareholder value. To this end, Cakra intends to use the funds raised under a rights issue to be undertaken pursuant to Indonesian law to raise approximately IDR1,500 billion (US\$111 million based on the Exchange Rate) (**Rights Issue**) to acquire Cokal Shares under the Bid and, depending on the number of Cokal Shareholders who take cash for their Cokal Shares and, subject to approval by the financial services authority in Indonesia, for working capital to be put towards developing Cokal's and Cakra's assets and to pay down Cokal's existing loans.

Cakra and Cokal have agreed that, in the event the Offer becomes unconditional, Cokal Directors Peter Lynch, Domenic Martino and Agus Widjojo will be appointed to the Cakra Board. Both Cakra and Cokal will jointly decide and nominate all other directors and commissioners of Cakra going forward.

Since Cakra's role as an investment company is not to manage but to finance and create value in each of its investments, there will not be any significant changes to the Cokal Board and management in the short term.

1.3 Details of our Offer

Cakra is offering to acquire your Cokal Shares and in exchange you will receive (at your election) either:

- (a) 10.327 Cakra Shares per Cokal Share (**Share Consideration**); or
- (b) \$0.16 cash per Cokal Share (**Cash Consideration**); or
- (c) a combination of both.

Our Offer represents an attractive premium for your Cokal Shares. The closing price of Cakra Shares on the IDX was IDR193 on 10 August 2015. Based on this price, the implied value of the Offer is \$0.199¹ for each of your Cokal Shares if you accept the Share Consideration.

The Cash Consideration is a:

- (a) 81.8% premium to the closing price of \$0.088 per Cokal Share on ASX on 24 April 2015, being the last trading day prior to the Announcement Date;
- (b) 68.4% premium to the closing price of \$0.095 per Cokal Share on ASX on 26 February 2015, being the last date on which Cokal Shares were traded on ASX before the Announcement Date; and
- (c) 72% premium to the closing price of \$0.093 per Cokal Share on ASX on 10 August 2015.

Based on the share price of Cokal Shares as at the date of this Bidder's Statement, you should carefully consider whether you should accept Share Consideration instead of Cash Consideration given that the Share Consideration represents a value which currently exceeds the Cash Consideration. However, the price of Cokal Shares does vary from time to time and therefore accepting the Share Consideration involves a higher level of risk.

The Offer also provides Cokal Shareholders with a number of other benefits including the ability to accept either Cash Consideration or Share Consideration (or a combination of both) to suit each Cokal Shareholder's personal situation.

Those eligible Cokal Shareholders that accept the Share Consideration will have the opportunity to participate in the ongoing benefits of the Merged Entity, which include:

- (a) the ability to participate in the ongoing development of Cokal's BBM Project;
- (b) management with experience in the Indonesian market;

¹ Assuming an AUD to IDR exchange rate of 1 AUD = IDR10,014 as at 10 August 2015.

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- (c) having an interest in a larger, more diversified organisation with both upstream and downstream assets in the resources sector, and which may continue to grow through the identification, development, ownership and operation of future resource projects in the region; and
 - (d) access to Indonesian capital markets and, by extension, a wider investor community in Asia which Cakra believes will make it easier to raise finance to develop Cokal's assets.

As at the date of this Bidder's Statement, Cakra's offer is the only offer under a takeover bid that has been made for Cokal Shares.

Cokal Shareholders should note that the implied value of the Share Consideration of the Offer, and the extent of any premium to the Cokal Share price, will (in addition to other variables, such as exchange rates) depend on the prevailing price of Cakra Shares as quoted on the IDX.

1.4 Risks

Cakra believes the Merged Entity will offer diversified growth opportunities which, if successful, could add value for those Cokal Shareholders who accept Cakra Shares for their Cokal Shares. However, these opportunities are by no means certain and come with risks. In particular:

- (a) Apart from Cokal's BBM Project, the asset portfolio of the Merged Group will be in a very early stage of exploration. While more advanced, Cokal's BBM Project still has significant development risks consisting of regulatory, financing, construction and operational risks.
- (b) Cakra at present has some production assets but these are not producing any material net cash flow. Cakra's growth strategy is based around taking advantage of the current Indonesian law preventing the export of certain raw material by constructing or expanding value adding processing facilities. Cakra does not believe this expansion is dependent on raw materials sourced from its exploration assets as Cakra can (and does) buy the necessary raw materials from others. At present Cakra's plan is to use the best cost supply whether that be externally supplied or from its own mineral assets.
- (c) Cakra has entered into agreements with major Chinese companies to construct ferronickel and pig iron smelters. Negotiations to take 100% of the offtake at market prices are advanced, however no off-take contracts or contracts with respect to funding construction have been entered into. If successful, these smelters may add value to Cakra. However, these projects have funding and development risks and while Cakra's negotiations are advanced there is still completion risk as well as significant development risks still remaining e.g. regulatory, financing, construction and operational risks.
- (d) Cakra is incorporated, and operates, in Indonesia and is therefore subject to a number of risks, including:

- (i) delays with respect to regulatory approvals;
 - (ii) economic, social and political volatility;
 - (iii) potential difficulties in enforcing agreements and collecting receivables through foreign and local systems;
 - (iv) potential difficulties in protecting rights and interests in assets; and
 - (v) changes in governmental policies, restrictive governmental actions, such as imposition of trade quotas, tariffs and other taxes.
- (e) The Indonesian capital markets are generally less liquid than those in countries with more developed capital markets. This illiquidity is especially pronounced for large blocks of securities. Approximately 90% of Cakra Shares are held by major shareholders. Also, prices in the Indonesian capital markets are typically more volatile than in such other markets. Accordingly, if you accept the Share Consideration and elect to be issued Cakra Shares, there is no guarantee that you will be able to dispose of your Cakra Shares at prices or at times at which such a holder would be able to do so in more liquid markets or at all.
- (f) Changes to the mining law or to the other government legislations and regulations in Indonesia, or to the division of regulatory powers between the Central Government in Jakarta and local and provisional bodies, may materially impact on the ability of the Merged Entity to operate in Indonesia and on the ultimate profitability of any potential projects to be developed in Indonesia. In the event that an economic resource is identified in the BBM Project there can be no assurance that all or any of the relevant approvals and permits necessary to conduct mining operations will be granted.
- (g) Cakra's businesses are conducted in Indonesia and in Indonesian Rupiah. Accordingly, Cakra's income from, and the value of, those businesses will be affected by fluctuations in the rates Indonesian Rupiah is exchanged with Australian dollars.

These are further discussed in section 14.

1.5 Offer Conditions

Please note that the Offer is subject to conditions, which are set out in section 15.14 (**Offer Conditions**). These include, but are not limited to:

- (a) 90% minimum acceptance;
- (b) satisfaction of requirements in relation to Cakra's proposed Rights Issue including securing a standby agreement (which has occurred) and obtaining Indonesian regulatory and Cakra Shareholder approvals;
- (c) no Cokal prescribed occurrences happening;
- (d) no adverse action affecting the Offer by any Public Authority;

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- (e) approvals by Indonesian and other Public Authorities to permit the Offer;
 - (f) there being no material acquisitions, disposals or material corporate actions by Cokal;
 - (g) no force majeure event materially affecting Cokal or material adverse change affecting Cokal; and
 - (h) all Cokal Options being cancelled before the end of the Offer Period.

If Cakra declares its Offer to be free from the Offer Conditions, Cakra will proceed to delist Cokal. As mentioned above, in the short term there will be no change to Cokal's Board.

1.6 Accept the Offer

I encourage you to carefully read this Bidder's Statement. This Offer is open for acceptance until 5pm EST on 15 November 2015 unless extended. I encourage you to ACCEPT the Offer by following the instructions on the accompanying Acceptance Form. If you have any queries, please email info@ckra.com.au.

The Cakra Board strongly believes that the Offer is a compelling opportunity for Cokal Shareholders and we look forward to receiving your acceptance and, if you accept the Share Consideration, welcoming you as a shareholder in Cakra.

Yours sincerely

Boelio Muliadi
President Director
PT Cakra Mineral Tbk.

2 OVERVIEW AND KEY QUESTIONS

This section provides an overview of the information set out in this Bidder's Statement and answers some key questions that you may have about the Offer and should only be read in conjunction with the entire Bidder's Statement.

Introduction		More information
What is the Offer?	<p>Cakra is offering to buy all of your Cokal Shares by way of an off-market takeover offer.</p> <p>The Offer price is:</p> <ul style="list-style-type: none">• 10.327 Cakra Shares; or• \$0.16 cash, <p>for each of your Cokal Shares. You may elect to receive a combination of both forms of Consideration for your Cokal Shares.</p>	Section 17.1
Who is Cakra?	<p>Cakra is a diversified minerals group with its primary focus being expanding its fully integrated mining business. Cakra's business segments comprise mining, processing and trading with a distinct downstream focus.</p> <p>Cakra is domiciled in Central Jakarta and has operations in the province of West Sumatra and Central Kalimantan. It is listed on the IDX, ticker CKRA.</p>	Section 7.1
What is Cakra's business model?	<p>Cakra has the following main businesses operated through its subsidiaries:</p> <ul style="list-style-type: none">• mining;• processing; and• trading. <p>With the Indonesian ban on exporting raw materials threatening the profitability of Cakra's mining activities, the Cakra Board made the decision to focus on increasing the value of its downstream assets with a view to increasing production and sales.</p> <p>While Cakra holds mining permits, exploration is not part of its core business and Cakra's mineral assets</p>	Section 7.6

Introduction		More information
	<p>have only comprised, on average, 7% of its assets over the past 3 financial years.</p> <p>Further, Cakra at present has some production assets but these are not producing any material net cash flow.</p> <p>In order to further Cakra's business model, Cakra has entered into joint ventures with reputable Chinese mineral trading companies to construct a pig iron smelter and a nickel smelter to add to its existing zircon processing plant.</p>	
What is Cakra's corporate structure?	Refer to section 7.5 for details of the corporate structure of the Cakra Group.	Section 7.5
Why is Cakra making the Offer?	Cakra considers Cokal's high quality mineral resources will complement Cakra's growing downstream assets with a view to creating a fully diversified mining company that will increase shareholder value.	Section 12
What is the Bidder's Statement?	The Bidder's Statement sets out information on Cakra and Cokal, the terms of Cakra's Offer, and information relating to the Offer and the Consideration you will receive if you accept the Offer.	N/A
Will Cakra Shares offered as Share Consideration be listed on the ASX?	<p>No. If you accept the Share Consideration, and subject to approval from the IDX, the Cakra Shares you receive will be listed and quoted for trading on the IDX.</p> <p>Cakra has applied for relief from ASIC to extend the period to apply for quotation of the Share Consideration from 7 days to a date 14 days prior to the close of the Offer. Cakra will make supplementary disclosure once the outcome of this application is known.</p>	Section 17.5
What is the value of a Cakra Share?	The closing price of Cakra Shares on the IDX was IDR193 on 10 August 2015. Based on this price, the	Section 16.9

Introduction		More information
	<p>implied value of the Share Consideration is \$0.199² for each of your Cokal Shares.</p> <p>The implied value of Cakra Shares will change as a consequence of changes in the market price of Cakra Shares.</p>	
Do the Cokal Directors recommend the Offer?	Each of the Cokal Directors intend to unanimously recommend the Bid to Cokal Shareholders and to accept the Offer in respect of all the Cokal Shares they control, in the absence of a Superior Proposal and subject to completion of satisfactory due diligence of Cakra and the Bid.	Section 16.10
What are the tax consequences if I accept the Offer?	Please consult your financial, tax or other professional adviser on the tax implications of accepting the Offer in light of your own particular circumstances. However, a general summary of the likely Australian tax consequences is set out in section 15.	Section 15
What choices do I have?	<p>As a Cokal Shareholder, you have the following choices:</p> <ul style="list-style-type: none"> • accept the Offer for all of your Cokal Shares, in which case you may elect to receive cash, Cakra Shares or a combination of both forms of Consideration; • sell your Cokal Shares on ASX (unless you have already accepted the Offer and have not validly withdrawn your acceptance in respect of those Cokal Shares); or • do nothing. 	N/A

Risks

If you accept the Offer and choose the Share Consideration, and the Offer becomes unconditional, you will become a Cakra Shareholder. The financial and operational performance of Cakra's business, and the value and IDX trading prices for Cakra Shares will be influenced by a range of risks. Many of these risks are beyond the control of Cakra's Board and management. Furthermore, there are risks in holding shares quoted on the IDX.

² Assuming an AUD to IDR exchange rate of 1 AUD = IDR10,014 as at 10 August 2015

Introduction		More information
<p>Section 14 provides a summary of these risks. Specifically it deals with risks that relate to holding Cakra Shares.</p> <p>You should carefully consider these risks before deciding whether to accept the Offer, and if appropriate obtain your own independent advice.</p> <p>Key risks which may affect Cokal Shareholders who accept the Share Consideration include:</p>		
Exploration and development risk	<p>Apart from its BBM Project, Cokal's asset portfolio is in a very early stage of exploration. The BBM Project, while more advanced, still has significant development risks including regulatory, financing, construction and operational risks.</p> <p>Cakra at present has some production assets but these are not producing any material net cash flow. Cakra's growth strategy is based around taking advantage of the current Indonesian law preventing the export of certain raw material; by constructing or expanding value adding processing facilities. Cakra does not believe this expansion is dependent on raw materials sourced from their exploration assets as they can (and do) buy the necessary raw materials. At present it is Cakra's plan to use the best cost supply whether that be externally supplied or from their deposits.</p>	Section 14
Funding and development risks for Cakra's proposed processing facilities	<p>While Cakra is well advanced in discussions with a major Chinese company which has indicated it will provide funding for these processing facilities and take 100% of the offtake at market prices, no contracts are yet finalised with respect to the funding and offtake. If successful, this expansion would add value to Cakra. However, these projects still have development risks and, while Cakra is advanced in the negotiations, there are still completion risks as well as significant development risks still remaining including regulatory, financing, construction and operational risks.</p>	Section 14
Risks in operating in Indonesia	<p>Cakra is incorporated, and operates, in Indonesia and is therefore subject to a number of risks, including:</p>	Section 14

Introduction		More information
	<ul style="list-style-type: none"> • Delays with respect to regulatory approvals; • economic, social and political volatility; • potential difficulties in enforcing agreements and collecting receivables through foreign and local systems; • potential difficulties in protecting rights and interests in assets; and • changes in governmental policies, restrictive governmental actions, such as imposition of trade quotas, tariffs and other taxes. 	
Indonesian capital markets	Indonesian capital markets are generally less liquid than those in countries with more developed capital markets. Also, prices in the Indonesian capital markets are typically more volatile than in such other markets. Accordingly, if you accept the Share Consideration and wish to trade your Cakra Shares, there is no guarantee that you will be able to dispose of your Cakra Shares at prices or at times at which such a holder would be able to do so in more liquid markets or at all.	Section 14
Changes to Indonesian laws	Changes to the mining law or to the other government legislations and regulations in Indonesia, or to the division of regulatory powers between the Central Government in Jakarta and local and provisional bodies, may materially impact on the ability of the Merged Entity to operate in Indonesia and on the ultimate profitability of any potential projects to be developed in Indonesia. In the event that an economic resource is identified in the BBM Project there can be no assurance that all or any of the relevant approvals and permits necessary to conduct mining operations will be granted.	Section 14
Currency risks	Cakra's businesses are conducted in Indonesia and in Indonesian Rupiah. Accordingly, Cakra's income from, and the value of, those businesses will be affected by fluctuations in the rates Indonesian Rupiah is exchanged with Australian dollars.	Section 14

Introduction		More information
Dilution to Cokal Shareholders	If Cokal Shareholders elect to accept the Offer and receive the Share Consideration, there is a risk of dilution of their Cakra Shares. If the Offer is completed, there will be dilution for Cakra Shareholders upon the issue of Share Consideration under the Offer. The level of acceptances, the proportion of acceptances that elect to receive Share Consideration is also uncertain. Accordingly the level of dilution to holders of Cakra Shares is also uncertain. Future capital raisings or equity-funded acquisitions by the Cakra Group may further dilute the holdings of Cakra Shareholders.	Section 14
Information on Cakra		
What is Cakra's current financial position?	As at 31 December 2014 Cakra had total assets of US\$83,377,109 and total liabilities of US\$1,345,182. Cakra is seeking to raise up to approximately US\$111 million under the Rights Issue. Following completion of the Rights Issue and the Bid, assuming 60% of Cokal Shareholders accept the Share Consideration, Cakra will have a cash balance of US\$11.7 million excluding existing cash reserves which, subject to OJK approval, will be used for working capital to develop Cokal's and Cakra's projects and to pay down Cokal's existing loans. Any further capital required in the short term will be raised via equity raisings. Any further equity raisings will have a dilutionary effect on Cakra Shareholders and those Cokal Shareholders who accept the Offer and elect to receive the Share Consideration.	Sections 7.17
How will Cakra fund the Offer?	Cakra will seek regulatory and Cakra shareholder approval for a fully underwritten rights issue to raise up to IDR1,500 billion (US\$111 million based on the Exchange Rate). The Standby Buyer or its nominee has agreed to take up all Cakra Shares not taken up under the Rights Issue. Redstone, Cakra's major shareholder, has agreed to approve the Rights Issue (which is subject to Cakra Shareholder approval) and not in the first instance to take up its entitlement under the Rights	Section 11

Introduction		More information
	Issue, in order to facilitate the Bid and allow Cakra to, in effect, place Rights Issue Shortfall to Cokal Shareholders accepting the Share Consideration.	
What are the key strengths of Cakra?	<p>Cakra has a presence in mineral investment in Indonesia and Cakra's management has experience in the Indonesian market.</p> <p>Cakra has access to Indonesian capital markets and, by extension, a wider investor community in Asia which Cakra believes will make it easier to raise finance to develop Cokal's assets.</p>	Section 12
How does Cakra generate its income?	<p>Cakra generates its current income from selling products mined at its processing plants under "spot" off-take agreements with buyers primarily located in China and Europe. No long term contracts for the sale of Cakra's products have yet been entered into.</p> <p>Cakra sources its raw materials from local sub-contractors and artisanal miners and has several supply contracts with those third parties.</p>	Section 7.9
What are Cakra's growth plans?	Cakra's trading activities are not currently producing any material net cash flow. However, Cakra, through its subsidiaries, has an established and proven Asian network. Cakra is in the process of sourcing potential customers in Japan and India in order to diversify its customer base and increase profitability.	Sections 7.9 and 12
What are Cakra's significant dependencies for successfully conducting its business?	<p>The key factors Cakra depends upon to successfully conduct its business are:</p> <ul style="list-style-type: none"> • fluctuations in commodity prices; • fluctuations in the price of fuel and equipment and other operating expenses; • reliance on key personnel; • changes in Government policy and legal changes; and • fluctuations in exchange rates. 	Sections 14.2 and 14.4

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How does Cakra fund its operations?	Cakra funds its ongoing operations primarily through equity raisings. Cakra intends to undertake a rights issue pursuant to Indonesian law to raise approximately IDR1,500 billion (US\$111 million based on the Exchange Rate) (i.e. the Rights Issue) to acquire Cokal Shares under the Bid and, depending on the number of Cokal Shareholders who take cash for their Cokal Shares, and subject to OJK approval, for working capital to be put towards developing Cokal's and other Cakra assets and to pay down Cokal's existing loans.	Sections 1.2 and 11.1
What markets does Cakra compete in?	Cakra competes in the highly competitive mineral industry in Indonesia. In particular, with respect to processing, marketing and sales of its products mined at its processing plants using raw materials sourced from local sub-contractors and artisanal miners.	Section 6
What are the barriers to entry to the industries Cakra operates in and what is Cakra's competitive advantage?	<p>In the opinion of the Cakra Board, there are medium levels of barriers of entry to the industry, with key barriers to entry including the need to:</p> <ul style="list-style-type: none"> • establish long term off-take agreements; • diversify its customer base; • diversify its commodities beyond iron ore and zircon. <p>The Cakra Directors consider that Cakra has a competitive advantage due to its:</p> <ul style="list-style-type: none"> • established and proven Asian network; • management with experience in the Indonesian market; • diversified line of businesses ranging across upstream to downstream activities; and • its ability to able to open up new growth opportunities and to create shareholder value. 	Sections and 7.15
Who are Cakra's competitors?	Cakra's main competitors comprise upstream to downstream mining businesses of similar size such as	Section 7.14

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	PT Vale Indonesia, PT Meratus Jaya and PT Aneka Tambang.							
Who are Cakra’s key customers?	Cakra currently produces on a small scale to buyers primarily located in China and Europe under “spot” off-take agreements. Cakra is currently targeting reputable Chinese industrial users and manufacturers as its future customer base.	Sections 7.14 and 6.9						
Who are Cakra’s suppliers?	Cakra sources its raw materials from local sub-contractors and artisanal miners and has several supply contracts with those third parties.	Section 7.9						
What is Cakra’s capital management policy?	<p>Cakra’s management manage the Cakra Group’s capital to maintain a strong capital base and safeguard the Cakra Group’s ability to continue as a going concern and maintain an optimal capital structure, so as to maximise shareholder value.</p> <p>The management reviews the capital structure by considering the cost of capital and the risks associated with the capital.</p> <p>Total capital managed at the Cakra Group level comprises shareholders’ funds, cash and cash equivalents.</p>	Section 7.3						
What is Cakra’s dividend policy?	<p>Subject to applicable laws and regulatory requirements (including generating sufficient profit) Cakra plans to pay a cash dividend to all Cakra Shareholders every year to be calculated as follows:</p> <table><tr><th>Profit After Tax</th><th>Percentage Cash Dividend Against Net Profit After Tax</th></tr><tr><td>Up to IDR 50,000,000,000</td><td>5-10%</td></tr><tr><td>Over IDR 50,000,000,000</td><td>11-15%</td></tr></table> <p>The above is a statement of intention as at the date of this Bidder’s Statement. Cakra is yet to make a profit, and there is no guarantee that it will.</p>	Profit After Tax	Percentage Cash Dividend Against Net Profit After Tax	Up to IDR 50,000,000,000	5-10%	Over IDR 50,000,000,000	11-15%	Section 8.4
Profit After Tax	Percentage Cash Dividend Against Net Profit After Tax							
Up to IDR 50,000,000,000	5-10%							
Over IDR 50,000,000,000	11-15%							

Introduction		More information
What rights and liabilities will attach to my new Cakra Shares?	The rights and liabilities attaching to Cakra Shares offered under the Offer are set out in section 8.3.	Section 8.3
What are the trading volumes of Cakra on IDX?	Assuming a weighted average number of 5,106,021,090 Cakra Shares on issue, approximately 0.89% of total shares on issue were traded over the 12 month period to 31 May 2015. Approximately 90% of Cakra's shares are currently held by major shareholders and are therefore not regularly traded.	Section 8.2
Who are the Cakra Directors and Commissioners and what experience do they have?	<p>Under Indonesian company law, a company is required to adopt a two board structure comprising the board of directors and the board of commissioners. The board of directors has managerial or day-to-day operational responsibilities while the board of commissioners has a supervisory function. Notwithstanding these different functions, the two boards have equal status. The purpose of the two board structure is to enhance checks and balances on the company governance.</p> <p>The Cakra Directors and Commissioner are:</p> <ul style="list-style-type: none"> • Alwijaya AW - President Commissioner • Avi Yasa Dwipayana - Independent Commissioner • Boelio Muliadi - President (i.e. Managing) Director • Argo Trinandityo - Director • Dexter Sjarif Putra - Director, CFO and Company Secretary • Johanes Sigfried - Director <p>Avi Yasa Dwipayana is considered an Independent Commissioner and Johanes Siegfried is considered a non-affiliated i.e. independent director/ commissioner (as applicable) under Indonesian law as they do not hold any shares in Cakra and are free from any business or other relationship that could materially interfere with, or reasonably be</p>	Section 7.10

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	<p>perceived to materially interfere with, the independent exercise of their judgement.</p> <p>There are no directors or commissioners of Cakra that are nominees or representatives of substantial shareholders.</p> <p>The Cakra Directors and Commissioners have experience in the mining sector in Indonesia, in the evaluation of mining projects, raising funds in Asian capital markets and in the day to day management of public companies.</p>	
Do the Cakra Directors and Commissioners have any securities in, or potential conflicts of interest in relation to, Cokal?	The Cakra Directors and commissioners do not hold any securities in, or have any potential conflicts of interest in relation to Cokal.	Section 7.14
The Merged Entity		
What is Cakra's strategy for the Merged Entity?	<p>Cakra's strategy is to be an integrated resource house with interests and assets in exploration, development, production, processing and marketing.</p> <p>Cakra's strategy for Cokal's assets is to further develop those assets within the overall strategy of the Cakra Group.</p> <p>If Cakra declares its Offer to be free from the Offer Conditions, Cokal Directors Peter Lynch, Domenic Martino and Agus Widjojo will be appointed to the Cakra Board. Both Cakra and Cokal will jointly decide and nominate all other directors and commissioners of Cakra going forward. As mentioned above, in the short term there will be no change to Cokal's Board. However, Cokal will be delisted from ASX.</p> <p>See section 10 for further information.</p>	Section 10
The Offer		

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How do I accept the Offer?	To accept the Offer you should follow the instructions set out in section 17.8.	Section 17.8
Can I accept the Offer for part of my holding?	No, you can only accept for all of your holding. Your acceptance will be treated as being for all your Cokal Shares plus any additional Cokal Shares registered as held by you at the date your acceptance is processed.	Section 17.8
What happens if I do not accept the Offer?	<p>Subject to what is stated below, you will remain the holder of your Cokal Shares if you do not accept the Offer.</p> <p>If Cakra acquires a Relevant Interest in at least 90% of the Cokal Shares (by number) on issue at any time during the Offer Period and the other Offer Conditions are satisfied or waived, Cakra intends to proceed to compulsorily acquire your Cokal Shares (see section 10.2). Compulsory acquisition will occur on a date after 1 November 2015 (unless the Offer is extended in accordance with the Corporations Act).</p> <p>The Offer is subject to a minimum acceptance condition of 90%. If Cakra acquires a Relevant Interest in less than 90% of the Cokal Shares, and Cakra does not waive its minimum acceptance condition, then the Offer will expire and you will keep your Cokal Shares. If Cakra waives its minimum acceptance condition and subsequently acquires a Relevant Interest in less than 90% of the Cokal Shares, its intentions in that situation are further described in section 10.4 of this Bidder's Statement.</p>	Section 10.2 17.8
Can I elect to receive part of my Consideration in cash?	<p>Yes. Under the Acceptance Form you may choose to receive:</p> <ul style="list-style-type: none"> • 10.327 Cakra Shares (Share Consideration) for each of your Cokal Shares; or • \$0.16 in cash (Cash Consideration) for each of your Cokal Shares. <p>You may also elect to receive a combination of both forms of Consideration.</p>	Section 17.1

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	<p>For further information on how to accept the Offer, you should follow the instructions set out in section 17.8.</p> <p>Accepting Cokal Shareholders who do not elect whether to receive the Share Consideration or Cash Consideration will be deemed to have elected to receive the Cash Consideration.</p>	
Can I withdraw my acceptance?	<p>You have limited rights to withdraw your acceptance of the Offer. You cannot withdraw your acceptance unless a withdrawal right arises under the Corporations Act.</p> <p>Such a withdrawal right will arise if, after you have accepted the Offer:</p> <ul style="list-style-type: none"> • the Offer is still subject to an Offer Condition; and • Cakra varies the Offer in a way that postpones for more than one month the time when Cakra has to pay you under the Offer (for example if Cakra extends the Offer for more than 1 month while the Offer remains conditional). 	Section 17.11
When does the Offer close?	The Offer is currently scheduled to close at 5pm EST on 15 November 2015, unless extended or withdrawn.	Section 17.6
Can Cakra extend the Offer Period?	Yes, the Offer can be extended by Cakra or otherwise in accordance with the Corporations Act. You will receive written notice of any extension, as required by the Corporations Act.	Section 17.19
Can I sell on the market the shares I receive from accepting the Offer?	<p>Yes. You will be able to sell the Cakra Shares you receive on IDX. In order to do so, you must open an account with a broker who is also a member of IDX and KSEI (Qualified Broker).</p> <p>You may appoint Sinarmas, for this purpose. Sinarmas’ contact details are as follows:</p> <p>PT Sinarmas Sekuritas Sinarmas Land Plaza 3rd tower 5th floor</p>	Section 17.15

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	<p>Jalan M.H. Thamrin No. 51 Jakarta Pusat - 10350 Office +62 21 392 5550 ext 260</p> <p>Attention: Albert Witono Setiawan - Corporate Finance Division</p> <p>You will need to contact your Qualified Broker for details on any fees and charges that may be associated with trading your Cakra Shares.</p>	
What if I am a Foreign Shareholder?	<p>Certain foreign holders of Cokal Shares will not be entitled to receive Cakra Shares on accepting the Offer. If you are such an Ineligible Foreign Shareholder you are deemed to have chosen the Share Consideration and will receive the net cash sale proceeds of Cakra Shares sold through a nominee which you would otherwise have received (see section 17.24). The Cokal Shareholders to which this applies are holders of Cokal Shares:</p> <ul style="list-style-type: none">• whose address as shown in the register of members of Cokal is in a jurisdiction other than Australia, its external territories or New Zealand; and• the law of that jurisdiction makes it, in the reasonable opinion of Cakra, unlawful or too onerous for Cakra to issue them with Cakra Shares. <p>Cakra has applied to ASIC to appoint PT Sinarmas Sekuritas to act as nominee.</p>	Section 17.2
If I accept the Offer, when will I receive the Consideration?	<p>If you accept this Offer Cakra will, in the usual course, send you the Consideration for your Cokal Shares to which Cakra acquires good title on or before the earlier of:</p> <ul style="list-style-type: none">• 1 month after you accept this Offer or, if this Offer is subject to an Offer Condition when accepted, 1 month after the contract resulting from your acceptance becomes unconditional; and	Section 17.21

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	<ul style="list-style-type: none">21 days after the end of the Offer Period, provided that the Offer has become unconditional. <p>Full details of when you will receive the Consideration are set out in section 17.21.</p>	
Will I need to pay brokerage or stamp duty if I accept the Offer?	<p>You will not pay any stamp duty on accepting the Offer.</p> <p>If your Cokal Shares are registered in an Issuer Sponsored Holding in your name and you deliver them directly to Cakra, you will not incur any brokerage connected with you accepting the Offer.</p> <p>If your Cokal Shares are in a CHESS Holding or you hold your Cokal Shares through a bank, custodian or other nominee, you should ask your Controlling Participant (usually, your Broker or the bank, custodian or other nominee) whether it will charge any transaction fees or service charges connected with you accepting the Offer.</p> <p>If you are a foreign holder of Cokal Shares, the cash proceeds that you will receive (following the sale by Cakra of the Cakra Shares that you would otherwise be entitled to receive under the Offer) will be net of transaction costs.</p>	Section 17.27
What are the Offer Conditions?	<p>The conditions of the Offer (i.e. the Offer Conditions) are set out in full in section 17.16. These conditions include:</p> <ul style="list-style-type: none">that at the end of the Offer Period Cakra has a Relevant Interest in at least 90% of the Cokal Shares on issue;satisfaction of requirements in relation to Cakra’s proposed Rights Issue including securing a standby agreement (which has occurred) and obtaining Indonesian regulatory and Cakra Shareholder approvals;that no prescribed occurrence for Cokal occurs during the period beginning on the date this	Section 17.16

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	<p>Bidder's Statement is given to Cokal and ending at the end of the Offer Period;</p> <ul style="list-style-type: none"> • no condition relating to decisions, actions and investigations by, and applications to, Public Authorities which may adversely affect the Offer; • approvals by Indonesian and other Public Authorities to permit the Offer; • there being no material acquisitions, disposals or material corporate actions etc. by Cokal; • no force majeure event materially affecting Cokal or material adverse change affecting Cokal; and • all Cokal Options being cancelled before the end of the Offer Period. 	
What happens if the Offer Conditions are not satisfied or waived?	<p>If the Offer Conditions are not satisfied or waived before the Offer closes, the Offer will lapse. Cakra will notify Cokal which will make an announcement to ASX if the Offer Conditions are satisfied or waived during the Offer Period.</p> <p>If the Offer lapses, you will continue to hold your Cokal Shares and be free to deal with your Cokal Shares. Without any takeover offer for Cokal the price at which its shares trade on ASX may fall.</p>	Section 17.20
More information		
What if I require further information	<p>If you require additional assistance please email info@ckra.com.au</p> <p>Further information relating to the Offer can be obtained from Cakra's website at www.cakra.co.id.</p>	

The information in this section is a summary only and is qualified by the detailed information set out elsewhere in this Bidder's Statement. You should read the entire Bidder's Statement and the Target's Statement to be provided by Cokal before deciding whether to accept the Offer.

3 REASONS WHY YOU SHOULD ACCEPT CAKRA'S OFFER

The Offer is at an Attractive Premium

The Offer represents an attractive premium to the trading levels of Cokal Shares prior to the date of the Bid.

The Consideration for each of your Cokal Shares under the Offer comprises either:

- 10.327 Cakra Shares; or
- \$0.16 cash.

You may also elect to receive a combination of both.

The closing price of Cakra Shares on the IDX was IDR193 on 10 August 2015. Based on this price, the implied value of the Offer is \$0.199³ for each of your Cokal Shares if you accept the Share Consideration.

The Cash Consideration is a:

- (a) 81.8% premium to the closing price of \$0.088 per Cokal Share on ASX on 24 April 2015, being the last trading day prior to the date of the Bid;
- (b) 68.4% premium to the closing price of \$0.095 per Cokal Share on ASX on 26 February 2015, being the last date on which Cokal Shares were traded on ASX before the date of the Bid; and
- (c) 72% premium to the closing price of \$0.093 per Cokal Share on ASX on 10 August 2015.

Unanimous Support from Cokal Board for the Offer

On 29 April 2015, Cokal's announcement stated:

"Each of the Cokal Directors intend to unanimously recommend the bid to Cokal shareholders and to accept the Offer in respect of all of the Cokal Shares they control, in the absence of a Superior Proposal and subject to completion of satisfactory diligence of CKRA and the bid."

Entities associated with the Cokal Directors' control, in aggregate, total approximately 23.2% of Cokal's issued share capital. Cokal's Directors intend to choose to accept the Share Consideration under the Offer.

Cakra has the Capacity to Maximise the Value of Cokal's Assets

Since shifting its focus to the mining industry in 2011, Cakra has built a diversified mining investment company with business segments ranging from exploration, mining, processing to marketing. Cakra has developed projects in which it holds an interest from exploration through to development, production and export. Cakra

³ Assuming an AUD to IDR exchange rate of 1 AUD = IDR10,014 as at 10 August 2015

has also successfully negotiated agreements with Chinese metals miner, Zhenjiang Baoli Mining, to build a ferronickel smelter and Extend to build a pig-iron smelter.

The skill and proven experience of Cakra's Board and management at developing mineral projects will add to the Cokal Board's existing expertise to increase the likelihood of successfully developing Cokal's assets.

The combination of the two companies creates an entity with significant scale and mine life with:

- (a) a 261Mt JORC Resource at Cokal's BBM Project, a high quality metallurgical coal project in Indonesia with low operating costs;
- (b) the potential for a production rate of 2 Mtpa from the BBM Project for 10 years. The BBM Project is in the final approval stage before construction can start;
- (c) access to port and transport infrastructure; and
- (d) access to processing plants which provide a clearer path to market.

Cakra has the access to financial capacity, human resources and access to significant capital in the Asian market to progress the development of Cokal's resources.

Ongoing Exposure to the Development of Cokal's Assets

Those Cokal Shareholders who accept the Share Consideration will continue to share in the benefits from the development of Cokal's assets, in particular the development of the BBM Project.

Own shares in a larger, more diversified organisation

Cokal Shareholders who accept the Share Consideration will hold shares in a larger mineral investment company in Indonesia with a diversified asset profile.

The increased market capitalisation will attract the interest of global institutional investors looking for exposure to a larger and more diversified organisation with both upstream and downstream assets and significant potential for growth.

Obtain exposure to the energy and resources sector in Indonesia

Cokal Shareholders who accept the Share Consideration will obtain exposure to the energy and resources sector in Indonesia generally through the identification, development, ownership and operation of future mineral projects in the area. The value of the mining industry in Indonesia accounts for a significant proportion of Indonesia's gross domestic product and the Indonesian mining industry is expected to grow in the next five years. This will encourage foreign investment in the sector and increased support from national and international banks.

Access to Asian capital markets

Cakra has access to Indonesian capital markets and, by extension, a wider investor community in Asia which Cakra believes will make it easier to raise finance to develop Cokal's assets compared to Cokal seeking to do so alone.

Access to processing plants

Cakra is currently collaborating with Chinese mineral traders and producers to develop two smelters.

Thus far Cakra has entered into a joint venture with China's Zhejiang Baoli Mining to develop a ferronickel smelter in Sulawesi with an initial capacity of 36,000 metric tons per year. Commercial production is expected to begin in June 2017.

Cakra has also entered into a joint venture with Extend Harmony Group to develop a pig-iron smelter with an initial capacity of 150,000 metric tons per year. Commercial production is expected to begin in June 2016.

Cakra is also in discussions with other parties with a view to constructing other processing plants which may potentially be utilised to process the raw materials produced from Cokal's BBM Project.

Likely Access to CGT Relief

Cokal Shareholders who accept the Share Consideration will likely have access to scrip for scrip rollover relief, in which case they will not incur capital gains tax as a result of this transaction.

If, as a result of the Offer, Cakra becomes the holder of 80% or more of the voting shares in Cokal, Cokal Shareholders who would otherwise make a capital gain from the disposal of their Cokal Shares pursuant to the Offer may be able to choose to obtain full or partial scrip for scrip rollover relief.

If scrip for scrip rollover relief is available and is chosen by Cokal Shareholders who would otherwise have made a capital gain on the disposal of their Cokal Shares under the Offer, some or all of the capital gain from the disposal may be disregarded. The capital gains tax provisions would then only apply on a later taxable event (such as disposal) happening to the Cakra Shares received as Consideration under the Offer.

Scrip for scrip rollover relief would not be available for a capital gain attributable to any Cash Consideration received under the Offer. Please refer to section 15 for more details.

4 WHAT YOU SHOULD DO NEXT

Step 1: Carefully read the entire Bidder's Statement and consider the information provided.

Step 2: Read the Target's Statement to be provided by Cokal.

Step 3: If you need advice, consult your Broker or your legal, financial or other professional adviser.

If you have any queries about this document or the Offer, please email info@ckra.com.au.

Step 4: If you wish to accept the Offer, follow the instructions below.

5 HOW TO ACCEPT THE OFFER

You should read section 17.8 for full details on how to accept the Offer.

If your Cokal Shares are in a CHESS Holding, to accept you must:

- (a) complete and sign the Acceptance Form in accordance with the instructions on it; and
- (b) return the Acceptance Form together with all other documents required by the instructions on it to the address specified on the form in the addressed envelope provided so that they are received before the end of the Offer Period.

If you are a Participant (as defined in the ASX Settlement Rules) (typically, a stockbroker who is a participating organisation of ASX Settlement), the above does not apply. To accept the Offer you must initiate acceptance in accordance with the ASX Settlement Rules.

If your Cokal Shares are in an Issuer Sponsored Holding or if at the time of your acceptance you are entitled to be (but are not yet) registered as the holder of your Cokal Shares, to accept you must complete and indicate which Offer alternative you prefer, sign and return the Acceptance Form in accordance with the instructions on it.

If your SRN/HIN begins with an "I", this indicates that your Cokal Shares are in an Issuer Sponsored Holding.

6 OVERVIEW OF THE MINING INDUSTRY IN INDONESIA

Indonesia has been one of the key minerals suppliers to the global market and the mineral resources industry plays a vital role in the Indonesian economy. The mining and quarrying industry's contribution to the total Indonesian Gross Domestic Product (GDP) was approximately 9.82% in 2014. In 2014, mining and others represented 12.97% of Indonesia's total exports. In 2013, Indonesia was the world's fourth largest producer of coal (after China, USA and India), the world's largest producer of nickel, the second largest producer of bauxite (after Australia), and the second largest producers of tin (after China).

During 1996 and 2012, the mining productions in respect of coal, bauxite, nickel ores, gold, silver, granit, iron sand, tin and copper are shown in the following table:

Year	Coal (ton)	Bauxite (ton)	NickelOres (ton)	Gold (kg)	Silver (kg)	Granit (ton)	Iron Sand (ton)	Tin Concentrate (metric ton)	Copper Concentrate (metric ton)
1996	50332047	841976	3426867	83564	255404	4827058	425101	52304	1758910
1997	55982040	808749	2829936	86928	249392	8824088	516403	54521	1817880
1998	58504660	1055647	2736640	123862	383191	9662649	509978	53960	2640040
1999	62108239	1116323	2798449	127768	361377	8720155	502198	49708	2645180
2000	67105675	1150776	2434585	109612	310430	5941370	420418	56360	3270335
2001	71072961	1237006	2473825	148528	333561	3976274	440648	69494	2418110
2002	105539301	1283485	2120582	140246	281903	3975434	190946	88142	2851190
2003	113525813	1262705	2499728	138475	272050	3938915	245911	74316	3238306
2004	128479707	1331519	2105957	86855	255053	4035040	79635	73080	2812664
2005	149665233	1441899	3790896	142894	326993	4302849	87940	78404	3553808
2006	162294657	2117630	3869883	138992	270624	4514654	84954	79100	817796
2007	188663068	1251147	7112870	117854	268967	1793440	84371	64127	796899
2008	178930188	1152322	6571764	64390	226051	2050000	4455259	79210	655046
2009	228806887	935211	5819565	140488	359451	na	4561059	56602	973347
2010	325325793	2200000	9475362	119726	335040	2172080	8975507	97796	993152
2011 *)	415765068	24714940	12482829	68220	227173	3316813	11814544	89600	1472238
2012 *)	466307241	n.a	36235795	69291	n.a	n.a	11545752	44202	2385121

Note:

Source : Mining Statistics of Non Petroleum and Natural Gas

*) Preliminary Figures

*) Revised

For the purpose of strengthening Indonesia's future export structure, the Indonesia government enforced the Mineral and Coal Mining (Minerba) Act in early 2014 that restricted unrefined mineral exports. As a result, mining exports such as copper ore (share of 2.0%), nickel (share of 1.1%), and bauxite (share of 0.9%) were suspended, however such export recommenced in August 2014. (Source: Bank Indonesia)

Since 2014, there has been a falling demand for commodity exports, which together with the implementation of the above mentioned new law in early 2014 led to diminishing performance in the mining sector in Indonesia. Notwithstanding this, the mining section still posted a 0.5% growth in 2014 (relatively low compared to 4.3% growth in 2011, 3.0% growth in 2012 and 1.7% growth in 2013).

Between 2010 and 2015, the value (US\$) of Indonesian exports and imports by sector are as follows (million):

Items	2010	2011	2012	2013	2014	TREND(%) 2010-2014	Jan-May*		CHANGE(%) 2015/2014
							2014	2015	
Export	157,779.1	203,496.6	190,020.3	182,551.8	176,292.5	1.14	73,415.1	64,720.2	-11.84
Oil and Gas	28,039.6	41,477.0	36,977.3	32,633.0	30,331.9	-0.82	12,899.2	8,529.7	-33.87
Non Oil and Gas	129,739.5	162,019.6	153,043.0	149,918.8	145,960.6	1.59	60,515.9	56,190.5	-7.15

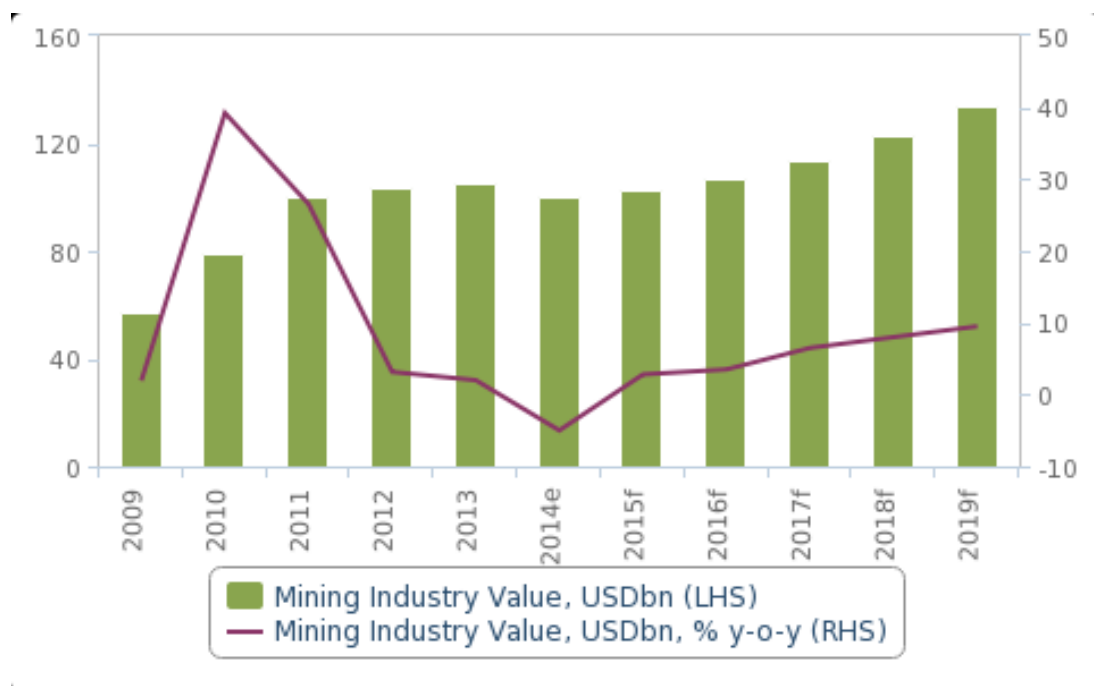
The Indonesia government is seeking to attract foreign direct investment and add value to its mining sector. Therefore, a moderation of the ban on export of unprocessed ores in 2015 is not expected. With the decrease of the commodity price and the mining boom, small mining companies or other competitors of Cakra in Indonesia may not continue investment in mining sector.

In Indonesia, exports of natural resources-based commodities, particularly mining, decelerated in 2014. Coal exports dropped significantly as demand from China evaporated and coal prices tumbled. In addition, enforcement of the Mineral and Coal Mining (**Minerba**) Act at the beginning of 2014 also affected exports of mining commodities. The policy aimed to increase value added in the mining sector through restrictions on unrefined mineral exports. Enforcement of the policy, however, did not proceed according to plan and resulted in the suspension of mineral exports during the first semester. Mineral exports recommenced in the third quarter of 2014 after agreement was reached between the government and business players regarding the construction of smelters and a reduction of export duties.

Commodity prices continued to fall, with iron ore, coal, and copper prices falling 50%, 26% and 11%, respectively. This decline continued in the first four months of 2015, as the price of iron ore, coal, and copper fell a further 12%, 5% and 6%, respectively. Gold prices remained relatively stable. Oversupply of bulk commodities, particularly iron ore and coal, combined with China's economic growth slowdown, are major contributors to the price slump.

However, China is still growing, although the focus is expanding beyond from infrastructure development and towards sustainable growth driven by consumers. That could be good news for base metals such as copper and nickel, which are used in products such as cars and computers, as well as zinc used to galvanize steel. However, it's more concerning for iron ore and metallurgical coal used in steelmaking for broader infrastructure projects. Further, China's growth is still considered strong at around 7%, and that's now measured across a much larger economic base than in years past. There's also potential growth coming from other emerging economies, such as India, which could help underpin demand for commodities in the long term.

According to an Indonesia Mining Report published on 1 July 2015 by BMI Research, the peak growth in Indonesia mining industry is still behind us:



7 INFORMATION ON CAKRA

7.1 Profile of Cakra

Cakra is a publicly-owned, diversified minerals group with its primary focus on expanding its fully integrated mining business. Cakra's business segments comprise mining, processing and trading with a distinct downstream focus.

Cakra is domiciled in Central Jakarta and has operations in the province of West Sumatra and Central Kalimantan. It is listed on the IDX, ticker CKRA.

7.2 Shareholder Structure

As at 10 August 2015, Cakra has the following major shareholders:

Cakra Shareholder Name	Number of Cakra Shares	Percentage Shareholding
Redstone Resources Pte Ltd	3,790,349,146	74.04
Credit Suisse Singapore Trust	850,151,390	16.65

Cakra does not currently have any options or convertible securities on issue.

7.3 Capital management policy

Cakra's management manage the Cakra Group's capital to maintain a strong capital base and safeguard the Cakra Group's ability to continue as a going concern and maintain an optimal capital structure, so as to maximise shareholder value.

The management reviews the capital structure by considering the cost of capital and the risks associated with the capital.

Total capital managed at the Cakra Group level comprises shareholders' funds, cash and cash equivalents.

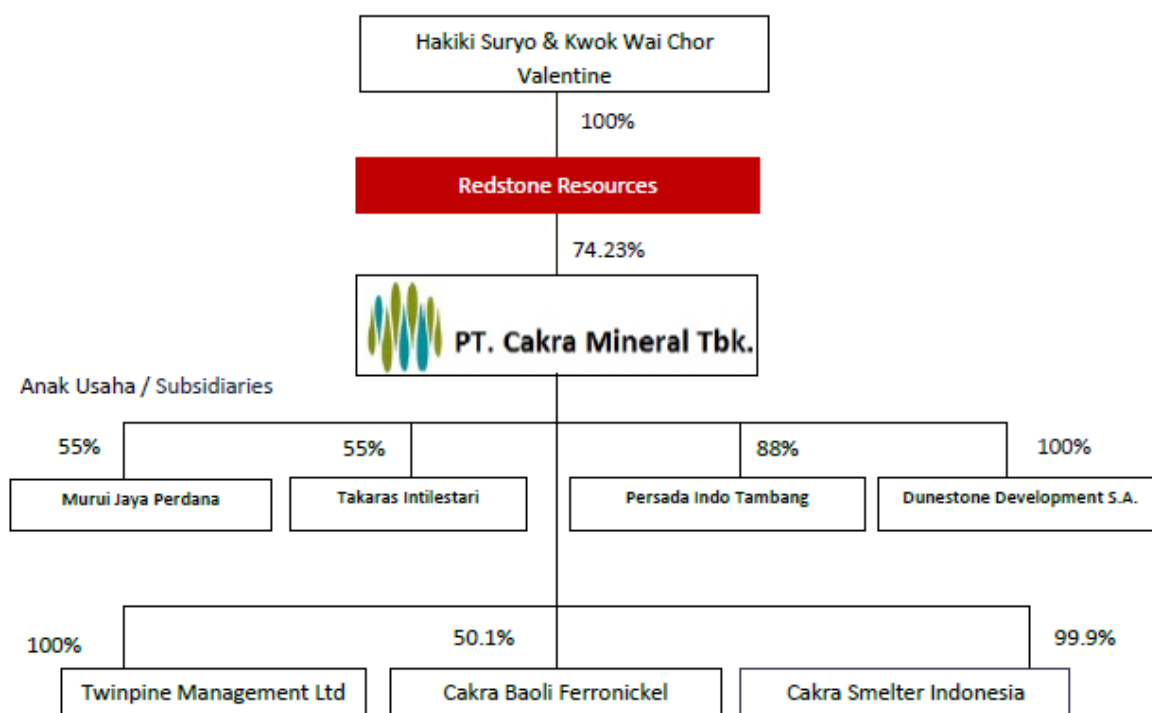
7.4 Business Activities and Assets

The following is a brief overview of Cakra's assets. More information about Cakra is available from its website, www.cakra.co.id, and on IDX's website, www.idx.co.id.

The key objectives underpinning Cakra's fully integrated mining business incorporate contributions by the following three business segments: mining, processing and trading operated through its subsidiaries.

7.5 Corporate structure

Following is Cakra's corporate structure showing all subsidiaries in which it holds a majority interest:



7.6 Cakra's business model

In 2014 the Indonesian Minister of Energy and Mineral Resources introduced new laws which imposed an effective ban on the export of certain raw materials from Indonesia. Following the introduction of that ban, Cakra shifted its focus to constructing processing plants with a view to increasing production and sales. Cakra has also been actively seeking acquisition targets with good fundamental assets that can be quickly developed to production to add value to its existing downstream assets (this being the rationale for Cakra making the Bid).

Therefore, while Cakra does hold mining permits, exploration is not part of its core business and Cakra's mineral assets have only comprised, on average, 7% of its assets over the past 3 financial years.

A brief summary of Cakra's mining activities is set out below to provide a complete picture of Cakra's asset portfolio. However, on the basis of what is set out above, Cakra's Directors do not consider exploration results with respect to Cakra's mineral assets to be material for Cokal Shareholders to make an informed assessment about either Cakra's assets, liabilities, financial position and performance, profit and losses and prospects, or whether to accept the Offer and elect to receive Share Consideration.

7.7 Mining

Cakra holds interests in the following companies which hold mining permits.

Company	Cakra's % Interest	Commodity	Landholding (ha)	Location
PT Persada Indo Tambang (PIT)	88	Iron ore	2,936	South Sumatra
PT Takaras Inti Lestari (Takaras)	55	Zircon	1,365	Central Kalimantan
PT Murui Jaya Perdana (Murui Jaya)	55	Zircon	1,136	Central Kalimantan
PT Tambang Benua Alam Raya ¹	25	Coking coal	18,850	Central Kalimantan
PT Silangkop Nusa Raya ¹	24.8	Coking coal	13,000	West Kalimantan
PT Ketungau Nusa Raya ¹	24.8	Coking coal	4,000	West Kalimantan

¹ Cokal holds the remaining interests in each company.

Cakra's mining operations include two operating mines at Takaras and Murui Jaya that are currently in small-scale production of zircon. Cakra also has under contract but has not yet completed the purchase of 25% of each of PT Anugerah Alam Katingan and PT Anugerah Alam Manuhing. Cokal will hold the remaining interests in the companies post-completion of these acquisitions.

7.8 Processing

Cakra's current operational assets include a purpose-built facility for zircon heavy mineral separation and storage. The separation plant allows zircon heavy mineral concentrate mined and purchased from local sub-contractors and artisanal miners to be trucked to the separation plant, processed and then loaded onto barges and/or trucks to be sent to Banjarmasin port in South Kalimantan for exporting.

Ferro nickel smelting plant

Cakra has entered into a shareholders agreement to form a joint venture with Zhejiang Jinfeng New Energy Technology Co. Ltd through PT. Cakra Baoli Ferronickel, a company in which Cakra holds a 50.1% interest and which was formed for the purposes of entering into an agreement to construct a 37,000 tonne per annum ferronickel smelter in Kolawe in North Sulawesi.

PT. Cakra Baoli Ferronickel has signed an EPC contract with Xinaier New Energy Equipment Company Limited for the construction of the smelter for a total cost of US\$50 million. The contract price includes sea freight costs, insurance and taxes with a minimum initial payment of 25% of the contract price payable as a deposit (which has been paid).

Completion has occurred on land acquisition for the smelter and ground breaking will follow. The construction will take approximately 12 months to complete (with an additional 3 month grace period). No contracts with respect to funding construction have yet been entered into.

Due to price advantage Cakra aims to sell ferronickel to fixed stainless steel plants to meet the high demand for ferronickel in Indonesia.

Pig iron smelter

Cakra has entered into a shareholders agreement to form a joint venture with Extend Harmony Group relating to PT. Cakra Smelter Indonesia, a company in which Cakra holds a 99.9% interest and which was formed for the purposes of entering into an agreement to construct a 150,000 tonne per annual pig iron smelter in Konawe Selatan, Southeast Sulawesi. PT. Cakra Smelter Indonesia has signed an EPC contract with Shanxi SuoEr Technology Company for the construction of that smelter for US\$60 million. The contract price includes sea freight costs, insurance and taxes with a minimum initial payment of 25% of the contract price payable as a deposit (which has been paid).

The construction will take approximately 12 months to complete (with an additional 3 month grace period). No contracts with respect to funding construction have yet been entered into.

7.9 Marketing/Sales

Cakra's trading business is operated through its wholly owned subsidiaries which are parties to several "spot" off-take agreements with buyers primarily located in China and Europe. No long term contracts for the sale of Cakra's products have yet been entered into.

Each spot contract consists of 100-300 metric tons of sales and will earn approximately US\$330,000 in sales over the course of the contract. On average Cakra is currently selling a maximum of 500 metric tons per month.

Cakra sources its raw materials from local sub-contractors and artisanal miners and has several supply contracts with those third parties.

Cakra's trading activities are not currently producing any material net cash flow. However, Cakra, through its subsidiaries, has an established and proven Asian network. Cakra is in the process of sourcing potential customers in Japan and India in order to diversify its customer base and increase profitability.

Sale of former plantation subsidiary

Cakra is a party to a historical contract which is still on foot to sell its plantation subsidiary, PT. Horizon Agro Industry to PT. Rajawali Agro Andalan Nusantara. This agreement was entered into when Cakra changed its core business to mining and there is still an outstanding payment of approximately US\$15,700,000 as at 31 December 2014 owing to Cakra under this contract.

7.10 Board and Senior Management

Under Indonesian company law, an Indonesian company is required to adopt a two board structure comprising a board of directors and a board of commissioners. Members of both the board of directors and the board of commissioners shall be appointed by general meeting of shareholders. The board of directors has managerial or day-to-day operational responsibilities while the board of commissioners has a supervisory function. Notwithstanding these different functions, the two boards have equal status. The purpose of the two board structure is to enhance checks and balances on the company governance.

Boelio Muliadi, Managing Director

Mr Muliadi is an Indonesian citizen who earned his degree in Business Administration and Finance from the University of Washington, Seattle, USA in 1985. He has held several key roles in his career including founding several companies in Indonesia and Singapore in a wide range of industries including food and beverage, transport, agri-business, medical and pharmaceutical, retail trading, property and construction (residential and commercial). Mr Muliadi joined Cakra as President in June 2012 and held that position until December 2012 at which time Mr Muliadi was appointed a director of Cakra.

Alwijaya AW, President Commissioner

Mr Alwijaya is an Indonesian citizen who has founded several companies in a range of different industries including establishing a five-star hotel and a property development company involved in residential, industrial and commercial developments. Mr Alwijaya joined the Company as a Commissioner in June 2012 and was appointed President Commissioner in December 2012.

Yasa Avi Dwipayana, Independent Commissioner

Dr Dwipayana is an Indonesian citizen who earned his degree in Management at Trisakti University in 1989, his Master of Business Administration (MBA) from Adelphi University, Long Island, New York, United States in 1992, and his Doctorate at the University of Indonesia, majoring in Strategic Management in 2009.

Dr Dwipayana has held several key executive management positions in his career including as Member of the Commerce Committee of the Jakarta Stock Exchange, Commissioner of the Surabaya Stock Exchange, Member of the Committee on Commerce Indonesian Central Securities Depository, Commissioner of the Jakarta Stock Exchange, Coordinator TPI (Committee Chairman) of the Association of Indonesian Securities Companies, Advisor to the Association of Indonesian Securities Companies (APEI), Chairman of the Standing Committee of the Capital Market and Financial Institutions - Chamber of Commerce and Industry (Kadin) Indonesia, Chairman of the Standing Committee of the Capital Market and Financial Institutions - Chamber of Commerce and Industry (Kadin) Indonesia, Chairman of the Standing

Committee on Capital Markets - Chamber of Commerce and Industry (Kadin) Indonesia, Advisory Board Member Indonesian Risk Professionals Association.

Dr Dwipayana joined Cakra in June 2012 as an Independent Commissioner and Chairman of the Audit Committee and is also a current director of PT Trimegah Securities Tbk.

Dr Dwipayana is considered by the Cakra Board to be independent as he does not hold any shares in Cakra and is free from any business or other relationship that could materially interfere with, or reasonably be perceived to materially interfere with, the independent exercise of the person's judgement.

Argo Trinandityo, Director

Mr Trinandityo is an Indonesian citizen who earned his law degree from the Faculty of Law of the Catholic University of Parahyangan in 2005. Mr Trinandityo previously worked at Indomobil Group, Bank Ekonomi Raharja, Garudafood Group, and currently holds the position of Director at Redstone (which holds approximately 74% of the shares in Cakra).

Mr Trinandityo joined Cakra in 2012 as Director in charge of Corporate Affairs including Legal, Human Resources and General Affairs.

Dexter Sjarif Putra, Director

Mr Putra is an Indonesian citizen who earned a Bachelor of Science degree in Finance from California State University of Northridge, Northridge, California, majoring in finance in 2010. Mr Putra started his career at PT Trimegah Securities Tbk. in investment banking and joined Cakra in December 2012 as Company Secretary. Mr Putra was appointed a Director of Cakra in March 2014 with his primary areas of expertise being corporate finance, accounting and investor relations.

Johanes Sigfried, Independent Director

Mr Sigfried is an Indonesian citizen who earned his economic degree from Nomensen University, in 1997. Mr Sigfried was appointed as a Director of Cakra in April 2014. Previously Mr Sigfried was in charge of several mineral mining business.

Mr Sigfried is considered by the Cakra Board to be independent as he does not hold any shares in Cakra and is free from any business or other relationship that could materially interfere with, or reasonably be perceived to materially interfere with, the independent exercise of his judgement.

7.11 Remuneration received by Cakra's Directors, Commissioners and their related entities

Cakra's Directors/Commissioners are paid remuneration by Cakra as follows:

	Wages, salaries and/or bonuses (AUD)	Benefits paid in the previous 2 years prior to the date of this Bidder's Statement (AUD)
Boelio Muliadi	100,000	200,000
Alwijaya AW	Nil	Nil
Yasa Avi Dwipayana	Nil	Nil
Argo Trinandityo	75,000	150,000
Dexter Sjarif Putra	75,000	150,000
Johanes Sigfried	Nil	Nil

A Cakra Director/Commissioner may also be paid fees or other amounts as the Directors determine if a Director/Commissioner performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director/Commissioner. A Director/Commissioner may also be reimbursed for reasonable out of pocket expenses incurred as a result of their directorship or any special duties.

7.12 No other Directors/Commissioners Interests

Other than as set out below or elsewhere in this Bidder's Statement, no Director/Commissioner or proposed Director/Commissioner holds at the date of this Bidder's Statement, or held at any time during the last 2 years before the date of lodgement of this Bidder's Statement with ASIC, any interest in:

- (a) the formation or promotion of Cakra; or
- (b) any property acquired or proposed to be acquired by Cakra in connection with its formation or promotion of Cakra or the Offer; or
- (c) the Offer; and
- (d) no amounts have been paid or agreed to be paid by any person and no benefits have been given or agreed to be given by any person:
 - (i) to a Director/Commissioner or proposed Director/Commissioner to induce him or her to become, or to qualify as, a Director/Commissioner; or
 - (ii) for services provided by a Director/Commissioner or proposed Director/Commissioner in connection with the formation or promotion of Cakra or the Offer.

7.13 Disclosure of interests and benefits

Except as disclosed in this Bidder's Statement no Interested Person holds or held at any time during the 2 years before the date of this Bidder's Statement any interest in:

- (a) forming or promoting Cakra;
- (b) property acquired or proposed to be acquired by Cakra in connection with:
 - (i) forming or promoting Cakra; or
 - (ii) the offer of Cakra Shares; or
- (c) the offer of Cakra Shares.

Except as disclosed in this Bidder's Statement no one has paid or agreed to pay fees or given or agreed to give any benefit to:

- (a) a director or proposed director of Cakra to induce that person to become or qualify as a director of Cakra; or
- (b) any Interested Person for services provided by that person in connection with:
 - (i) forming or promoting Cakra; or
 - (ii) the offer of Cakra Shares under the Offer.

7.14 Conflicts of interest

The Cakra Directors and Commissioners do not hold any securities in, or have potential conflicts of interest in relation to, Cokal.

7.15 Barriers to entry

In the opinion of the Cakra Board, there are medium levels of barriers of entry to the industry, with key barriers to entry include the following:

- (a) Establish long term off-take agreements

A key component of Cakra's business model going forward is to secure long term binding off-take agreements for the sale and purchase of products produced at its processing plants. No long term contracts for the sale of Cakra's products have yet been entered into.

- (b) Diversify its customer base

Currently Cakra produces on a small scale and sells its products to buyers located primarily in China and Europe under "spot" off-take agreements. A key component of Cakra's business model going forward is to establish a more diversified customer base in order to increase profitability.

To achieve this Cakra is currently sourcing potential customers in Japan and India through its established and proven Asian network and is in discussions with reputable Chinese industrial users and manufacturers.

- (c) Diversify its commodities beyond iron ore and zircon

Currently Cakra produces iron ore and zircon on a small scale. In order to increase profitability and de-risk its business model, Cakra seeks to diversify the commodities it produces. In 2013, Indonesia was one of the world's largest producers of coal (after China, USA and Australia), thus the rationale for the Offer. Cakra has also entered into agreements to build a ferro nickel smelting plant and a pig iron smelter to further diversify its commodity base.

- (d) Competitive dynamics

Cakra operates in the highly competitive mineral resources industry in Indonesia. While there are levels of demand for mineral resources produced in Indonesia both domestically and internationally, there is also a high level of competition. Cakra's business model has been designed to capitalise on the current ban on exporting certain raw materials. However, this ban also serves to further increase the level of competition due to a falling demand for commodity exports and a corresponding diminishing of performance in the mining sector in Indonesia.

7.16 Cakra's competitive advantage

The Directors of Cakra consider that Cakra has a competitive advantage due to the following:

- (a) Established and proven Asian network

Cakra has an established and proven Asian network. Cakra intends to utilise its relationships with organisations such as Sinarmas, which is part of one of Indonesia's largest conglomerates and Redstone, Cakra's Singapore-based substantial shareholder specialising in mining investments, and the wider investment community in Asia, to finance and develop refineries with the aim of increasing production capacity and sales.

- (b) Management with experience in the Indonesian market

All of Cakra's directors and commissioners have experience in management positions in companies in Indonesia. Many have legal, banking, economics and finance experience and several have been with Cakra for many years.

Many of Cakra's directors and commissioners hold or have held positions on various commerce, capital markets company and securities committees in Indonesia. Please refer to section 7.10 for more details.

- (c) Diversified line of businesses ranging from upstream to downstream activities

Cakra has sought to mitigate any decrease in profitability attributable to the ban on exporting certain raw materials by diversifying its line of businesses across both upstream and downstream activities. Cakra's focus is now on building processing plants to increase production and profitability. To that end, Cakra has entered into agreements to build a ferro nickel smelting plant

and a pig iron smelter and is in discussions with various parties to establish long term, binding off-take agreements upon completion of the processing plants.

- (d) Its ability to open up new growth opportunities

In response to the ban on exporting certain raw materials out of Indonesia, Cakra remodelled its business model to focus on downstream activities. It began to implement this business model by acquiring various businesses in 2014 and establishing joint ventures to build the ferro nickel and pig iron smelters. Cakra has seen this business model gain momentum and seeks to build on this momentum by acquiring Cokal.

7.17 Historical Financial Performance Information of Cakra

Cakra prepares its financial statements in accordance with Indonesian Financial Accounting Standards (**PSAK**). After several major convergence processes in recent years, there is now substantial alignment between PSAK and International Financial Reporting Standards (**IFRS**) in Indonesia. Whilst there are still some differences between PSAK and IFRS, these exceptions are not entirely relevant to Cakra nor considered significant in the context of Cakra's financial information.

Similarly, there are no key differences between Australian Accounting Standards (**AIFRS**) and Indonesia with both countries closely modelling their accounting standards on IFRS.

Since Cokal prepares its financial statements in accordance with AIFRS, in order to provide a consistent basis of comparison, Cakra has had its historical financial information converted to comply with AIFRS for inclusion in this Bidder's Statement. That converted historical financial information is set out below and relates to Cakra on a stand-alone basis i.e. they do not reflect any impact of the Offer.

The Statement of Financial Position of the Cakra Group set out below has been extracted from the audited financial statements of the Cakra Group for the financial years ended 2012, 2013 and 2014; being the last three audited financial statements prior to the date of this Bidder's Statement.

Note that past performance is no indicator of future performance.

Statement of Financial Position

Historical Consolidated Statements of Financial Position	31 December 2014	31 December 2013	31 December 2012
	USD\$	USD\$	USD\$
CURRENT ASSETS			
Cash and cash equivalents	138,806	717,168	9,543
Trade and other receivables	18,451,845	48,006,713	61,718,663
Other current assets	2,546,659	3,675,233	1,521,673
TOTAL CURRENT ASSETS	21,137,310	52,399,114	63,249,879
NON-CURRENT ASSETS			
Project advances	28,584,497	-	-
Investments in associates	8,541,027	-	-
Deferred tax assets	34,133	34,725	35,740
Plant and equipment	1,417,565	570,057	1,023,996
Exploration and evaluation assets	16,437,869	337,130	1,649,566
Goodwill	7,208,026	44,484,506	-
Restricted Deposits	-	-	60,234,384
Other non-current assets	16,682	172,146	20,806
TOTAL NON-CURRENT ASSETS	62,239,799	45,598,564	62,964,492
TOTAL ASSETS	83,377,109	97,997,678	126,214,371
CURRENT LIABILITIES			
Trade and other payables	767,057	54,838	810,720
Income tax payable	308,959	206,038	230,796
Loans and leases	31,507	7,232	-
Other current liabilities	143,209	410,872	933,306
TOTAL CURRENT LIABILITIES	1,250,732	678,980	1,974,822
NON-CURRENT LIABILITIES			
Loans and leases	30,364	11,451	-
Other non-current liabilities	64,086	36,316	2,228,437
TOTAL NON-CURRENT LIABILITIES	94,450	47,767	2,228,437
TOTAL LIABILITIES	1,345,182	726,747	4,203,259
NET ASSETS	82,031,927	97,270,931	122,011,112
EQUITY			
Issued capital	133,876,682	133,876,682	132,593,813
Reserves	(34,278,221)	(33,418,554)	(7,351,922)
Retained earnings/ (Accumulated losses)	(26,109,347)	(3,449,414)	(3,451,435)
Non-controlling interest	8,542,813	262,217	220,656
TOTAL EQUITY	82,031,927	97,270,931	122,011,112

The historical Statements of Comprehensive Income of the Cakra Group set out below have been extracted from the audited financial statements of the Cakra Group for the financial years ended 2012, 2013 and 2014, being the last three audited financial statements prior to the date of this Bidder's Statement.

Statement of Comprehensive Income

Historical Consolidated Statements of Comprehensive Income	31 December 2014	31 December 2013	31 December 2012
	USD\$	USD\$	USD\$
Sales	2,584,687	4,447,794	2,628,698
Cost of goods sold	(3,247,670)	(3,027,211)	(1,938,471)
Gross profit/ (loss)	(662,983)	1,420,583	690,227
EXPENSES			
Sales expenses	(120,268)	(361,068)	(210,527)
Administration expenses	(2,118,060)	(883,118)	(1,129,494)
Loss on idle capacity	(312,198)	(140,241)	(385,134)
Other expenses	(295,788)	5,236	555,450
	(2,846,314)	(1,379,191)	(1,169,705)
OTHER			
Gain on bargain purchase	18,358,055	-	-
Impairment losses – Mining properties	(347,362)	-	-
Impairment losses - Goodwill	(38,278,774)	-	-
	(20,268,081)	-	-
FINANCE INCOME & EXPENSE			
Finance income	9,889	26,439	17,934
Finance expense	(30,054)	(1,427)	(1,185)
	(20,165)	25,012	16,749
PROFIT/ (LOSS) BEFORE INCOME TAX	(23,797,543)	66,404	(462,729)
Income tax (expense)/ benefit	-	(41,610)	38,484
PROFIT/ (LOSS) AFTER INCOME TAX	(23,797,543)	24,794	(424,245)
Other comprehensive income	(1,205,894)	(26,122,016)	(7,364,722)
TOTAL COMPREHENSIVE INCOME	(25,003,437)	(26,097,222)	(7,788,967)
PROFIT/ (LOSS) AFTER INCOME TAX ATTRIBUTABLE TO:			
Parent entity	(22,659,933)	2,021	(380,368)
Non-controlling interest	(1,137,610)	22,773	(43,877)
	(23,797,543)	24,794	(424,245)
TOTAL COMPREHENSIVE INCOME TAX ATTRIBUTABLE TO:			
Parent entity	(23,519,600)	(26,064,611)	(7,732,290)
Non-controlling interest	(1,483,837)	(32,611)	(56,677)
	(25,003,437)	(26,097,222)	(7,788,967)

Please refer to the Independent Accountant's Report in Schedule 2 for further information.

8 INFORMATION ABOUT CAKRA SECURITIES

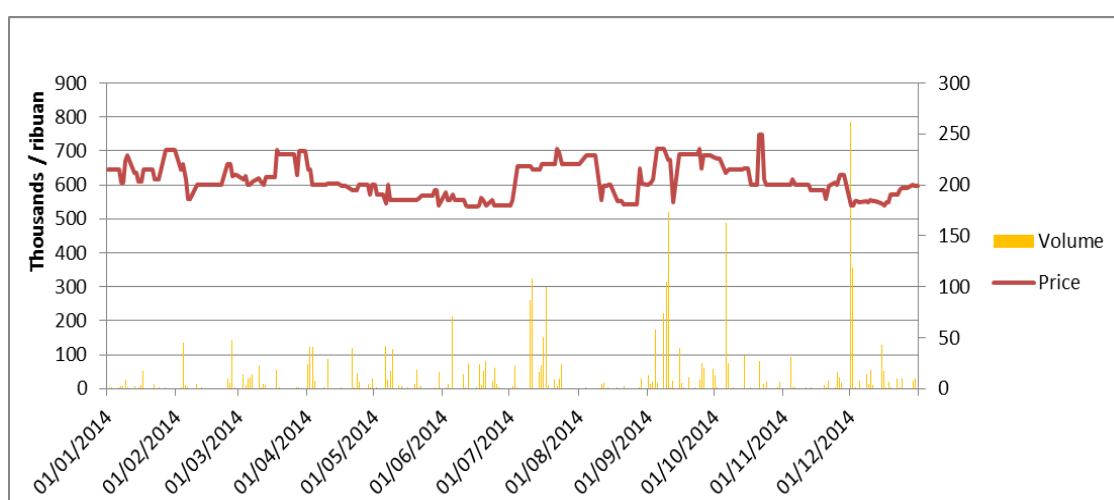
8.1 Cakra issued securities

As at the date of this Bidder's Statement Cakra has 5,106,021,090 shares on issue. Cakra does not currently have any options or convertible securities on issue.

8.2 Recent performance of Cakra Shares

The IDX is the result of the merger between the Surabaya Stock Exchange and the Jakarta Stock Exchange and is the primary equity market in Indonesia.

Trading of Cakra Shares on the IDX in the previous financial year



Liquidity of Cakra Shares on the IDX

The rate at which shares are traded is generally referred to as the 'liquidity' of the shares. Changes in liquidity may impact the trading price of shares, particularly depending on the number of shares required to be bought and/or sold and the time period over which the shareholder needs to buy and/or sell those shares. Depending on the circumstances, a movement in market price may or may not represent a shift in value of either the share or a shift in value of the company to which the shares relate as a whole.

The table below summarises the monthly liquidity of Cakra Shares from May 2014 to April 2015. Liquidity has been summarised by considering the following:

- volume of Cakra Share trades per month;
- value of total trades in Cakra Shares per month;
- volume weighted average price per month; and
- number of Cakra Shares traded per month as a percentage of total Cakra Shares outstanding at the end of the month.

Month	Volume	Turnover	Shares Outstanding	Volume per Shares Outstanding	Monthly VWAP(a)
April 2015	23,817,000	400,630	5,106,021,090	0.47%	\$0.0168
March 2015	9,199,300	140,410	5,106,021,090	0.18%	\$0.0153
February 2015	4,588,100	70,720	5,106,021,090	0.09%	\$0.0154
January 2015	868,900	17,050	5,106,021,090	0.02%	\$0.0196
December 2014	1,613,800	28,230	5,106,021,090	0.03%	\$0.0175
November 2014	236,200	4,540	5,106,021,090	0.00%	\$0.0192
October 2014	842,100	17,110	5,106,021,093	0.02%	\$0.0203
September 2014	1,750,600	36,460	5,106,021,093	0.03%	\$0.0208
August 2014	72,700	1,300	5,106,021,093	0.00%	\$0.0179
July 2014	1,371,700	27,240	5,106,021,093	0.03%	\$0.0199
June 2014	671,100	11,070	5,106,021,093	0.01%	\$0.0165
May 2014	466,900	8,000	5,106,021,093	0.01%	\$0.0171
Total	45,498,400	762,760	5,106,021,093	0.89%(b)	\$0.0168

Source: Capital IQ

(a) Calculated as turnover divided by volume

(b) Weighted average number of shares outstanding over the period analysed

8.3 Rights attaching to Cakra Shares

Cakra currently has class A and class B shares on issue.

The Cakra Shares to be issued under the Offer are class A Shares and will be issued fully paid and will rank equally for dividends and other rights with existing Cakra Shares.

A summary of Indonesian law, including the rights attaching to Cakra Shares is set out in Schedule 1. The rights attaching to class B shares are the same as class A shares.

8.4 Dividend policy

Subject to applicable laws and regulatory requirements (including generating sufficient profit) Cakra plans to pay a cash dividend to all Cakra Shareholders every year to be calculated as follows:

Profit After Tax	Percentage Cash Dividend Against Net Profit After Tax
Up to IDR 50,000,000,000	5-10%
Over IDR 50,000,000,000	11-15%

The above is a statement of intention as at the date of this Bidder's Statement. Cakra is yet to make a profit, and there is no guarantee that it will.

9 INFORMATION ON COKAL AND COKAL SHARES

9.1 Disclaimer

The information in this section concerning Cokal has been prepared by Cakra using primarily publicly available information and has been reviewed and consented to by Cokal. Accordingly Cakra does not make any representation or warranty, express or implied, as to the accuracy or completeness of this information, other than as required by the Corporations Act.

The information on Cokal should not be considered comprehensive. Further information relating to Cokal may be included in Cokal's Target Statement which will be sent to you by Cokal.

9.2 Overview of Cokal

Cokal is an Australian ASX 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.

Cokal holds the following interests in the following projects:

Tenement Name	Location	% Ownership
PT Bumi Barito Mineral (BBM)	Kalimantan, Indonesia	60%
PT Anugerah Alam Katingan (AAK)	Kalimantan, Indonesia	75%
PT Anugerah Alam Manuhing (AAM)	Kalimantan, Indonesia	75%
PT Borneo Bara Prima (BBP)	Kalimantan, Indonesia	60%
PT Silangkop Nusa Raya (SNR)	Kalimantan, Indonesia	75.2%*
PT Tambang Benua Alam Raya (Tambang)	Kalimantan, Indonesia	75%**
PL6281	Tanzania	50%

* Cakra holds the other 24.8% of this asset.

** Cakra holds the other 25% of this asset. Cokal is currently in the process of completing the purchase of this interest.

9.3 BBM Project

Cokal's BBM Project's Production IUP covers an area of 14,980 hectares (ha), immediately adjacent to BHP Billiton's Juloi tenement. The tenement covers ground

which has been zoned as Production Forest. Production Forest zones are areas that have been designated by the Central Government of Indonesia to allow for forestry and mining activities by local and international companies.

The IUP straddles the Barito River and has numerous outcrops of bright coal. Coal core samples analysis confirmed the BBM Project's coal to be a premium coking coal with low ash, low sulphur and ultra-low Phosphorus, as well as Crucible Swell Numbers (CSN) values of generally 9.

Total Coal Resource estimate of 266.6 Mt at the BBM Project, comprised of 19.5 Mt Measured, 23.1Mt Indicated and 224Mt Inferred Resources reported in accordance with the 2012 JORC Code. Product split for the total Coal Resource at Cokal's BBM Project is estimated to be 90% Coking Coal and 10% PCI. See summary table at section 9.5.

The Coal Resource at Cokal's BBM Project includes Resources which have the potential to be economically extracted using both open pit and underground mining methods.

The area covered by the current Coal Resource estimate is 30% of the total area of the Production IUP tenement license at Cokal's BBM Project.

Port facilities at the BBM Project have received both Construction and Operation Approval. The Indonesian Department of Transport has issued the port permit - the Izin Konstruksi dan Operasi Terminal Khusus. The port facilities are located in, and on land adjacent to the Barito River, in Murung Raya Regency, Central Kalimantan.

The Construction and Operation Approval for the port is for an initial 15 year period comprising a five year construction window and a ten year operational period. Cokal expects that the BBM Project will require a 12 month construction period, leaving a 14 year operational period under the Construction and Operation Approval. The approval also provides for the BBM Project to obtain future extensions to the operational period to support activities beyond the initial 15 year period.

The port location approval is for an area of approximately 150ha and includes the 37 ha port area currently being approved in the Forestry Permit process. The area approved for the port includes the land necessary for the initial 2 Mtpa capacity scenario as identified in the BBM Project Definitive Feasibility Study, in addition to the area necessary for the expansion up to the 6 Mtpa capacity scenario. It is estimated that there will be an access of approximately 110 ha in the approved port area which will allow for future design optimisation and expansion opportunities beyond the 6 Mtpa capacity scenario.

Cokal has also received the Borrow and Use of Forest Area Permit IPPKH (Ijin Pinjam Pakai Kawasan Hutan) for an initial operational area of 1,242 ha in BBM (Bumi Barito Mineral) Coal Project.

The IPPKH (Forestry Permit) allows for the construction and operation of the port, haul road and initial mine development areas for Cokal's initial mine plan of 2 Mtpa of premium coking coal from BBM

The issuance of the Forestry Permit now concludes the final approval process necessary to allow the Company to start construction and mining. In addition to the forestry permit, Cokal has an approved mining license and full environmental approval for up to 6Mtpa of coal extraction.

An Initial area of approximately 1,242 ha has been approved by the Forestry Department covering the operation of the port, haul road and the initial mine site. In accordance with standard Mining Department practice, the initial operational area is reviewed by the Department and extended as required to meet the planned mine development.

9.4 Cokal's other projects

Exploration is currently on hold with respect to Cokal's other projects as all drilling and exploration resources have been deployed to the BBM Project to assist in the delineation of the coal seam in the Kalimantan area.

9.5 Cokal Resource Summary tables

The Total Coal Resource estimate was announced on 29 January 2015, titled "Cokal announces updated JORC Resource Statement for Bumi Barito Mineral (BBM) Project" and can be found at www.asx.com.au.

Cokal 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.

Table-1: BBM Project Coal Resource by JORC Category

Seam Name	Seam Thickness (m)	Measured Resources (Mt)	Indicated Resources (Mt)	Inferred Resources (Mt)	Total Resources (Mt)
J	1.33	10.50	13.5	31	55.00
D	1.34	3.53	3.5	70	77.03
C	1.23	2.62	3.1	66	71.72
B	1.10	2.85	3.0	57	62.85
Total		19.50	23.1	224	266.6

The information in the table 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. 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 information in this Bidder’s Statement 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. 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”.

Cokal confirms that the form and context in which the Competent Person’s findings are presented have not been materially modified.

9.6 Directors

As at the date of this Bidder’s Statement, the directors of Cokal are:

- Mr Peter Lynch, chairman and CEO;
- Mr Patrick Hanna, Executive Director;
- Mr Domenic Martino, Non Executive Director; and
- Retired General Agus Widjojo, Non Executive Director.

9.7 Publicly available information

Cokal is a company listed on ASX and is subject to the periodic and continuous disclosure requirements of the Corporations Act and ASX Listing Rules. For information concerning the financial position and affairs of Cokal, you should refer to the information that has been disclosed by Cokal in accordance with these obligations.

Since 30 June 2014 (being the end of the last financial period for which audited financial statements of Cokal were prepared), Cokal has made the following public announcements and media releases which Cakra considers may be material to the financial position of Cokal:

Date	Announcement
14/08/2015	Update - Cakra Part A
13/08/2015	Cokal receives Full Forestry Approval for BBM
14/07/2015	Update-Cakra Takeover Bid
30/06/2015	Cakra Granted Extension to Send Bidders Statement

Date	Announcement
01/06/2015	CKRA receives Underwriting Agreement from Sinarmas Sekuritas
01/06/2015	Cokal, Private Placement to Cedrus Investments Ltd
01/05/2015	Quarterly Activities Report
01/05/2015	Quarterly Cashflow Report
29/04/2015	CKRA and Cokal enter into Bid Implementation Agreement
02/04/2015	Cokal Unsolicited Takeover Proposal Update
11/03/2015	Half Yearly Report
03/03/2015	Cokal receives unsolicited takeover proposal
24/02/2015	Issue of PT BBM Port Construction & Operation Approval
09/02/2015	Cokal Strengthens Funding Package for BBM
30/01/2015	Quarterly Activities Report
30/01/2015	Quarterly Cashflow Report
29/01/2015	Updated JORC Resource Statement for BBM Project
03/11/2015	Quarterly Activities Report
03/11/2015	Quarterly Cashflow Report
17/10/2014	Indonesian Coking Coal Exempt From 3% Chinese Import Tax
08/10/2014	Update on BBM Project
25/09/2015	Annual Report to Shareholders
11/08/2014	BBM on schedule with further funding
31/07/2014	Quarterly Cashflow Report
14/07/2014	Change in Functional Currency for Financial Reporting
02/07/2014	Forestry Approval Confirms BBM Mine, Haul Road, Port areas

A copy of each of these announcements can be obtained from ASX. In addition copies of other major announcements by Cokal can be obtained from Cokal's website www.cokal.com.au.

9.8 Capital Structure of Cokal

According to documents lodged by Cokal with ASX as at the date this Bidder's Statement is lodged with ASIC, the total number of securities in Cokal is as follows:

- (a) 499,342,704 Cokal Shares; and
- (b) 67,200,000 Options.

9.9 Cokal Options

According to documents provided by Cokal to ASX, the following options over unissued shares have been issued by Cokal to employees and directors of Cokal and its subsidiaries and third parties as approved by the Cokal Board.

Number of Options	Expiry Date	Exercise Price \$	Agreed Option Value Cents Per Share**	Total Value \$
10,000,000	24/02/2019*	0.126	0.091853	918,530
25,000,000	06/02/2019*	0.13	0.090205	2,255,125
15,000,000	27/08/2018	0.20	Nil agreed to surrender	---
900,000	12/04/2015	0.75	Nil expired	---
50,000	29/06/2015	1.00	Nil	----
5,000,000	05/09/2015	3,000,000 @1.10	Nil	----
		2,000,000 @1.50	Nil	----
350,000	12/10/2016	0.75	0.002758	965
1,600,000	12/04/2015	0.20	Nil expired	-----
4,000,000	11/07/2017	0.214	0.048983	195,932
6,800,000	11/07/2017	0.25	0.041952	285,274

* Expiry date is subject to a prescribed event.

** Under the Bid Implementation Agreement, Cakra agreed to offer to acquire the Cokal Options for these agreed values calculated using the Black-Scholes option pricing model, which takes into account factors such as the option exercise price, the market price at the date of issue and volatility of the underlying share price and the time to maturity of the option.

When exercisable, each Cokal Option is convertible into one ordinary Cokal Share within fourteen days after the receipt of a properly executed notice of exercise and application monies. Cokal will issue to the option holder, the number of shares specified in that notice.

Cakra will make private offers to holders of Cokal Options to acquire or cancel the Cokal Options for the agreed amounts in accordance with the Bid Implementation Agreement (as set out in the table above), subject to the Offer becoming or being declared unconditional.

In addition, if Cakra and its associates have relevant interests in at least 90% of the Cokal Shares during, or at the end of the Offer Period, Cokal will give a notice of compulsory acquisition to all outstanding Cokal Shareholders and holders of Cokal Options, even if the Cokal Shares to which those notices relate are issued:

- (a) after the Offer closes but before the notices are given (pursuant to Section 661A(4)(b) of the Corporations Act); or
- (b) on exercise of Cokal Options, up to 6 weeks after the notices are given (pursuant to Section 661A(4)(c) of the Corporations Act).

9.10 Cakra Relevant Interest in Cokal securities

Cakra currently does not have a Relevant Interest in any securities issued by Cokal.

9.11 Cakra's voting power in Cokal

Cakra holds no Cokal Shares and therefore has no voting power in Cokal as at the date of this Bidder's Statement and as at the date the first Offer is sent.

9.12 Acquisition by Cakra of Cokal Shares during previous 4 months

During the period beginning 4 months before the date of this Bid, neither Cakra nor any associate has provided, or agreed to provide, Consideration for a Cokal Share.

9.13 Inducing benefits given by Cakra during previous 4 months

Except as set out in this Bidder's Statement, during the period beginning 4 months before the date of this Bid, neither Cakra nor any associate of Cakra, gave, or offered to give or agreed to give a benefit to another person that is not available under the Offer and was likely to induce the other person, or an associate of the other person, to:

- (a) accept an Offer; or
- (b) dispose of Cokal Shares.

10 CAKRA'S INTENTIONS

10.1 Overview

In formulating the Offer, Cakra has considered and evaluated Cokal's assets, based on the information which was in the public domain and available to it, information which were provided to Cakra by Cokal pursuant to due diligence requests and the general business environment.

Set out in this section 10 are Cakra's intentions for Cokal. These intentions are based on the information concerning Cokal which is known to Cakra and the existing circumstances affecting the business of Cokal, at the date of this Bidder's Statement. The statements set out in this section 10 are statements of current intention only and may vary as new information becomes available or circumstances change.

The Offer is conditional upon Cakra acquiring at least 90% of all the Cokal Shares. Under Indonesian law, Cakra is required to state the use of funds in applying to OKJ for approval to undertake the Rights Issue. Cakra has stated that the purpose of the Rights Issue is to acquire at least 90% of Cokal, and it will only be able to vary this use of funds with OKJ's approval.

10.2 Compulsory acquisition

(a) Compulsory Acquisition of Cokal Shares

If, as a result of the Offer, Cakra becomes entitled to compulsorily acquire outstanding Cokal Shares under Part 6A.1 of the Corporations Act, Cakra presently intends to proceed with compulsory acquisition of those Cokal Shares and any fully paid ordinary shares in Cokal which come into existence within the period of 6 weeks after Cakra gives the compulsory acquisition notice (referred to in section 661B(1) of the Corporations Act) due to the conversion of, or exercise of, Cokal Options. Cakra then intends to procure that Cokal is removed from the official list of ASX.

If, as a result of the Offer, Cakra becomes entitled to compulsorily acquire any fully paid ordinary shares in Cokal which come into existence after the period of 6 weeks after Cakra gives the compulsory acquisition notice due to the conversion of, or exercise of, Cokal Options under Part 6A.2 of the Corporations Act, Cakra presently intends to proceed with the compulsory acquisition of those Cokal Shares.

(b) Compulsory Acquisition of Cokal Options

If, as a result of the Offer, Cakra becomes entitled to compulsorily acquire outstanding Cokal Options under Part 6A.2 of the Corporations Act, Cakra presently intends to proceed with the compulsory acquisition of those Cokal Options.

10.3 Intentions for Cokal as a wholly owned subsidiary

In the event that Cakra is successful in attaining a level of acceptance equal to or greater than 90%, then Cakra will invoke its compulsory acquisition rights and acquire 100% of Cokal and proceed to delist Cokal from the ASX.

The Cokal business will be integrated with that of Cakra and will no longer exist in its own right. This will be the catalyst for a review of the relative prospectivity of assets within the expanded asset portfolio of Cakra; the intent of which will be to determine the company's ideal development timeline. This may incorporate a rationalisation of non-core assets, re-prioritising the development of certain assets and redeployment of the fixed assets of Cokal. However, currently Cakra sees the BMM Project as a high quality well advanced project capable of being developed quickly. It is therefore Cakra's intention to develop the BMM Project as a high priority project. It is also a priority for Cakra to pay down Cokal's existing loans (particularly the loan from Northrock Financial LLC) subject to available cash, to increase its flexibility in developing and getting BBM into operation.

All employees of Cokal, excluding directors and the company secretary, will be retained and redeployed to support the expanded Cakra team as is most appropriate. It is considered that the skill sets of the existing Cokal employees and that of the present Cakra employees are complimentary in many respects and that therefore, Cakra anticipates having no difficulties integrating the two work forces.

Conditional upon Cakra declaring the Offer to be free from all Offer Conditions and Cakra having a Relevant Interest in at least 90% of the share capital of Cokal, both Cakra and Cokal will jointly decide and appoint the directors and commissioners of Cakra.

10.4 Intentions for Cokal if it is controlled by Cakra

As noted above, Cakra may only waive the condition that it acquires 90% of Cokal with OJK approval. If that approval is given and following the close of the Offer, Cokal becomes a controlled entity, but not a wholly owned subsidiary of Cakra, Cakra may waive the minimum acceptance condition under the Bid Implementation Agreement. In this case it intends to begin to rationalise the assets of the two companies. Cakra will apply its management experience in accelerating the development of Cokal's coal assets, and investigate a range of other similar measures to unlock the synergies that exist between the two highly complementary asset portfolios.

Cakra may seek, subject to the Corporations Act and the constitution of Cokal, to nominate and appoint additional directors to the Cokal Board such that the majority of the Cokal Board will consist of directors nominated by Cakra. Through the Cokal Board, Cakra intends to, to the extent possible, implement the intentions detailed in section 10.3 where they are consistent with Cokal being a controlled entity of (but not wholly owned by) Cakra and are considered to be in the best interests of Cokal Shareholders as a whole, including the rights of minority shareholders.

Subject to ASX Listing Rules, Cakra will seek to have Cokal de-listed. In any event, Cokal Shareholders should be aware that if Cokal were to become a controlled entity of Cakra, the liquidity of Cokal Shares may be materially decreased.

It is possible that, even if Cakra is not entitled to proceed to compulsory acquisition of minority holdings after the end of the Offer Period under Part 6A.1 of the Corporations Act, it may subsequently become entitled to exercise rights of general compulsory acquisition under Part 6D.2 of the Corporations Act (for example, as a result of acquisitions of Cokal Shares in reliance on the '3% creep' exception in item 9 of Section 611 of the Corporations Act). If so, it intends to exercise those rights.

The extent to which Cakra will be able to implement these intentions will be subject to:

- (a) the law and the ASX Listing Rules, in particular in relation to related party transactions and conflicts of interests;
- (b) the legal obligation of the directors of Cokal to act for proper purposes and in the best interests of Cokal Shareholders as a whole; and
- (c) the level of control that Cakra will eventually be able to exert over the operations and strategy of Cokal.

10.5 Other intentions

Subject to the above it is the present intention of Cakra, on the basis of the information concerning Cokal which is known to it and the existing circumstances affecting the business of Cokal as at the date of this Bidder's Statement, that:

- (a) the business of Cokal will otherwise be continued in substantially the same manner as it is presently being conducted;
- (b) no other major changes will be made to the business of Cokal;
- (c) there will not be any other redeployment of the fixed assets of Cokal; and
- (d) the present employees of Cokal will otherwise continue to be employed by Cokal.

11 SOURCES OF CONSIDERATION AND RIGHTS ISSUE

11.1 Rights Issue

Cakra intends to fund the Cash Consideration via a rights issue of 5,106,021,090 Cakra Shares at a price of up to IDR 300 per Cakra Share to raise approximately IDR1,500 billion or US\$111 million based on the Exchange Rate (**Rights Issue**). The Rights Issue will be conducted pursuant to Indonesian law. Cakra's existing cash reserves will not be used to fund the Cash Consideration.

Under Indonesian law the Rights Issue requires registration by the Financial Services Authority in Indonesia (**OJK**) and approval by Cakra's existing shareholders. The extraordinary general meeting to approve the Rights Issue (**EGM**) will be scheduled promptly after the OJK approves the Rights Issue and Cakra Shareholders will be given 21 days' notice of the EGM. If Cakra Shareholders approve the Rights Issue, the OJK registration is declared effective and the Rights Issue may proceed to completion.

Sinarmas or its nominee, as a stand by buyer has agreed to purchase any Cakra Shares not subscribed for in the Rights Issue (**Standby Buyer**). Standby purchasers are required in Indonesia if the proceeds of a rights issue will be used to finance defined projects or acquisitions. The terms of the Standby Agreement between Cakra and the Standby Buyer are set out in section 11.2.

The Standby Buyer is a subsidiary of PT Sinar Mas Multiartha, the investment holdings company for Sinar Mas Group, one of the largest conglomerates in Indonesia. The Standby Buyer is a leader in financial services that includes fund management, investment research, stock brokering, bonds and other derivative products to retail, corporate, and institutional customers.

Redstone, which holds approximately 74% of the shares in Cakra, is a party to the Standby Agreement under which it indicates its intention to approve the Rights Issue at the upcoming Shareholder meeting. Redstone has also agreed with Cakra in the first instance not to participate under the Rights Issue to facilitate the Standby Buyer or its nominee taking up Cakra Shares to ensure there is enough Cakra Shares to be transferred to Cokal Shareholders as Share Consideration under the intermediary arrangement set out in more details at section 11.3 below.

The standby agreement is in customary form and normal terms for transactions of this size and type in Indonesia. The material terms are summarised in section 11.2 below.

In Indonesia standby purchasers are required to provide OJK with evidence of funds sufficiency in an amount equal to the total value of the new shares to be issued, with certain exceptions (such as any new shares for which a substantial shareholder has irrevocably undertaken to subscribe).

Evidence of funds sufficiency satisfactory to OJK, such as a balance sheet extract, must be given directly by each entity acting as a standby purchaser, without regard

to that entity's affiliates or to any sub-standby purchase arrangements in place, and such evidence must be included in the rights issue prospectus.

11.2 Standby Agreement

The material terms and conditions of the Standby Agreement are as follows:

- (a) the Standby Buyer guarantees that it has the ability and intention to buy the Cakra Shares that form the shortfall under the Rights Issue;
- (b) the Cakra Shares to be issued to the Standby Buyer will be at an issue price of up to IDR 300 per new Cakra Share;
- (c) the Standby Buyer's obligations under the Standby Agreement are conditional upon:
 - (i) Cakra Shareholders approving the Rights Issue;
 - (ii) an effective registration statement being obtained from OJK;
 - (iii) any variation agreement required due to the renegotiation of the issue price between the parties being entered into; and
 - (iv) all statements and guarantees provided by Cakra under Article 8 of the Standby Agreement being true as at the last date by which the Standby Buyer must purchase the shortfall Cakra Shares.
- (d) Cakra's obligations under the Standby Agreement are conditional on:
 - (i) Cakra Shareholders approving the Rights Issue;
 - (ii) an effective registration statement being obtained from OJK;
 - (iii) any variation agreement required due to the renegotiation of the issue price between the parties being entered into;
 - (iv) Cakra having received payment for all Cakra Shares subscribed for under the Rights Issue from all Cakra Shareholders who chose to participate; and
 - (v) all representations and warranties given by the Standby Buyer in Article 9 of the Standby Agreement being true as at the date the last Cakra Shareholder subscribes under the Rights Issue.

If any of the above conditions are not satisfied, the Standby Agreement will terminate.

11.3 Intermediary arrangement

Scrip for scrip transactions have rarely been undertaken under Indonesian law except by State-owned organisations and are rarely approved by the OJK. Therefore, to have the best chance of receiving OJK approval and in order to facilitate the bid, Cakra has proposed that subject to approval by the OJK an "intermediary" arrangement be implemented under the Rights Issue. That arrangement can be summarised as follows:

- (a) Cakra will incorporate a wholly owned subsidiary or acquire the Cokal Shares directly.
- (b) Any shortfall under the Rights Issue will be issued to the Standby Buyer which will pay up to approximately IDR1,500 billion (US\$111 million based on the Exchange Rate) to Cakra.
- (c) Cokal Shareholders accepting the Offer will transfer their Cokal Shares to a nominee (acting as nominee/trustee) for Cakra (**Nominee**).
- (d) The Standby Buyer will transfer Rights Issue shortfall Cakra Shares to the Nominee which will transfer Rights Issue shortfall Cakra Shares to Cokal Shareholders accepting the Share Consideration on the basis of 10.327 Cakra Shares for every Cokal Share transferred.
- (e) Cakra will pay the Cash Consideration to the Nominee which will pay it directly to Cokal Shareholders that accept the Bid and elect to receive the Cash Consideration.
- (f) The Cokal Shares held by the Nominee will then be acquired by Cakra or its wholly owned subsidiary in consideration for which Cakra will pay the Nominee a fixed amount to be agreed between the parties.

The end result will be that the Cokal Shares will be held by Cakra or a wholly owned subsidiary of Cakra. If there are any Rights Issues Shares remaining with the Standby Buyer following the Bid, the Standby Buyer may (at its election) keep those Cakra Shares, sell them to Cakra's existing Shareholders or sell them to third parties. Section 11.4 sets out Cakra's capital structure based upon various scenarios depending upon the number of Cokal Shareholders who elect to be issued Share Consideration and in the event the Standby Buyer sells any remaining shortfall Cokal Shares issued to it under the Standby Agreement to existing Cakra Shareholders.

As set out above, the above arrangement is subject to approval by the OJK. The OJK may not approve the above arrangement and may propose an alternative. In this case, Cakra will make supplementary disclosure.

11.4 Merged Entity's capital structure following the Offer

Based on:

- (a) 30% of Cokal Shareholders accepting the Cash Consideration and 70% of Cokal Shareholders accepting the Share Consideration (Scenario 1); and
- (b) 50% of Cokal Shareholders accepting the Cash Consideration and 50% of Cokal Shareholders accepting and Share Consideration (Scenario 2),

upon completion of the Bid the Merged Entity will have the following capital structure:

- (c) if the Standby Buyer keeps the remaining shortfall Cokal Shares issued to it under the Standby Agreement:

	Scenario 1		Scenario 2	
Shareholder	No. of Cakra Shares held	% Holding	No. of Cakra Shares held	% Holdings
Redstone	3,790,349,149	37	3,790,349,149	37
Standby Buyer	1,496,322,620	15	2,527,665,041	25
Credit Suisse Singapore Trust	850,151,390	8	850,151,390	8
Public	465,520,554	5	465,520,554	5
Cokal Shareholders	3,609,698,473	35	2,578,356,052	25
Total	10,212,052,186	100	10,212,042,186	100

- (d) if the Standby Buyer sells the remaining shortfall Cokal Shares issued to it under the Standby Agreement, and those Cokal Shares are acquired by Redstone, Credit Suisse Singapore Trust and existing other Cakra Shareholders proportionate to their current holdings in Cakra:

	Scenario 1		Scenario 2	
Shareholder	No. of Cakra Shares held	% Holding	No. of Cakra Shares held	% Holdings
Redstone	4,901,113,297	48	5,666,709,012	55
Credit Suisse Singapore Trust	1,099,288,777	11	1,271,007,064	12
Public	601,941,639	6	695,970,058	7
Cokal Shareholders	3,609,698,473	35	2,578,356,052	25
Total	10,212,042,186	100	10,212,042,186	100

Satisfaction of Rights Issue requirements including securing a standby agreement (which has occurred) and obtaining Cakra Shareholder approval and Indonesian regulatory approvals is a condition to the Bid (i.e. an Offer Condition). Non fulfilment of any of the Offer Conditions at the end of the Offer Period will have the consequences set out in section 17.20.

11.5 Cash Consideration payable under the Bid

Please see below the maximum amount of Cash Consideration payable based on the expected level of acceptance of the Cash Consideration.

Percentage of Cokal Shareholders accepting the Cash Consideration	Cash Consideration Payable
30%	US\$17.7M
50%	US\$29.5M

11.6 Surplus funds

Cakra intends to use surplus funds raised under the Rights Issue and remaining following completion of the Bid for working capital to be put towards developing Cokal's and Cakra's assets and to pay down Cokal's existing loans.

12 RATIONALE FOR THE BID

Cakra believes that the proposed acquisition of Cokal will deliver strategic and financial advantages to shareholders of both companies. Those advantages include:

- (a) **Management Expertise** - Cakra's management team has a demonstrated track record of successfully and cost effectively developing and operating mineral assets in Indonesia. Utilising this expertise, it is possible to fast-track the development of assets within the Cokal asset portfolio, in particular, by bringing Cokal's BBM Project into production. Cokal's human resources are capable of running Cokal operations and thus when combined with Cakra this will significantly strengthen both organisations' operations and corporate human resources. The experience of the Cokal Board and the transfer of significant Australian mining experience will bring value to the Merged Entity. Having this continuity of management will also boost the trust and confidence of investors. Cakra's human capital will be greatly increased and Cakra's ability to operate in the mining industry enhanced.
- (b) **Immediate Cash Flow** - The transaction will give Cokal Shareholders exposure to cash flow from Cakra's cash post-completion of the Rights Issue and a growing production profile from a number of projects.
- (c) **Complimentary Assets** - Cokal will have access to processing plants currently being built by Cakra in joint venture with Chinese traders and producers, and Cakra will have access to Cokal's mineral resources which have the potential to be developed together to increase production and sales.
- (d) **Scale of Production** - This transaction provides the potential to increase Cakra's production capacity. Cakra believes that development of the BBM Project has the potential to increase the overall life of its operations. Achieving this will be conditional on project related feasibility studies, environmental permitting, infrastructure access agreements and timely project construction and port berth construction.
- (e) **Reduced Costs** - The combination of the two asset portfolios provides the capacity to reduce overall capital and operating costs. In addition, the Merged Entity would have increased access to funds, enabling it to more readily fund the business in a cost effective manner.

Furthermore, the Bid allows those Cokal Shareholders who wish to realise their investment in Cokal an opportunity to do so at a premium to Cokal's last traded Share price prior to the Bid being announced.

13 PRO FORMA FINANCIAL INFORMATION FOR THE MERGED ENTITY

13.1 Introduction

This section sets out the pro-forma financial information. The basis for preparation and presentation of this information is also set out below.

The financial information has been prepared by management and adopted by the Board. The Board is responsible for the inclusion of all financial information in the Bidder's Statement.

The pro-forma financial information has been prepared in accordance with the recognition and measurement criteria of International Financial Reporting Standards and the significant accounting policies set out in section 13.4 below. The pro-forma financial information comprises financial information of the Cakra and Cokal merged entity (**Merged Entity**). The historical and pro-forma financial information is presented in an abbreviated form insofar as it does not include all the disclosures and notes required in an annual financial report prepared in accordance with International Financial Reporting Standards and the Corporations Act.

13.2 Historical Financial Information

The historical financial information for both Cakra and Cokal set out below comprises:

- (a) the reviewed consolidated Statement of Financial Position as at 31 December 2014 of Cakra;
- (b) the reviewed consolidated Statement of Financial Position as at 31 December 2014 of Cokal; and
- (c) selected notes to the reviewed Statements of Financial Position.

The historical financial information has been extracted from the consolidated annual financial report of Cakra for the year ended 31 December 2014 and the Half Yearly Report for the 6 months ended 31 December 2014 of Cokal. The historical financial information of Cakra and the historical financial information of Cokal have both been reviewed. Cakra's 31 December 2014 Financial Report was issued with an unmodified audit opinion. Cokal's 31 December 2014 Half Yearly Report was issued with an unmodified review conclusion. The audited historical financial information for Cakra was originally presented in Indonesian Rupiah in accordance with Indonesian Financial Accounting Standards (**PSAK**). The historical financial information has been converted into US Dollars using a 'convenience translation' and has been reviewed for material differences between IFRS and IFAS. Refer section 7.17.

The historical financial information does not include a Statement of Comprehensive Income or a Statement of Cash Flows.

13.3 Pro-Forma Financial Information

The pro-forma financial information for Cakra set out below comprises:

- (a) the reviewed Pro-Forma Balance Sheet as at 31 December 2014 of the Merged Entity showing the impact of the proposed Rights Issue and the effects of the Cokal acquisition; and
- (b) selected notes to the reviewed Pro-Forma Balance Sheet.

The Pro-Forma Balance Sheet has been derived from the reviewed Balance Sheets as at 31 December 2014 adjusted for the following transactions as if they had occurred at 31 December 2014 (pro-forma transactions):

- (a) the issue of 5,106,021,090 Rights Issue Cakra Shares pursuant to this Bidder's Statement at the Offer Price of IDR300 (USD\$0.022) per Share to raise USD\$113,148,643 cash before costs of the Offer. All ordinary Shares issued pursuant to this Bidder's Statement will be issued as fully paid;
- (b) total costs expected to be incurred in connection with the Rights Issue of approximately USD\$6,313,175;
- (c) the acquisition of 100% of the issued share capital of Cokal. As detailed in this document Cokal shareholders have the choice of scrip or cash consideration, comprising either:
 - (i) 10.327 Cakra shares for every 1 Cokal share (**Share Consideration**); or
 - (ii) AUD0.16 per share (**Cash Consideration**); or
 - (iii) a combination of both.

For the purpose of this pro-forma financial information it has been assumed that 60% of Cokal shareholders will take Share Consideration and 40% will take the Cash Consideration.

It has also been assumed that the Share Consideration to acquire the Cokal shares will be valued at IDR300 (USD\$0.022) per Cakra Share. As a result based on the 60%/40% split the total consideration has been assumed to be:

• Cash Consideration -	USD\$23,639,283
• Share Consideration -	USD\$68,563,169
• Payment to settle outstanding options -	USD\$2,704,214
• Acquisition costs -	USD\$685,000
Total consideration -	USD\$95,591,666

The acquisition has been treated as an asset acquisition whereby Cakra will acquire 100% of the issued share capital of Cokal.

- (d) total costs expected to be incurred in connection with the acquisition of Cokal of approximately USD\$685,000; and

(e) the effects of the Cokal acquisition as described in Note 2.

Historical and Pro-Forma Financial Information	Note	Cakra Reviewed Historical Balance Sheet	Cakra Rights Issue	Cokal Reviewed Historical Balance Sheet	Impact of Acquisition	Merged Entity Reviewed Pro-Forma Balance Sheet
31 December 2014		(A)	(B)	(C)	(D)	(E)
		USD\$	USD\$	USD\$	USD\$	USD\$
CURRENT ASSETS						
Cash and cash equivalents	3	138,806	106,835,468	3,590,596	(95,591,666)	14,973,203
Short term deposits		-	-	1,616,662	-	1,616,662
Trade and other receivables		18,451,845	-	170,406	-	18,622,251
Other current assets		2,546,659	-	285,998	-	2,832,657
TOTAL CURRENT ASSETS		21,137,310	106,835,468	5,663,662	(95,591,666)	38,044,773
NON-CURRENT ASSETS						
Project advances		28,584,497	-	-	-	28,584,497
Investments in associates	4	8,541,027	-	-	(8,541,027)	-
Deferred tax assets		34,133	-	-	-	34,133
Plant and equipment		1,417,565	-	1,643,408	-	3,060,973
Exploration and evaluation assets	5	16,437,869	-	61,618,275	49,358,222	127,414,366
Goodwill		7,208,026	-	-	-	7,208,026
Other non-current assets		16,682	-	194,711	-	211,393
TOTAL NON-CURRENT ASSETS		62,239,799	-	63,456,394	40,817,195	166,513,388
TOTAL ASSETS		83,377,109	106,835,468	69,120,056	(54,774,471)	204,558,162
CURRENT LIABILITIES						
Trade and other payables		767,057	-	1,521,679	-	2,288,736
Income tax payable		308,959	-	-	-	308,959
Loans and leases		31,507	-	9,150,000	-	9,181,507
Other current liabilities		143,209	-	-	-	143,209
TOTAL CURRENT LIABILITIES		1,250,732	-	10,671,679	-	11,922,411
NON-CURRENT LIABILITIES						
Loans and leases		30,364	-	3,572,534	-	3,602,898
Other non-current liabilities		64,086	-	101,372	-	165,458
TOTAL NON-CURRENT LIABILITIES		94,450	-	3,673,906	-	3,768,356
TOTAL LIABILITIES		1,345,182	-	14,345,585	-	15,690,767
NET ASSETS		82,031,927	106,835,468	54,774,471	(54,774,471)	188,867,395
EQUITY						
Issued capital	1	133,876,682	106,835,468	81,795,236	(81,795,236)	240,712,150
Reserves		34,278,221	-	4,187,384	(4,187,384)	(34,278,221)
Retained earnings/ (Accumulated losses)		(26,109,347)	-	(31,208,149)	31,208,149	(26,109,347)
Non-controlling interest		8,542,813	-	-	-	8,542,813
TOTAL EQUITY		82,031,927	106,835,468	54,774,471	(54,774,471)	188,867,395

13.4 Notes to and Forming Part of the Financial Information

Note 1

The pro-forma issued capital includes the following assumptions:

- (a) the issue of 5,106,021,090 Rights Issue Cakra Shares at the Offer Price of IDR300 (USD\$0.022) per Share to raise USD\$113,148,643 cash before costs of the Offer ; and
- (b) total costs expected to be incurred in connection with the Rights Issue of approximately USD\$6,313,175;

Reconciliation of movements in Cakra's pro-forma issued capital	Number of ordinary shares #	Contributed equity USD\$
Cakra Balance Sheet 31 December 2014 (A)	5,106,021,090	133,876,682
Issue of shares pursuant to the Bidder's Statement (B)	5,106,021,090	113,148,643
Total costs expected to be incurred in connection with the issue (B)	-	(6,313,175)
Pro-forma Balance Sheet 31 December 2014 (E)	10,212,042,180	240,712,150

Note 2

The proposed acquisition of Cokal represents an asset acquisition and has been consolidated in the pro-forma balance sheet as follows:

Pro-forma details of purchase consideration and net assets acquired - provisionally measured		\$USD
Cash Consideration		23,639,283 ¹
Share Consideration		68,563,169 ²
Payment to settle outstanding Cokal options		2,704,214 ³
Acquisition costs		685,000
Total Consideration	(a)	95,591,666
<u>Fair value of net assets acquired</u>		
Cash and cash equivalents		3,590,596
Trade and other receivables		170,406
Plant and equipment		1,643,408
Exploration and evaluation	Note 5	102,435,470
Other assets		2,097,371
Trade and other payables		(1,521,679)
Deferred liabilities		(101,372)
Interest bearing loan		(12,722,534)
		95,591,666

¹ Cash Consideration is calculated based on 40% of Cokal shareholders electing to take cash multiplied by the Cash Consideration per share of \$A0.16 translated to USD\$ - (499,342,704 x 40% x 0.16 x 0.7397).

² Share Consideration has been calculated based on 60% of Cokal shareholders electing to take 10.327 shares in for every 1 Cokal share. The shares in Cakra have been valued at IDR300 based on the proposed price of the Rights Issue. This has been shown as a payment in cash as under the structure of the transaction disclosed in Section 11.3 of this document Cakra will receive the funds through the Rights Issue and use these funds to acquire the Cokal shares (or separate company holding the Cokal shares) at the same price as the Rights Issue is completed. This is then converted to USD\$ - (499,342,704 x 60% x 10.327 x 300 /13,538).

³ Refer Section 9.9. Translated to USD\$.

(c) The Purchase Price will be paid as follows:

- (i) the acquisition of 100% of the issued share capital of Cokal. As detailed in this document Cokal shareholders have the choice of scrip or cash consideration, comprising either:
- (ii) 10.327 Cakra shares for every 1 Cokal share (**Share Consideration**); or
- (iii) AUD0.16 per share (**Cash Consideration**); or
- (iv) A combination of both.

For the purpose of this pro-forma financial information it has been assumed that 60% of Cokal shareholders will take Share Consideration and 40% will take the Cash Consideration.

It has also been assumed that the Share Consideration to acquire the Cokal Shares will be valued at IDR300 (USD\$0.022) per share. As a result based on the 60% / 40% split the total consideration has been assumed to be:

• Cash Consideration -	USD\$23,639,283
• Share Consideration -	USD\$68,563,169
• Payment to settle outstanding options -	USD\$2,704,214
• Acquisition costs -	USD\$685,000
Total consideration -	USD\$95,591,666

The acquisition has been treated as an asset acquisition whereby Cakra will acquire 100% of the issued share capital of Cokal.

Note 3

Reconciliation of movements in pro-forma cash and cash equivalents

	Cash and cash equivalents \$USD
Cakra Reviewed Balance Sheet 31 December 2014 (A)	138,806
Issue of shares pursuant to the Bidder's Statement (B)	113,148,643
Total costs expected to be incurred in connection with the capital raise (B)	(6,313,175)
Cokal reviewed Balance Sheet 31 December 2014 (C)	3,590,596
Consideration paid for the acquisition (D)	(94,906,666)
Costs expected to be incurred in connection with the acquisition (D)	(685,000)
Pro-forma Balance Sheet 31 December 2014 (E)	14,973,204

Note 4

In December 2014, the Cakra acquired a 25% interest in three entities:

- PT Tambang Benua Alam Raya (**TBR**);
- PT Silangkop Nusa Raya (**SNR**); and
- PT Ketungua Nusa Raya (**KNR**).

Cakra recorded the investment in these three entities as investments in associates. The remaining 75% in each of these companies is held by Cokal. Cokal has assessed that it controls these entities and consolidates the three entities. On acquisition of Cokal by Cakra, Cakra will own 100% of the entities and the investments in associates will need to be eliminated. The carrying value of the investments in associates at 31 December 2014 has been allocated to exploration and evaluation assets in the pro-forma financial information.

The value transferred to exploration and evaluation assets is \$8,541,027 (refer Note 5)

Note 5

Reconciliation of movements in exploration & evaluation assets

	Exploration and evaluation assets USD\$
Cakra Balance Sheet 31 December 2014 (A)	16,437,869
Cokal Balance Sheet 31 December 2014 (C)	61,618,275
Transfer of investments in associates on acquisition of remaining 75% interest – refer note 4	8,541,027
Fair value adjustment to Cokal exploration assets on acquisition	40,817,195 ¹
Pro-forma Balance Sheet 31 December 2014 (E)	127,414,366

¹ Fair value adjustment to Cokal exploration assets on acquisition represents the difference between the consideration paid (refer Note 2) of USD\$95,591,666 and the net assets of Cokal as at 31 December 2014 of USD\$54,774,471.

Recoverability of the carrying amount of exploration assets is dependent on the successful development and commercial exploitation of areas of interest, and the sale of minerals or the sale of the respective areas of interest.

Note 6

Accounting policies

The following is a summary of the material accounting policies adopted by the Merged Entity in the preparation of the financial information. The accounting policies have been consistently applied unless otherwise stated. The financial information has been prepared in compliance with the recognition and measurement requirements of International Financial Reporting Standards.

Going concern

The financial reports for both Cakra and Cokal as at 31 December 2014 have 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 Merged Entity to continue to adopt the going concern assumption will depend upon a number of matters including:

- Receipt of final regulatory permits to commence development of various projects;

- The successful raising (including the planned Cakra rights issue), in the future, of the necessary funding, either through debt, equity and/or farm-out to complete;
- Management of interest bearing liabilities, additional debt or equity raising; and
- The successful exploration and subsequent exploitation of the Group's tenements and development and construction of a number of new processing facilities.

The directors of Cakra believe that the going concern basis of preparation is appropriate due to the following reasons:

- To date the Merged Entity has funded its activities through issuance of equity securities and it is expected that the Merged Entity will be able to fund its future activities through further issuances of equity securities;
- The group has already obtain a number of significant regulatory approvals and demonstrated an ability to successfully manage this regulatory approvals process; and
- The directors of Cakra note that the Rights Issue has been fully underwritten.

Should the Merged Entity be unable to continue as a going concern, it may be required to realise its assets and extinguish its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements.

The Pro-Forma Financial Information does not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts or classification of liabilities and appropriate disclosures that may be necessary should the Merged Entity be unable to continue as a going concern.

Presentation currency

Items included in the pro-forma balance sheet are disclosed in USD\$.

Reporting basis and conventions

(a) Cash and Cash Equivalents

For cash flow statement presentation purposes, cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily converted to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

(b) Plant and Equipment

Plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Depreciation is calculated on a straight line basis to write off the net cost of each item of property, plant and equipment over its estimated useful life to the consolidated entity, or in case of lease hold improvements, the shorter lease term. Estimates of remaining useful lives are made on a regular basis for all assets.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount of the assets. These are included in profit or loss.

(c) Exploration costs

Following tenement acquisition exploration and evaluation expenditures incurred are capitalised in respect of each identifiable area of interest. These costs are only capitalised to the extent that they are expected to be recovered through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit or loss in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to capitalise costs in relation to that area of interest.

Costs of site restoration are provided over the life of the project from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with local laws and regulations and clauses of the permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

(d) Financial Assets and Financial Liabilities

Financial assets and financial liabilities are recognised on the statement of financial position when the entity becomes party to the contractual provisions of the financial instrument.

A financial asset is derecognised when the contractual rights to the cash flows from the financial assets expire or are transferred and no longer controlled by the entity.

A financial liability is removed from the statement of financial position when the obligation specified in the contract is discharged or cancelled or expires.

(e) Trade Receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Trade receivables are generally due for settlement within 30 days. They are presented as current assets unless collection is not expected for more than 12 months after the reporting date.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance for impairment of trade receivables is established when there is objective evidence that the entity will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments (more than 60 days overdue) are considered indicators that the trade receivable may be impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial. The amount of the allowance is recognised in other expenses in profit or loss. Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

(f) Trade and Other Payables

These amounts represent liabilities for goods and services provided to the entity prior to the end of the financial period and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(g) Contributed Equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(h) Critical accounting estimates and judgments

The directors of Cakra evaluate estimates and judgments incorporated into the financial information based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Merged Entity.

Key estimates - impairment

The company assesses impairment at each reporting date by evaluating conditions specific to the Company that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Where applicable, value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

Key judgments - exploration & evaluation assets

The company performs regular reviews on each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest. These reviews are based on the continuing rights to explore the area of interest, planned future expenditure and an assessment of economically recoverable reserves, if known.

Key judgments - acquisition of Cokal

The acquisition of 100% of the issued share capital of Cokal. Cokal shareholders have the choice of scrip or cash consideration, comprising either:

- 10.327 Cakra shares for every 1 Cokal share (**Share Consideration**); or
- AUD0.16 per share (**Cash Consideration**); or
- A combination of both.

For the purpose of this pro-forma financial information it has been assumed that 60% of Cokal shareholders will take Share Consideration and 40% will take the Cash Consideration.

It has also been assumed that the Share Consideration to acquire the Cokal Shares will be valued at IDR300 (USD\$0.022) per share. As a result based on the 60% / 40% split the total consideration has been assumed to be:

• Cash Consideration -	USD\$23,639,283
• Share Consideration -	USD\$68,563,169
• Payment to settle outstanding options -	USD\$2,704,214
• Acquisition costs -	USD\$685,000
Total consideration -	USD\$95,591,666

The acquisition has been treated as an asset acquisition whereby Cakra will acquire 100% of the issued share capital of Cokal.

Should it be determined that the consideration paid, fair values attributed or type of acquisition (asset acquisition or business combination) be different this will result in a different outcome for the acquisition accounting.

The acquisition accounting described above has been completed on a preliminary basis and the actual outcome will not be known until after the transaction is complete.

Note 7

Subsequent Events

The Directors of both Cakra and Cokal are not aware of any other significant changes in the state of affairs of Cakra and Cokal, or events subsequent to 31 December 2014, except as disclosed elsewhere in this Bidder's Statement, that would have a material impact on the historical or pro-forma financial information.

13.5 Prospective financial information of the Merged Entity

Cakra has given careful consideration as to whether a reasonable basis exists to produce reliable and meaningful forecast financial information in relation to the Merged Entity. The Cakra Board has concluded that forecast financial information would be misleading to provide, as a reasonable basis does not exist for producing forecasts that would be sufficiently meaningful and reliable, particularly considering the large effect that variations in key variable inputs most of which are outside the control of Cakra may have on the future financial position of the Merged Entity. Key variable inputs include prevailing foreign exchange rates, the timing and level of exploration, production and costs related to development and operating activities.

14 RISK FACTORS

14.1 Overview

Cokal Shareholders who accept the Share Consideration will become shareholders in Cakra. The financial performance and operations of Cakra's businesses, the price of Cakra Shares and the amount and timing of any dividends that Cakra may pay is influenced by a range of factors. Some of these factors can be mitigated by the use of safeguards and appropriate commercial action. However, many of these factors are beyond the control of Cakra and the Cakra Board. Many of these factors also affect the businesses of other companies operating in the same industry and jurisdiction.

This section 14 describes certain risk factors associated with an investment in Cakra. Cokal Shareholders should consider carefully these risk factors and the other information contained in this Bidder's Statement and their personal circumstances. If necessary, Cokal Shareholders should consult their legal, financial or other professional adviser before deciding whether to accept the Offer.

14.2 Risks relating to Cakra's business

(a) Legal risks associated with operating in Indonesia

Cakra is incorporated, and operates, in Indonesia and is therefore subject to a number of risks, including:

- (i) delays with respect to regulatory approvals;
- (ii) economic, social and political volatility;
- (iii) potential difficulties in enforcing agreements and collecting receivables through foreign and local systems;
- (iv) potential difficulties in protecting rights and interest in assets; and
- (v) changes in governmental policies, restrictive governmental actions, such as imposition of trade quotas, tariffs and other taxes.

(b) Changes in Indonesian law

Changes to the mining law or to the other government legislation and regulations in Indonesia, or to the division of regulatory powers between the Central Government in Jakarta and local and provisional bodies, may materially impact on the ability of the Merged Entity to operate in Indonesia and on the ultimate profitability of any potential projects to be developed in Indonesia. In the event that an economic resource is identified in the BBM Project there can be no assurance that all or any of the relevant approvals and permits necessary to conduct mining operations will be granted.

- (c) Cakra's assets not producing material net cash flow

Cakra at present has some production assets but these are not producing any material net cash flow. Cakra's growth strategy is based around taking advantage of the current Indonesian law preventing the export of certain raw material; by constructing or expanding value adding processing facilities. Cakra does not believe this expansion is dependent on their resource deposit as they can (and do) buy the necessary raw materials and at present plan to use the best cost supply whether that be externally supplied or from their deposits.

- (d) No long term off-take agreements

Cakra generates its current income from selling products mined at its processing plants under "spot" off-take agreements with reputable Chinese industrial users and manufacturers. No long term contracts for the sale of Cakra's products have yet been entered into.

- (e) Risks relating to processing plant negotiations

While Cakra is well advanced in discussions with a major Chinese company who has indicated it will provide funding for the processing facilities Cakra is developing in joint venture and take 100% of the offtake at market prices, no contracts are yet finalised with respect to the funding and offtake. If successful, this expansion would add value to Cakra. However, again these projects still have development risks and while Cakra has advanced negotiations there is still completion risk as well as significant development risks still remaining e.g. regulatory, financing, construction and operational risks.

14.3 Risks relating to holding Cakra Shares

- (a) Trading Cakra Shares on IDX

The Indonesian capital markets are generally less liquid than those in countries with more developed capital markets. This illiquidity is especially pronounced for large blocks of securities. Also, prices in the Indonesian capital markets are typically more volatile than in such other markets. Accordingly, if you accept the Share Consideration and wish to trade your Cakra Shares, there is no guarantee that you will be able to dispose of your Cakra Shares at prices or at times at which such a holder would be able to do so in more liquid markets or at all.

- (b) IDX regulatory environment

Companies listed on the ASX are highly regulated. The IDX is generally less regulated than exchanges in more developed countries and is not recognised as a "prescribed financial market" under the Corporations Act.

- (c) Foreign currency exchange rate fluctuations

Cakra's businesses are conducted in Indonesia and in Indonesian Rupiah. Accordingly, Cakra's income from, and the value of, those businesses will be affected by fluctuations in the rates Indonesian Rupiah is exchanged with Australian dollars.

- (d) Dilution

If Cokal Shareholders elect to accept the Offer and receive the Share Consideration, there is a risk of dilution of their Cakra Shares. If the Offer is completed, there will be dilution for Cakra Shareholders upon the issue of Share Consideration under the Offer. The level of acceptances, the proportion of acceptances that elect to receive Share Consideration is also uncertain. Accordingly the level of dilution to holders of Cakra Shares is also uncertain. Future capital raisings or equity-funded acquisitions by the Cakra Group may further dilute the holdings of Cakra Shareholders.

14.4 Risks relating to the Offer and the Merged Entity

- (a) The Merged Entity's asset portfolio in early stage exploration

Apart from the BBM Project the asset portfolio of the Merged Entity is in the very early stage of exploration. Further, the BBM Project, while well advanced, still has significant development risks e.g. regulatory, financing, construction and operational risks.

- (b) Community relations and landowners

The Merged Entity's ability to undertake exploration on its projects will depend in part on its ability to maintain good relations with the relevant local communities. Any failure to adequately manage community expectations with respect to compensation for land access, artisanal mining activity, employment opportunities, impact on local business and any other expectations may lead to local dissatisfaction, disruptions in the exploration program and potential losses to the Merged Entity.

- (c) Exploration success

The Merged Entity's tenements are at various stages of exploration, and potential investors should understand that mineral exploration and development are high-risk undertakings.

There can be no assurance that exploration of the Merged Entity's tenements, or any other tenements that may be acquired in the future, will result in the discovery of an economic ore deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited.

The future exploration activities of the Merged Entity may be affected by a range of factors, including geological conditions, limitations on activities due to seasonal weather patterns, unanticipated operational and technical

difficulties, industrial and environmental accidents, changing government regulations, and many other factors beyond the control of the Merged Entity.

The success of the Merged Entity will also depend upon it having access to sufficient development capital, being able to maintain title to its tenements and obtaining all required approvals for its activities. Interests in tenements in Indonesia are governed by Indonesian law. Each licence or lease is for a specific term and carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance. Consequently, the Merged Entity could lose title to, or its interest in, tenements if licence conditions are not met or if insufficient funds are available to meet expenditure commitments. If the exploration programs prove to be unsuccessful, this could lead to a diminution in the value of the Merged Entity's tenements.

In order to further enhance the Merged Entity's production profile over time, Cakra continues to pursue strategic, complementary and value-adding acquisitions, predominantly in the Kalimantan region of Indonesia. However, there are always risks that the benefits, synergies or efficiencies expected from such investments or growth may take longer than expected to be achieved or may not be achieved at all. Any investments pursued could have a material adverse effect on the Merged Entity.

(d) Operating risks

The Merged Entity's operations may be affected by various factors, including failure to locate or identify mineral deposits, failure to achieve predicted grades in exploration and mining, operational and technical difficulties encountered in mining, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, adverse weather conditions, industrial and environmental accidents, industrial disputes, and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.

(e) Resource and Reserves estimates

Resource and Reserves estimates are expressions of judgements based on knowledge, experience and industry practice. Estimates which were valid when originally calculated may alter significantly when new information or techniques become available. In addition, by their very nature, Resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis, the estimates are likely to change. This may result in alterations to development and mining plans which may, in turn, adversely affect the Merged Entity's operations. Further, unforeseen economic, financial, technical, geological and geographical difficulties may be encountered when mining the Resources and Reserves. This could cause

a loss of revenue due to lower production than expected, higher operation and maintenance costs, and on-going unplanned capital expenditure in order to meet production targets.

(f) Additional requirements for capital

The Merged Entity's capital requirements depend on numerous factors. Depending on its ability to generate income from its operations, the Merged Entity may require further financing in the form of debt or equity. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Merged Entity is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its exploration, development and production programs, as the case may be.

(g) Reliance on key employees

The Merged Entity will rely on a number of key employees. The Merged Entity will have in place employment contracts with key employees and will have the objective of providing attractive employment conditions in general to assist in retaining key employees. However, there can be no guarantee that the Merged Entity can retain its key employees. If the Merged Entity cannot attract and retain suitable human resources, especially at the management and technical level, the Merged Entity's business and future growth may be adversely affected.

The success of the Merged Entity also depends, in part, on its ability to identify, attract, motivate and retain additional suitably qualified management and sales personnel. Competition for qualified staff is strong. The inability to access and retain the services of a sufficient number of qualified staff could be disruptive to the Merged Entity's development efforts or business development and could materially adversely affect its operating results.

(h) Infrastructure

The development of the Merged Entity's projects requires access to significant infrastructure, including ore transport and port facilities. The development of some of these projects will require an infrastructure solution that allows third party rail access to transport product to port for the export market. While the Merged Entity's projects are located near existing transport infrastructure, there is no guarantee that the Merged Entity will be entitled to access that infrastructure, whether by commercial negotiation, third party access or other regulatory outcome.

(i) Environmental, environmental approval and project risks

Metallurgical exploration and production can affect the environment and can give rise to substantial costs for environmental risk management, rehabilitation and damage control. Further, environmental conditions can be

attached to mining tenements, and a failure to comply with these conditions could lead to forfeiture of tenements.

Before commencing mining and production, each of the Merged Entity's projects need environmental and project approval from the Indonesian government. The timing of environmental and ministerial approvals can adversely affect development of the Merged Entity's projects. Environmental and project approval conditions and timing of these approvals can adversely impact on the Merged Entity's revenues and profits.

(j) Commodity demand and price movements

The price the Merged Entity will receive for its product is subject to off-take agreements and various published quarterly and monthly price indices. Demand and prices have varied significantly over recent years. While a large part of commodity pricing is settled at the prices referred to in quarterly and monthly price indices, there remains significant trading on "spot" markets. Competitor behaviour or the behaviour of new entrants may also influence demand and price negotiation outcomes. Accordingly, it is difficult to predict accurately the future demand and price movements and such movements may adversely impact on the Merged Entity's profit margins, future development and planned future production, which may in turn adversely impact the price of its shares.

(k) Regulatory risks

While the Merged Entity's production assets and general business activities will be regulated, it is possible that new specific laws will be introduced in Indonesia or elsewhere which may have a material adverse effect on the Merged Entity's current and future business. For example, laws may be established to address concerns relating to the use, mining and transport of resources or the remediation of mines, or tax laws or environmental conservation laws may change.

(l) Insurance risks

Although insurance is maintained for the construction and operation of Cakra's projects within ranges of coverage consistent with industry practice, no assurance can be given that such insurance will be available in the future on commercially reasonable terms or that any cover will be adequate and available to cover any or all claims. If the Merged Entity incurs uninsured losses or liabilities, its assets, profits and prospects may be adversely affected.

(m) Tax

Changes to income tax (including capital gains tax), GST, duty or other revenue legislation, case law, rulings or determinations issued by the Commissioner of Taxation or other practices of tax authorities may change following the date of this Bidder's Statement or adversely affect the Merged

Entity's profitability, net assets and cash flow. In particular, both the level and basis of taxation may change.

In addition, an investment in Cakra Shares involves tax considerations which may differ for each Cokal Shareholder. Each Cokal Shareholder is encouraged to seek professional tax advice in connection with any investment in Cakra Shares.

(n) Disputes and litigation risks

In the course of its operations, the Merged Entity may be involved in disputes and litigation. The extent of such disputes and litigation cannot be ascertained as at the date of this Bidder's Statement, but there is a risk that material or costly disputes or litigation could affect the financial performance of the Merged Entity and the price or value of Cakra Shares.

(o) Integration risks

There are a range of integration risks associated with the transaction.

The acquisition of Cokal by Cakra to form the Merged Entity involves the integration of businesses and operations that have previously operated as independent entities. While Cakra expects that value can be added to the Merged Entity through the transaction, there is a risk that implementation of the transaction may involve:

- (i) unexpected delays, liabilities and costs in relation, but not limited, to integrating operating and management systems;
- (ii) the loss of key employees, customers or suppliers of Cokal; and
- (iii) the termination of contractual arrangements as a result of the change in control of Cokal.

If the integration is not achieved in an orderly fashion and within a reasonable time period, the full benefits, cost savings and other expected synergies may be achieved only in part, or not at all, and this could adversely impact the Merged Entity's financial performance.

14.5 General risks

There are also a number of general risks, including general business risks not specific to the Offer that may affect the performance of Cakra and the price and value of Cakra Shares, regardless of Cakra's actual operating performance. The factors raised below are not an exhaustive list, and there may be other matters which cannot now be foreseen that may, in the future, affect the performance of Cakra and the price and value of Cakra Shares.

The Merged Entity's operating and financial performance, and the market price of Cakra Shares, may be determined by a range of factors, including:

- changes to domestic and international stock markets;

- inflation;
- changes in interest rates;
- changes in exchange rates;
- general economic conditions;
- ability to access funding;
- global geo-political events and hostilities;
- investor perceptions;
- changes in governmental, fiscal, monetary and regulatory policies; and
- employment levels.

One or more of these factors may cause Cakra Shares to trade below current prices and may adversely affect the operating and financial performance of the Merged Entity. In addition, changes in the price or value of Cakra Shares may be unrelated or disproportionate to the actual operating performance of the Merged Entity.

(a) Investment risk

Cokal Shareholders should be aware that there are risks associated with investment in financial products quoted on a stock exchange. Share price movements could affect the value of Share Consideration paid under the Offer and the value of any investment in Cakra. The value of Cakra Shares can be expected to fluctuate depending on various factors including general worldwide economic conditions, changes in government policies, investor perceptions, movements in interest rates and stock markets, prices of Cakra's services, variations in the operating costs and costs of capital replacement which Cakra may in the future require.

Similarly, the level of dividends which will be paid in respect of Cakra Shares can move either up or down and it is possible that Cakra may not be able to pay any dividends.

(b) Pricing pressure

Cakra may not be able to compete successfully against current or future competitors where aggressive pricing policies are employed to capture market share. That competition could result in price reductions, reduced gross margins and loss of market share, any of which could materially adversely affect Cakra's operating results.

(c) Profitability

Future operating results depend to a large extent on management's ability to manage expansion and growth successfully. This necessarily requires rapid expansion of all aspects of the business operations, such as revenue forecasting, addressing new markets, controlling expenses, implementing infrastructure and systems and managing assets. Inability to control the costs

and organisational impacts of business growth or an unpredicted decline in the growth rate of revenues without a corresponding and timely reduction in expense growth could materially adversely affect Cakra's operating results.

(d) Economic risk and external market factors

Factors, such as, but not limited to, political movements, stock market trends, changing customer preferences, interest rates, inflation levels, commodity prices, industrial disruption, environmental impacts, international competition, taxation changes and legislative or regulatory changes, may all have an adverse impact on Cakra's operating costs, profit margins and share price. These factors are beyond the control of Cakra and Cakra cannot, to any degree of certainty, predict how they will impact on Cakra.

(e) War and terrorist attacks

War or terrorist attacks anywhere in the world could result in a decline in economic conditions worldwide or in a particular region. There could also be a resultant material adverse effect on the business, financial condition and financial performance of Cakra.

14.6 Not exhaustive

The risks set out in this section 14 are not exhaustive of all the risks faced or which may be faced by Cokal Shareholders who accept the Share Consideration. Accordingly, no assurances or guarantees of future performance or profitability are given by Cakra, its subsidiaries or any of their respective officers and employees.

15 AUSTRALIAN TAXATION CONSIDERATIONS

The following is a general description of the Australian income tax, capital gains tax, GST and stamp duty consequences for Cokal Shareholders on disposing of their Cokal Shares, in return for either cash or Cakra Shares, or a combination of both.

This information is based upon taxation law and practice in effect at the date of this Bidder's Statement. It is not intended to be an authoritative or comprehensive analysis of the taxation laws of Australia. The summary does not consider any specific facts or circumstances that may apply to particular shareholders. Further, it does not deal with the taxation consequences of disposing of shares issued under an employee share scheme, which may be subject to specific tax provisions.

You are advised to seek independent professional advice regarding the Australian tax consequences of disposing of your Cokal Shares according to your own particular circumstances.

The tax implications for holders of Cokal Options are not considered below as these transactions do not form part of the Offer by Cakra. You are advised to seek independent professional advice regarding the tax consequences of the exercise or cancellation of your Cokal Options according to your own particular circumstances.

15.1 Australian income tax and capital gains tax implications for Cokal Shareholders

The Australian income tax and capital gains tax consequences of disposing of your Cokal Shares will depend on a number of factors including:

- (a) whether you are an Australian resident or non-resident for tax purposes;
- (b) whether you hold your Cokal Shares on capital or revenue account or as trading stock;
- (c) when you acquired your Cokal Shares for tax purposes;
- (d) whether you are an individual, a company or a trustee of a complying superannuation entity; and
- (e) whether scrip for scrip roll-over relief is available - see section 15.4.

15.2 Shareholders who are Australian residents

- (a) Disposal of shares held as trading stock

If you hold your Cokal Shares as trading stock (e.g. as a share trader) you will be required to include the value of the consideration from the disposal of your Cokal Shares (i.e. the value of the Cakra Shares and any cash received) in your assessable income.

- (b) Disposal of shares held on revenue account

If you acquired your Cokal Shares with the main purpose of reselling them at a profit (e.g. this may include banks and insurance companies) you may be considered to hold your Cokal Shares on revenue account for tax purposes.

You will then be required to treat any gain or loss arising on the disposal of your Cokal Shares as either assessable income or an allowable deduction.

The gain or loss will be broadly calculated as the difference between:

- (i) the value of the consideration (the value of the Cakra Shares and any cash received); and
- (ii) the cost of acquiring your Cokal Shares.

The value of the Cakra Shares should be determined as their market value on the date when the contract for their disposal is entered into (which is the date your acceptance of the Offer is processed by Cakra).

(c) Disposal of shares held on capital account

If you hold your Cokal Shares as a passive investment with a view of generating dividend income and long term capital growth, you may be considered to hold your Cokal Shares on capital account for tax purposes.

The disposal of Cokal Shares which were acquired or deemed to have been acquired on or after 20 September 1985 and which are held on capital account, will generally have Australian capital gains tax (CGT) implications. The disposal of such Cokal Shares pursuant to acceptance of the Offer will constitute a CGT event for CGT purposes.

The CGT implications of a disposal of your Cokal Shares will depend upon a number of factors, including:

- the date your Cokal Shares were acquired;
- your taxpayer status;
- the length of time you have held your Cokal Shares; and
- whether or not you are entitled to scrip for scrip rollover relief - see section 15.4.

(i) Shares acquired on or before 11.45 am on 21 September 1999

If scrip for scrip rollover relief is not available (see section 15.4 of this Bidder's Statement), a capital gain or loss from accepting the Offer will arise depending on the difference between:

- (A) the value of the capital proceeds (the value of the Cakra Shares and any cash received); and
- (B) the cost base or the reduced cost base of the Cokal Shares disposed of (which would generally include the amount paid to acquire the shares plus any incidental costs of acquisition, e.g. brokerage fees and stamp duty).

You will make a capital gain if the capital proceeds from the disposal of your Cokal Shares exceeds the cost base of your Cokal Shares, or a capital loss if the capital proceeds are less than the reduced cost base.

The value of the Cakra Shares received for the disposal of your Cokal Shares will be the market value of the Cakra Shares on the date when the contract for the disposal of your Cokal Shares is entered into (which is the date your acceptance of the Offer is processed by Cakra).

If your Cokal Shares were acquired on or before 11.45 am by legal time in the Australian Capital Territory (ACT time) on 21 September 1999, for the purpose of calculating a capital gain (but not a capital loss), you may choose that the cost base of those shares be indexed for inflation to 30 September 1999 (which would only be of any practical effect if the shares were acquired prior to 1 July 1999).

Alternatively, provided you have held your Cokal Shares for at least one year, and do not choose to apply indexation, the discount capital gain provisions may apply. Under the discount capital gain provisions:

- (A) if you are an individual or trust, only one-half of the capital gain (without any allowance for indexation for inflation in the cost base of the shares) will be taxable;
- (B) if you are a complying superannuation fund, only two-thirds of the capital gain (without any allowance for indexation for inflation in the cost base of the shares) will be taxable; or
- (C) if you are the trustee of a trust, the discount capital gains provisions may also apply to a distribution of the capital gain to beneficiaries in the trust (other than beneficiaries that are companies).

The discount capital gain provisions do not apply to shareholders and trust beneficiaries that are companies.

The "choice" to apply indexation rather than the discount capital gain provisions must be made by you on or before the day you lodge your income tax return for the income year in which the disposal occurs.

A capital loss may be used to offset capital gains derived in the same or subsequent years of income (subject to satisfying certain conditions) but cannot be offset against ordinary income, nor carried back to offset net capital gains arising in earlier income years.

If you choose to use the discount capital gain method, any available capital loss will be applied to reduce the realised nominal capital gain before discounting the resulting net amount by either one-half or one-third (as applicable) to calculate the discounted capital gain that is assessable. Alternatively, if you choose the indexation option, capital

losses are applied after calculating the capital gain using the indexed cost base.

(ii) Shares acquired after 11.45 am on 21 September 1999

If you acquired your Cokal Shares after 11.45 am (ACT time) on 21 September 1999 you will not be entitled to choose indexation of the cost base when calculating any capital gain on disposal.

If you are an individual, trust or complying superannuation fund that has held your Cokal Shares for 12 months or longer at the time your acceptance of the Offer is processed, the discount capital gain provisions described above will automatically apply in calculating any capital gain on disposal of your Cokal Shares under the Offer.

As explained above, any available capital loss will be applied to reduce the realised nominal capital gain before discounting the resulting net amount by one-half or one-third (as applicable) to calculate the discounted capital gain that is assessable.

If your Cokal Shares have been held for less than 12 months or you are another category of shareholder that cannot apply the discount capital gain provisions (for example, a company), the discount capital gain method is not available. A capital gain on the shares, being any excess of the value of the capital proceeds over the unindexed cost base of the shares, will be assessable in full.

15.3 Shareholders who are not Australian residents

(a) Disposal of shares held as trading stock or on revenue account

If you are a non-resident of Australia for tax purposes and your Cokal Shares were acquired as trading stock or otherwise on revenue account you should seek your own professional advice as to the tax consequence of accepting the Offer. The Australian tax treatment of accepting the Offer will depend on the source of any gain and whether a double tax agreement exists between your country of residence for tax purposes and Australia.

(b) Disposal of shares held on capital account

If you are a non-resident of Australia for tax purposes and hold your Cokal Shares on capital account you will generally not be subject to CGT on the disposal of your Cokal Shares unless:

- (i) you (along, or together with your associates) owned at least 10% of Cokal either at the time you sold your Cokal Shares or for at least 12 months during the 24 months before you sold your Cokal Shares; and
- (ii) more than 50% of the value of Cokal is directly or indirectly represented by real property in Australia.

Any capital gain on the disposal of your Cokal Shares may also be taxable if you used your Cokal Shares in carrying on a business through a permanent establishment in Australia.

15.4 Scrip for scrip rollover relief

Scrip for scrip rollover relief enables a shareholder to elect to disregard the capital gain they would have made from exchanging shares in one company for shares in another company (e.g. as part of a corporate takeover or merger), but only to the extent that the shareholder receives replacement shares (and not to the extent that they receive cash for the disposal of shares).

Broadly, you may be entitled to scrip for scrip rollover relief to the extent that:

- (a) your Cokal Shares were acquired after 19 September 1985 for tax purposes;
- (b) you accept the Offer and receive Cakra Shares as Consideration;
- (c) you would otherwise make a capital gain; and
- (d) Cakra obtains a holding of at least 80% of the voting shares in Cokal.

If you choose to claim rollover relief, some or all of the capital gain that would otherwise arise from the disposal of your Cokal Shares will be disregarded. The CGT provisions will apply on the happening of a later CGT event in relation to your Cakra Shares (such as disposal of those shares in the future).

The Offer is subject to a condition that at the end of the Offer Period Cakra has a Relevant Interest in at least 90% of the Cokal Shares on issue. If that condition is satisfied, Cakra will have obtained a holding of at least 80% of the voting shares in Cokal, and this condition for scrip for scrip rollover relief should be satisfied.

The availability of rollover relief will also depend on your individual circumstances (for example, it is not available if your Cokal Shares are trading stock). You should consult your own tax adviser to clarify whether or not the relief will be available to you.

If the minimum acceptance condition in section 17.16 of this Bidder's Statement is satisfied, Cakra will have the right to give notice of its intention to compulsorily acquire outstanding Cokal Shares. The capital gains tax consequences of compulsory acquisition of Cokal Shares may differ from the consequences of accepting Cakra Shares as Consideration under the Offer. You should consult your own tax adviser about the tax consequences of compulsory acquisition of your Cokal Shares.

- (a) Capital gain from cash proceeds not disregarded

If you choose to receive cash and Cakra Shares for the disposal of your Cokal Shares, only partial scrip for scrip rollover is available. The capital gain attributable to the cash portion of the consideration you receive for the disposal of your Cokal Shares is not disregarded for CGT purposes.

The capital gain or capital loss from the cash portion of the consideration you receive for the disposal of your Cokal Shares is determined by comparing the cash portion of the consideration received with the cost base (or reduced cost base) reasonably attributable to the cash portion of the consideration. The cost base (or reduced cost base) of your Cokal Shares reasonably attributable to the cash portion of the consideration should be calculated as follows:

$$= \text{Cost base (or reduced cost base) of your Cokal Shares} \times \frac{\text{Cash consideration}}{\text{Market value of Cakra Shares plus cash consideration}}$$

For the purposes of this calculation, the cost base (or reduced cost base) of your Cokal Shares and the market value of the Cakra Shares you receive should be determined as at the date the contract for the disposal of your Cokal Shares is entered into (which is the date your acceptance of the Offer is processed by Cakra).

You will make a capital gain from the cash portion of the consideration to the extent that the cash portion of the consideration exceeds the reasonably attributed cost base from your Cokal Shares worked out according to the calculation above. You will make a capital loss to the extent the cash proceeds are less than the reduced cost base reasonably attributable to the Cokal Shares disposed of for cash. The tax treatment of such a capital gain or capital loss is discussed at sections 15.2(c) and 15.3(b) of this Bidder's Statement.

(b) Cost base of your Cakra Shares

The cost base (or reduced cost base) of the Cakra Shares you receive as consideration for the disposal of your Cokal Shares under the Offer is worked out by attributing, on a reasonable basis, the cost base (or reduced cost base) of the original Cokal Shares that were exchanged for Cakra Shares, worked out by the following formula:

$$= \text{Cost base (or reduced cost base) of your Cokal Shares} \times \frac{\text{Market value of Cakra Shares received}}{\text{Market value of Cakra Shares plus cash consideration received}}$$

For the purposes of this calculation, the cost base (or reduced cost base) of your Cokal Shares and the market value of the Cakra Shares you receive should be determined as at the date the contract for the disposal of your Cokal Shares is entered into (which is the date your acceptance of the Offer is processed by Cakra).

For the purposes of determining whether the discount capital gain provisions will apply when a later CGT event happens to your Cakra Shares (such as disposal of those shares), your Cakra Shares will be treated as being acquired on the date your original Cokal Shares were acquired for tax purposes. For

other tax purposes, your Cakra Shares will be treated as being acquired on the date your acceptance of the Offer is processed by Cakra.

15.5 GST

No GST should be payable on the transfer of your Cokal Shares. However, GST may be payable on any brokerage charged by your Controlling Participant for carrying out your instructions, or in respect of other costs which you may incur in connection with acceptance of the Offer.

Depending on your circumstances no, or only reduced, input tax credits may be available for GST which you incur on acquisitions to the extent to which they relate to the transfer of your Cokal Shares.

15.6 Stamp Duty

On the basis that Cokal is a listed company registered in Western Australia, it is not expected that you will have any liability to duty on the transfer of your Cokal Shares. Further, under the terms of the Offer, Cakra has agreed to pay any stamp duty payable on the transfer of your Cokal Shares (if applicable).

16 OTHER MATERIAL INFORMATION

16.1 No Prospective Financial Forecasts

The Cakra Directors have considered the matters outlined in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings because the proposed future operations of Cakra or the Merged Entity do not have an operating history from which reliable forecasts can be made. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities and it is not possible to prepare a reliable best estimate forecast or projection.

Notwithstanding the above, this Bidder's Statement includes, or may include, forward-looking statements including, without limitation, forward-looking statements regarding Cakra's and/or the Merged Entity's financial position, business strategy, and plans and objectives for its business and future operations (including development plans and objectives), which have been based on the Cakra's current expectations. These forward-looking statements are, however, subject to known and unknown risks, uncertainties and assumptions that could cause actual results, performance or achievements to differ materially from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding Cakra's present and future business strategies and environment in which Cakra or the Merged Entity will operate in the future.

Matters not yet known to Cakra or not currently considered material to Cakra may impact on these forward looking statements. These statements reflect views held only as at the date of this Bidder's Statement. In light of these risks, uncertainties and assumptions, the forward-looking statements in this Bidder's Statement might not occur. Investors are therefore cautioned not to place undue reliance on these statements.

16.2 Summary of the Bid Implementation Agreement

Cakra and Cokal entered into a Bid Implementation Agreement on 29 April 2015 whereby Cakra and Cokal have agreed to co-operate with each other in relation to the Bid. A summary of certain key terms of the Bid Implementation Agreement is set out below. This summary does not purport to be exhaustive or constitute a definitive statement of the rights and liabilities of each of Cakra and Cokal under the Bid Implementation Agreement. The full terms of the Bid Implementation Agreement can be viewed in the announcement made by Cokal in connection with the Bid on the Announcement Date.

(a) The Bid and recommendation

Under the Bid Implementation Agreement:

- (i) Cakra has agreed to make the Offer to all Cokal Shareholders in respect of all of their Cokal Shares.

- (ii) Cokal consents to Cakra despatching the Bidder's Statement and accompanying documents to Cokal Shareholders earlier than the date for dispatch under item 6 of section 633(1) of the Corporations Act.

(b) Offer Conditions

The Bid Implementation Agreement sets out the conditions to the Offer (being the Offer Conditions). These Offer Conditions are set out in section 17.16 of this Bidder's Statement.

(c) Exclusivity

- (i) During the Exclusivity Period, Cokal has agreed not to solicit, invite, facilitate, encourage or initiate any enquiries, negotiations or discussions with a view to obtaining any expression of interest, offer or proposal from any other person in relation to a Competing Proposal.

- (ii) Subject to the fiduciary duties of the Cokal Directors, during the Exclusivity Period, Cokal must ensure that it does not negotiate or enter into discussions with any person regarding a Competing Proposal, even if the Competing Proposal was not directly or indirectly solicited, initiated or encouraged by Cokal or the other person has publicly announced its Competing Proposal.

- (iii) During the Exclusivity Period, Cokal must promptly notify Cakra in writing of any approach, inquiry or proposal made to, and any attempt to initiate negotiations or discussions with Cokal with respect to any bona fide Competing Proposal (whether unsolicited or otherwise) or any request for information relating to Cokal, which Cokal has reasonable grounds to suspect may relate to a current or future Competing Proposal.

(iv) Compensating amount

Cokal has agreed to pay Cakra a compensating amount of \$250,000 (plus the amount of any GST payable) if:

- (A) Cokal accepts or enters into or offers to accept or enter into, any agreement, arrangement or understanding regarding a Competing Proposal; or
- (B) any Cokal Director does not recommend the Bid or withdraws or adversely modifies an earlier recommendation (unless the Independent Expert opines at any time that the Offer is other than fair and reasonable) or approves or recommends or makes an announcement in support of a Competing Proposal or announces an intention to do any of these acts.

- (v) Cakra has agreed to pay Cokal a compensating amount of \$250,000 (plus the amount of any GST payable) if it fails to proceed with the Bid, except as a result of:

- (A) the occurrence of an event or circumstance which would entitle Cakra to the payment of the compensating amount (plus the amount of any GST payable) by Cokal under the terms of the Bid Implementation Agreement; or
 - (B) the termination of the Bid Implementation Agreement by Cakra in accordance with clause 11 of the Bid Implementation Agreement (as described in paragraph (e) below).
- (d) Board appointments

Conditional upon Cakra declaring the Bid to be free from all Offer Conditions and Cakra having a Relevant Interest in at least 90% of the issued share capital of Cokal, Cokal Directors Peter Lynch, Domenic Martino and Agus Widjojo will be appointed to the Cakra Board. Both Cakra and Cokal will jointly decide and nominate all other directors and commissioners of Cakra.
- (e) Termination
 - (i) Either party to the Bid Implementation Agreement may terminate that agreement:
 - (A) if the other party is in material breach of that document and that breach is not remedied by that other party within 10 Business Days;
 - (B) if a court or other Public Authority issues a final and non-appealable order or ruling or takes an action which permanently restrains or prohibits the Offer; or
 - (C) if Cakra withdraws the Bid for any reason including the non-satisfaction of an Offer Condition.
 - (ii) Cakra may terminate the Bid Implementation Agreement if a Superior Proposal is made by a third party or publicly recommended by Cokal or any member of the Cokal Board does not recommend the Bid be accepted by Cokal Shareholders or having recommended the Bid changes his recommendation in relation to the Bid.
 - (iii) Cokal may terminate the Bid Implementation Agreement if, a Cakra material adverse change occurs, Cakra is in material breach of a warranty or a Cakra Prescribed Occurrence occurs.
- (f) Representations and warranties

Each of Cakra and Cokal gives warranties to the other, including as to their legal capacity and certain due diligence information provided by each party to the other.

16.3 ASIC relief

On 29 June 2015 ASIC granted relief to extend the date by which Cakra was required to make the Offer to 14 July 2015.

On 13 July 2015 ASIC granted relief to extend the date by which Cakra was required to make the Offer to 14 August 2015.

Cakra has applied for relief from ASIC so that the period to apply for quotation of the Share Consideration is extended from being 7 days from the date of this Bidder's Statement being lodged with ASIC to 14 days prior to the close of the Offer.

16.4 Pre-bid arrangements between Cakra and Cokal Directors

No pre-bid acceptance agreements have been entered into between Cakra and Cokal Directors.

16.5 Due diligence

For the purpose of confirming its assessment whether or not to acquire all of the Cokal Shares, Cakra was given access by Cokal to certain information concerning Cokal which has not been disclosed generally to Cokal Shareholders. None of the information to which Cakra was given access is, in the opinion of Cakra, of such a nature and quality which, if the information were generally available, a reasonable person would expect to have a material effect on the price or value of Cokal Shares or, in the opinion of Cakra and except as disclosed in this Bidder's Statement, would otherwise be material to a decision by an Cokal Shareholder whether or not to accept an Offer. However, the fact that Cakra's decision to make the Offer was confirmed by its review of the information to which it had access may itself be regarded as information material to the decision of an Cokal Shareholder whether or not to accept an Offer.

16.6 Date for determining holders of Cokal Shares

For the purposes of section 633 of the Corporations Act, the date for determining the people to whom information is to be sent under items 6 and 12 of section 633(1) of the Corporations Act is the Register Date.

16.7 Interests of experts and advisors

Except as disclosed in this Bidder's Statement, no expert, promoter or any other person named in this Bidder's Statement as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of the Bidder's Statement, nor any firm in which any of those persons is or was a partner nor any company in which any of those persons is or was associated with, has now, or has had, in the 2 year period ending on the date of this Bidder's Statement, any interest in:

- (a) the formation or promotion of Cakra; or

- (b) property acquired or proposed to be acquired by Cakra connection with its formation or promotion or the Offer; or
- (c) the Offer.

Kings Park Corporate Lawyers (**KPCL**) has acted as Australian legal advisor for Cakra with respect to the Bid. KPCL will be paid approximately \$80,000 (excluding GST) for these services, and may be paid further amounts on an hourly basis. KPCL has not provided other professional services to Cakra during the last 2 years.

Banong Nangoy Juan & Partners (**BNJ**) has acted as Indonesian legal advisor for Cakra with respect to this Bidder's Statement and the Rights Issue. BNJ will be paid approximately IDR500,000 for these services, and may be paid further amounts on an hourly basis. BNJ has not provided any services to Cakra during the last 2 years.

PT Sinarmas Sekuritas (or its nominees) has agreed to act as standby buyer for the Rights issue. Sinarmas will be paid approximately 4% of the Rights Issue value for these services. Sinarmas has not provided any services to Cakra during the last 2 years.

Crowe Horwath Corporate Finance (Aust) Ltd (**Crowe Horwath**) has agreed to act as investigating accountant for the Bid. Crowe Horwath will be paid approximately \$60,000 for these services. Crowe Horwath has not provided any services to Cakra during the last 2 years.

Advanced Share Registry has agreed to act as Accepting Share Registry for the Offer. Advanced Share Registry will be paid approximately A20,000 for these services. Advanced Share Registry has not provided any services to Cakra during the last 2 years.

The total costs of the Offer and Rights Issue to be borne by Cakra are estimated at approximately \$6,200,000. This includes underwriter, accounting, solicitors, stamp duty, share registrar, printing, and postage, ASIC, the ASX and other professional fees.

16.8 Consents

Each of the persons referred to in this section:

- (a) has given and has not, before the date of lodgement of this Bidder's Statement with ASIC withdrawn their written consent:
- (i) to be named in the Bidder's Statement in the form and context which it is named; and
 - (ii) where applicable, to the inclusion in this Bidder's Statement of the statement(s) and/or reports (if any) by that person in the form and context in which it appears in this Bidder's Statement;
- (b) has not caused or authorised the issue of this Bidder's Statement;

- (c) has not made any statement in this Bidder's Statement or any statement on which a statement in this Bidder's Statement is based, other than specified below; and
- (d) to the maximum extent permitted by law, expressly disclaims all liability in respect of, makes no representation regarding, and takes no responsibility for, any part of this Bidder's Statement, other than the references to their names and the statement(s) and/or report(s) (if any) specified below and included in this Bidder's Statement with the consent of that person.

Name	Role	Statement/ Report
Cokal Limited		Nil
Kings Park Corporate Lawyers	Australian lawyers	Schedule 1 (to the extent statements relate to Australian law)
Banong Nangoy Juan & Partners	Indonesian lawyers	Section to 11.3 and Schedule 1 (to the extent statements relate to Indonesian law)
Advanced Share Registry	Cakra's agent	Nil
Yoga Suryanegara	Competent Person	Referred to in section 9.5.
Patrick Hanna	Competent Person	Referred to in section 9.5.
PT Sinarmas Sekuritas	Standby buyer	Nil
Crowe Horwath	Investigating Accountant	Schedule 2

This Bidder's Statement also includes or is accompanied by statements which are made in or based on statements made in documents lodged with ASIC or on the company announcement platform of ASX. Under the terms of ASIC class order 13/521, the parties making those statements are not required to consent to, and have not consented to, those statements being included in this Bidder's Statement. If you would like to receive a copy of any of these documents please contact Cakra on info@ckra.com.au and you will be sent copies free of charge.

As permitted by ASIC Class Order 13/523, this Bidder's Statement may include or be accompanied by certain statements:

- (a) fairly representing a statement by an official person; or
- (b) from a public official document or a published book, journal or comparable publication.

In addition, as permitted by ASIC Class Order 07/429, this Bidder's Statement contains share price trading data sourced from Capital IQ without its consent.

16.9 Value of the Consideration

Based on the closing price of Cakra Shares on the IDX on 10 August 2015, being IDR193, the Cash Consideration is a:

- (a) 81.8% premium to the closing price of \$0.088 per Cokal Share on ASX on 24 April 2015, being the last trading day prior to the Announcement Date; and
- (b) 68.4% premium to the closing price of \$0.095 per Cokal Share on ASX on 26 February 2015, being the last date on which Cokal Shares were traded on ASX before the Announcement Date; and
- (c) 72% premium to the closing price of \$0.093 per Cokal Share on ASX on 10 August 2015.

16.10 Cokal Board Recommendation

Each of the Cokal Directors intend to unanimously recommend the Bid to Cokal Shareholders and to accept the Offer in respect of all the Cokal Shares they control, in the absence of a Superior Proposal and subject to completion of satisfactory due diligence of Cakra and the Bid.

16.11 No other material information

Except as set out in this Bidder's Statement, there is no information material to the making of a decision by an offeree whether or not to accept the Offer, being information that is known to Cakra and has not previously been disclosed to the holders of Cokal Shares.

17 THE OFFER TERMS

17.1 The Offer

(a) Offer for your Cokal Shares

Cakra offers to acquire all of your Cokal Shares subject to the terms and conditions set out in this section of this Bidder's Statement.

This Offer extends to all Cokal Shares that are issued during the period from the Register Date to the end of the Offer Period due to the conversion of, or exercise of the rights attached to, Cokal Options.

(b) Offer includes Rights

If Cakra acquires your Cokal Shares under this Offer, Cakra is also entitled to any Rights attached to those Cokal Shares.

(c) Consideration

Cakra offers for each of your Cokal Shares, one of the following alternatives (as elected by you):

- (i) 10.327 Cakra Shares (**Share Consideration**); or
- (ii) \$0.16 in cash (**Cash Consideration**).

You may choose to receive the Share Consideration, Cash Consideration or a combination of both for all your Cokal Shares.

You must specify your choice when completing the Acceptance Form. If you accept the Offer but do not specify which of the alternative Considerations you wish to receive, you will, subject to section 17.26 be treated as choosing the Cash Consideration for all your Cokal Shares.

17.2 Ineligible Foreign Shareholders

If you are an Ineligible Foreign Shareholder, you will not receive any Cakra Shares. Instead, you will receive in respect of any Cokal Shares a cash amount calculated under section 17.24.

This Offer is not registered in any jurisdiction outside Australia and New Zealand (unless an applicable foreign law treats it as registered as a result of the Bidder's Statement being lodged with ASIC). It is your sole responsibility to satisfy yourself that you are permitted by any foreign law applicable to you to accept this Offer.

17.3 Rounding of Cakra Shares

If you elect to receive any Share Consideration and the aggregate consideration payable to you would include a fraction of a Cakra Share under this Offer, the number of Cakra Shares you are entitled to will be rounded down to the nearest whole number.

17.4 Ranking of Cakra Shares

The Cakra Shares issued under the Offer will be issued fully paid and will rank equally for dividends and other rights with existing Cakra Shares on issue.

17.5 IDX listing of Cakra Shares

Cakra Shares transferred to Cokal Shareholders who accept the Share Consideration under the Offer will first be issued to the Standby Buyer as shortfall shares under the Rights Issue; with the Standby Buyer transferring those Cakra Shares to the Nominee and the Nominee transferring those Cakra Shares to accepting Cokal Shareholders.

Application for quotation on IDX will be made as part of the registration process for the Rights Issue. In the event OKJ does not register the Rights Issue, an Offer Condition will not have been met and the Offer will be withdrawn with any contracts resulting from acceptances of the Offer void.

Cakra has applied to ASIC to extend the 7 day period within which an application for quotation will be made to 14 days prior to the close of the Offer. Cakra will make supplementary disclosure once the outcome of these discussions is known.

17.6 Offer Period

Unless withdrawn, this Offer is open during the period that begins on the date of this Offer and ends at 5:00 pm EST on the later of:

- (a) 15 November 2015; or
- (b) any date to which the period of this Offer is extended or as required by the Corporations Act.

17.7 Expiry period

No Cakra Shares will be issued on the basis of the Offer after the date that is 13 months after the date of this Bidder's Statement.

17.8 How to accept this Offer

- (a) Accept for all your Cokal Shares

You can only accept this Offer during the Offer Period for all your Cokal Shares. You will be taken to have accepted the Offer for all your Cokal Shares plus any additional Cokal Shares registered as held by you at the date your acceptance is processed (despite any difference between that number and the number of Cokal Shares specified when you accept this Offer).

- (b) CHESS Holdings

If your Cokal Shares are in a CHESS Holding, you must:

- (i) complete and sign the Acceptance Form in accordance with the instructions on it; and

- (ii) return the Acceptance Form together with all other documents required by the instructions on it to the address specified on the form in the addressed envelope provided so that they are received before the end of the Offer Period.

If you wish to be the holder of an unmarketable parcel of Cakra Shares you must sign and return the Acceptance Form and state this fact clearly on it. See section 17.25 below.

(c) Issuer Sponsored Holdings and other holdings

If your Cokal Shares are held on Cokal's issuer sponsored subregister, or if at the time of your acceptance you are entitled to be (but are not yet) registered as the holder of, or are otherwise able to give good title to, your Cokal Shares, to accept this Offer you must:

- (i) complete and sign the Acceptance Form in accordance with the instructions on it; and
- (ii) return the Acceptance Form together with all other documents required by the instructions on it to the address specified on the form in the addressed envelope provided so that they are received before the end of the Offer Period.

If you wish to be the holder of an unmarketable parcel of Cakra Shares you must sign and return the Acceptance Form and state this fact clearly on it. See section 17.25 below.

17.9 Effect of Acceptance Form

By completing, signing and returning the Acceptance Form in accordance with section 17.8(b) or section 17.8(c) as applicable, you:

- (a) authorise Cakra and each of its officers and agents to correct any errors in, or omissions from, the Acceptance Form necessary to:
- (i) make it an effective acceptance of this Offer for your Cokal Shares which are not in a CHESS Holding; and
- (ii) enable the transfer of your Cokal Shares to Cakra; and
- (b) if any of your Cokal Shares are in a CHESS Holding, authorise Cakra and each of its officers and agents to:
- (i) instruct your Controlling Participant to effect your acceptance of this Offer for those Cokal Shares under rule 14.14 of the ASX Settlement Rules; and
- (ii) give to your Controlling Participant on your behalf any other instructions in relation to those Cokal Shares which are contemplated by the sponsorship agreement between you and your Controlling

Participant and are necessary or appropriate to facilitate your acceptance of this Offer.

17.10 Void Contracts

If, at the end of the Offer Period:

- (a) Cakra has not declared this Offer and all contracts resulting from the acceptance of the Offer free from the Offer Conditions; and
- (b) the Offer Conditions 5 have not been fulfilled,

all contracts resulting from the acceptance of the Offer and all Offers that have been accepted from whose acceptance binding contracts have not yet resulted will be automatically void.

17.11 Withdrawal rights

The contract resulting from your acceptance will be binding on you and you will be unable to withdraw your Cokal Shares from the Offer or otherwise dispose of your Cokal Shares, except as follows:

- (a) if the Offer is terminated in accordance with section 17.10; or
- (b) if the Offer Period is extended for more than one month and at the time this Offer is subject to one or more of the Offer Conditions,

in which case you may be able to withdraw your acceptance in accordance with section 650E of the Corporations Act.

17.12 Your agreement

By carrying out the instructions in section 17.8 on how to accept this Offer:

- (a) you accept this Offer;
- (b) you represent and warrant to Cakra that all your Cokal Shares will at the time of your acceptance of this Offer and of transfer to Cakra be fully paid up and that Cakra will acquire good title to and beneficial ownership of them free from Encumbrances;
- (c) you represent and warrant that you are not an Ineligible Foreign Shareholder, unless otherwise indicated on the Acceptance Form, and acknowledge and agree that if you are an Ineligible Foreign Shareholder, or Cakra believes you are an Ineligible Foreign Shareholder, section 17.2 applies to you;
- (d) you transfer, or consent to the transfer in accordance with the ASX Settlement Rules of, your Cokal Shares to Cakra subject to the conditions of the constitution of Cokal on which they were held immediately before your acceptance of this Offer (and Cakra agrees to take those Cokal Shares subject to those conditions);
- (e) if and when the contract resulting from your acceptance of this Offer becomes unconditional (even though Cakra has not yet paid or provided the

Consideration due to you), you irrevocably appoint Cakra and each director of, and any nominee of, Cakra as your attorney to:

- (i) attend and vote in respect of your Cokal Shares at all general meetings of Cokal; and
 - (ii) execute all forms, notices, documents (including a document appointing a director of Cakra as a proxy for any of your Cokal Shares) and resolutions relating to your Cokal Shares and generally to exercise all powers and rights which you have as the registered holder of your Cokal Shares;
- (f) you agree that in exercising the powers conferred by the power of attorney in section 17.12(e), Cakra and each of its directors and its nominee is entitled to act in the interest of Cakra;
- (g) if and when the contract resulting from your acceptance of this Offer becomes unconditional (even though Cakra has not yet paid or provided the Share Consideration due to you), you agree not to attend or vote in person at any general meeting of Cokal or to exercise, or to purport to exercise, (in person, by proxy or otherwise) any of the powers conferred on the directors of Cakra by section 17.12(e);
- (h) if and when the contract resulting from your acceptance of this Offer becomes unconditional (even though Cakra has not yet paid or provided the Consideration due to you), you authorise Cakra to transmit a message to ASX Settlement in accordance with rule 14.17.1 of the ASX Settlement Rules so as to enter those of your Cokal Shares which are in a CHESS Holding into Cakra's Takeover Transferee Holding; and
- (i) if you choose (or are treated as choosing) either of the Share Consideration or the Cash Consideration (unless section 17.24 or section 17.25 applies to you), you:
 - (i) agree to accept the Cakra Shares to which you become entitled by accepting this Offer subject to the Articles of Association of Cakra; and
 - (ii) authorise Cakra to instruct the Nominee to transfer the Cakra Shares to which you became entitled by accepting this Offer, if your Cokal Shares are in a CHESS Holding, with the same holder identification number as affects your Cokal Shares; and if your Cokal Shares are held on Cokal's issuer sponsored sub-register, on Cakra's issuer sponsored sub-register.

17.13 Powers of attorney

If the Acceptance Form is signed under power of attorney, the attorney declares that the attorney has no notice of revocation of the power and is empowered to delegate

powers under the power of attorney under section 17.9 and paragraphs (e) and (h) of section 17.10.

17.14 Validation of otherwise ineffective acceptances

Cakra may treat the receipt by it of a signed Acceptance Form as a valid acceptance of this Offer even though it does not receive the other documents required by the instructions on the Acceptance Form or there is not compliance with any one or more of the other requirements for acceptance. If Cakra does treat such an Acceptance Form as valid, subject to section 17.21, Cakra will not be obliged to give the Consideration to you until Cakra receives all those documents and all of the requirements for acceptance referred to in section 17.8(c) and in the Acceptance Form have been met.

17.15 Trading your Cakra Shares

Only brokers who are members of IDX and KSEI (i.e. Qualified Brokers) may trade shares on the IDX. Therefore, in order to trade your Cakra Shares you must open an account with a Qualified Broker which Cakra has appointed Sinarmas as its Qualified Broker with details as follows:

PT Sinarmas Sekuritas
Sinarmas Land Plaza 3rd tower 5th floor
Jalan M.H. Thamrin No. 51 Jakarta Pusat - 10350
Office +62 21 392 5550 ext 260

Attention: Albert Witono Setiawan - Corporate Finance Division

Alternatively you may wish to appoint your own Qualified Broker. A list of licensed Qualified Brokers may be found on the IDX website at the following link:

<http://www.idx.co.id/enus/home/membershipparticipant/exchangemembersprofiles.aspx>.

There will likely be brokerage fees payable in connection with trades conducted by a Qualified Broker. There may also be minimum deposits and tax payable.

You should contact your Qualified Broker for more details.

17.16 Offer Conditions

This Offer and the contract resulting from acceptance of this Offer are subject to the fulfilment of the following Offer Conditions:

(a) Minimum acceptance condition

During, or at the end of, the Offer Period the number of Cokal Shares in which Cakra and its associates together have relevant interests (disregarding any relevant interest that Cakra has merely because of the operation of section 608(3) of the Corporations Act) is at least 90% of all the Cokal Shares.

(b) Cakra Approval

- (i) Cakra obtains all required regulatory approvals in Indonesia, including regulatory approvals for the Rights Issue and the Offer;
 - (ii) Cakra enters into a binding underwriting agreement in relation to the Rights Issue with an underwriter having the financial capacity required for the Rights Issue (which has occurred);
 - (iii) Cakra obtains shareholder approval for the Rights Issue and the Bid;
 - (iv) the Rights Issue is completed with the maximum number of shares to be issued to be 5,000,000,000 and on customary terms and conditions; and
 - (v) all the members of Cakra Board and Commissioners have been informed of the Offer and undertake to:
 - (A) the Cakra Board as required under Indonesia law to unanimously recommend that, in the absence of a Cokal material adverse change, to Cakra Shareholders to approve the Offer and the Rights Issue;
 - (B) the Cakra Board in the absence of Bid material adverse change, accept, or procure the acceptance of the Offer and to undertake the Rights Issue in respect of all the Cakra Shares that they hold or in which they otherwise have a relevant interest.
- (c) No prescribed occurrences
- None of the following events happens during the period beginning on the date the bidder's statement is given to Cokal and ending at the end of the Offer Period:
- (i) Cokal converts all or any of its shares into a larger or smaller number of shares;
 - (ii) Cokal or a subsidiary of Cokal resolves to reduce its share capital in any way;
 - (iii) Cokal or a subsidiary of Cokal:
 - (A) enters into a buy-back agreement; or
 - (B) resolves to approve the terms of a buy-back agreement under section 257C(1) or 257D(1) of the Corporations Act;
 - (iv) Cokal or a subsidiary of Cokal issues shares (other than Cokal Shares upon the exercise of Cokal Options) or grants an option over its shares, or agrees to make such an issue or grant such an option;⁴

⁴ Cakra has waived this Condition with respect to the Cokal Shares issued on 15 June 2015.

- (v) Cokal or a subsidiary of Cokal issues, or agrees to issue, convertible notes;
- (vi) Cokal or a subsidiary of Cokal disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property;
- (vii) Cokal or a subsidiary of Cokal charges, or agrees to charge, the whole, or a substantial part, of its business or property;
- (viii) Cokal or a subsidiary of Cokal resolves to be wound up;
- (ix) the appointment of a liquidator or provisional liquidator of Cokal or of a subsidiary of Cokal;
- (x) a court makes an order for the winding up of Cokal or of a subsidiary of Cokal;
- (xi) an administrator of Cokal, or of a subsidiary of Cokal, is appointed under sections 436A, 436B or 436C of the Corporations Act;
- (xii) Cokal or a subsidiary of Cokal executes a deed of company arrangement; or
- (xiii) a receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part, of the property of Cokal or of a subsidiary of Cokal;

provided that it will not include any occurrence:

- (xiv) fairly disclosed to Cakra on or before the date of the Bid Implementation Agreement (including as a result of disclosures made to ASX);
 - (xv) occurring as a result of any matter, event or circumstance required by this document, the Bid or the transactions contemplated by them; or
 - (xvi) approved in writing by Cakra.
- (d) No prescribed occurrences between Announcement Date and service of the Bidder's Statement
- None of the events listed in sub-sections (i) to (xiii) of section 17.16(b) happens during the period beginning on the Announcement Date and ending at the end of the day before the Bidder's Statement is given to Cokal.
- (e) No action by Public Authority adversely affecting the Bid
- During the Condition Period:
- (i) there is not in effect any preliminary or final decision, order or decree issued by a Public Authority;
 - (ii) no action or investigation is instituted, or threatened by any Public Authority with respect to Cokal or any subsidiary of Cokal; or

- (iii) no application is made to any Public Authority (other than an application by Cakra or any company within the Cakra Group, an application under section 657G of the Corporations Act, or an application commenced by a person specified in section 659B(1) of the Corporations Act in relation to the Bid),

in consequence of, or in connection with, the Bid, which restrains or prohibits or threatens to restrain or prohibit, or may otherwise materially adversely impact upon, the making of the Bid or the completion of any transaction contemplated by the Bidder's Statement or seeks to require the divestiture by Cakra of any Cokal Shares, or the divestiture of any assets by Cokal or by any subsidiary of Cokal or by any company within the Cakra Group.

(f) Approvals by Public Authorities

During the Condition Period, Cakra receives all Approvals which are required by law or by any Public Authority:

- (i) to permit the Offers to be made to and accepted by Cokal Shareholders; or
- (ii) as a result of the Offers or the successful acquisition of the Cokal Shares and which are necessary for the continued operation of the business of Cokal and its subsidiaries or of Cakra and its subsidiaries,

and those Approvals are on an unconditional basis and remain in force in all respects and there is no notice or indication of intention to revoke, suspend, restrict, modify or not renew those Approvals.

(g) No material acquisitions, disposals, etc.

Except for any proposed transaction publicly announced by Cokal before the Announcement Date, none of the following events occur during the period from that date to the end of the Offer Period without the written consent of Cakra (not to be unreasonably withheld or delayed):

- (i) Cokal, or any subsidiary of Cokal, acquires, offers to acquire or agrees to acquire one or more companies or assets (or an interest in one or more companies or assets) for an amount in aggregate greater than US\$2,000,000 or makes an announcement about such an acquisition;
- (ii) Cokal, or any subsidiary of Cokal, disposes, offers to dispose or agrees to dispose of, or creates, or offers to create an equity interest in one or more companies or assets (or an interest in one or more companies or assets) for an amount in aggregate greater than US\$2,000,000 or makes an announcement about such a disposal;
- (iii) Cokal, or any subsidiary of Cokal, enters into, offers to enter into or announces that it proposes to enter into any joint venture or partnership or dual listed company structure, or makes an announcement about such a commitment;

- (iv) Cokal, or any subsidiary of Cokal, incurs or commits to, or grants to another person a right the exercise of which would involve Cokal or any subsidiary of Cokal incurring or committing to any capital expenditure or liability for one or more related items of greater than US\$2,000,000 or makes an announcement about such a commitment.
 - (v) Cokal disposes, offers to dispose or agrees to dispose of, any direct or indirect interest in any of its subsidiaries.
- (h) Conduct of Cokal's business

During the Condition Period, none of Cokal, or any body corporate which is or becomes a subsidiary of Cokal, without the written consent of Cakra:

 - (i) declares, or distributes any dividend, bonus or other share of its profits or assets;
 - (ii) issues or grants options over, or agrees to issue or grant options over, or otherwise makes any commitments regarding any shares or other securities, or alters its capital structure or the rights attached to any of its shares or other securities, or issues or agrees to issue any convertible notes, other than the issue of Cokal Shares upon the exercise of Cokal Options;
 - (iii) makes any changes in its constitution or passes any special resolution;
 - (iv) gives or agrees to give any Encumbrance over any of its assets otherwise than in the ordinary course of business;
 - (v) borrows or agrees to borrow any money (except for temporary borrowing from its bankers in the ordinary course of business), provided that from the expiry of the 6 month period commencing on the Announcement Date to the end of the Condition Period, Cokal may do so but only after first providing Cakra the opportunity to lend those monies to Cokal;
 - (vi) releases, discharges or modifies any substantial obligation to it of any person, firm or corporation or agrees to do so;
 - (vii) has appointed any additional director to its board of directors whether to fill a casual vacancy or otherwise;
 - (viii) enters or agrees to enter into any contract of service or varies or agrees to vary any existing contract of service with any director or manager, or pays or agrees to pay any retirement benefit or allowance to any director, manager or other employee, or makes or agrees to make any substantial change in the basis or amount of remuneration of any director, manager or other employee (except as required by law or provided under any superannuation, provident or retirement scheme as in effect on the Announcement Date);
 - (ix) conducts its business otherwise than in the ordinary course;

- (x) has threatened or commenced against it any material claims or proceedings in any court or tribunal (including a petition for winding up or an application for appointment of a receiver or receiver and manager); or
 - (xi) executes a deed of company arrangement or passes any resolution for liquidation, or has appointed or becomes susceptible to the appointment of an administrator, a receiver, a receiver and manager or a liquidator, or becomes subject to investigation under the *Australian Securities and Investments Commission Act 2001* (Cth) or any corresponding legislation.
- (i) No force majeure event
- During the Condition Period, no outbreak of hostilities (whether war is declared or not) or terrorism, mobilisation of armed forces, civil or political unrest or labour disturbance, fire or natural disaster, material increase in the intensity of any of the above events or other event beyond the control of Cokal or the relevant subsidiary occurs which materially affects or is likely to materially affect the assets, liabilities, financial position, performance, profitability or prospects of Cokal or any of its subsidiaries.
- (j) No material adverse change to Cokal
- During the Condition Period, no change occurs, is discovered or becomes public which has or could reasonably be expected to have a materially adverse effect on the:
- (i) assets, liabilities, financial position, performance, profitability or prospects of Cokal and its subsidiaries taken as a whole or of any of them; or
 - (ii) status or terms of (or rights attaching to) any material Approvals from Public Authorities applicable to Cokal or any of its subsidiaries, including without limitation:
 - (iii) any creditor demanding repayment of a debt of US\$15,000,000 or more;
 - (iv) Cokal or a subsidiary of Cokal entering into an agreement (including an option agreement) in relation to acquiring or disposing of assets the price or aggregate unencumbered value of which is more than US\$15,000,000; or
 - (v) any person accelerating or adversely modifying the performance of any obligations of Cokal or any of its subsidiaries under any material agreements, contracts or other legal arrangements.
- but does not include any change:

- (vi) fairly disclosed to Cakra on or before the date of the Bid Implementation Agreement (including as a result of disclosures made to ASX);
- (vii) occurring as a result of any matter, event or circumstance required by this document, the Bid or the transactions contemplated by them;
- (viii) approved in writing by Cakra; or
- (ix) which relates to commodity prices, exchange rate or financial markets;
- (x) a general change in economic, political or business conditions;
- (xi) a change in law or regulation or the practice or policy of any Government Agency, a change in law or regulation or the practice or policy of any Government Agency; or
- (xii) a change in accounting policy or tax law or regulation or practice.
- (k) Cokal Options
- During the Condition Period, either:
- (i) all Cokal Options have been exercised, cancelled or transferred to Cakra or agreement has been reached between Cakra, Cokal and the holders of the Cokal Options to do so; or
- (ii) Cakra is entitled to compulsorily acquire all outstanding Cokal Options in accordance with Chapter 6A of the Corporations Act.

17.17 Offer Conditions apply to multiple events

Where an event occurs that would mean at the time the event occurs an Offer Condition to which this Offer or the contract resulting from your acceptance of this Offer is then subject would not be fulfilled, each Offer Condition affected by that event becomes two separate Offer Conditions on identical terms except that:

- (a) one of them relates solely to that event; and
- (b) the other specifically excludes that event.

Cakra may declare the Offer free under section 17.18 from either of those Offer Conditions without declaring it free from the other and may do so at different times. This section may apply any number of times to a particular Offer Condition (including an Offer Condition arising from a previous operation of this section).

17.18 Notice declaring Offer free of Offer Conditions

Subject to the Corporations Act, Cakra may declare this Offer and any contract resulting from acceptance of this Offer free from any of the Offer Conditions by giving written notice to Cokal in accordance with section 17.19.

17.19 Notice of status of Offer Conditions

The date for giving the notice on the status of the Offer Conditions as required by section 630(1) of the Corporations Act is 1 November 2015 being not more than 14 days and not less than 7 days before the end of the Offer Period (subject to extension in accordance with the Corporations Act if the Offer Period is extended).

17.20 Contract void if Offer Conditions not fulfilled

Your acceptance or the contract resulting from your acceptance of this Offer is void if:

- (a) at the end of the Offer Period any of the Offer Conditions in section 17.16 are not fulfilled; and
- (b) Cakra has not declared this Offer and any contract resulting from the acceptance of it free of that Offer Condition in accordance with section 17.18.

17.21 Payment of Consideration

- (a) When you will receive payment

Subject to this section 17.21 and the Corporations Act, if you accept this Offer Cakra will pay you the Consideration for your Cokal Shares to which Cakra acquires good title on or before the earlier of the day that is:

- (i) 1 month after you accept this Offer or, if this Offer is subject to an Offer Condition when accepted, 1 month after the contract resulting from your acceptance becomes unconditional; and
- (ii) 21 days after the end of the Offer Period.

- (b) Acceptance Form requires additional documents

Where documents are required to be given to Cakra with your acceptance to enable Cakra to become the holder of your Cokal Shares (such as a power of attorney):

- (i) if the documents are given with your acceptance, Cakra will pay you in accordance with section 17.21(a);
- (ii) if the documents are given after your acceptance and before the end of the Offer Period while the Offer is subject to an Offer Condition, Cakra will pay you the Consideration by the end of whichever of the following periods ends first:
 - (A) 1 month after the contract resulting from your acceptance becomes unconditional; and
 - (B) 21 days after the end of the Offer Period;
- (iii) if the documents are given after your acceptance and before the end of the Offer Period while the Offer is no longer subject to an Offer

Condition, Cakra will pay you the Consideration by the end of whichever of the following periods ends first:

- (A) 1 month after Cakra is given the documents; and
 - (B) 21 days after the end of the Offer Period; or
 - (iv) if the documents are given after the end of the Offer Period, Cakra will pay you the consideration within 21 days after the documents are given. However, if at the time Cakra is given the documents the contract resulting from acceptance of the Offer is still subject to an Offer Condition in section 17.16, Cakra will pay you the consideration within 21 days after the contract becomes unconditional.
- (c) Delivery of consideration
- Cakra will send a share certificate for any Cakra Shares and/or a cheque for any cash payment due to you (at your risk) by pre-paid ordinary mail, or in the case of an address outside Australia by airmail, to the address shown in the Acceptance Form.
- (d) Trading of Cakra Shares
- In order to trade your Cakra Shares on IDX, you must open an account with a Qualified Broker, i.e. a broker who is a member of IDX and KSEI, and convert your certificated holding to an uncertificated holding.
- You may appoint Sinarmas, for this purpose. Sinarmas' contact details are as follows:
- PT Sinarmas Sekuritas
Sinarmas Land Plaza 3rd tower 5th floor
Jalan M.H. Thamrin No. 51 Jakarta Pusat - 10350
Office +62 21 392 5550 ext 260
Attention: Albert Witono Setiawan - Corporate Finance Division
- Alternatively, you may choose your own Qualified Broker from the list of licensed Qualified Brokers found on the IDX website at the following link:
- <http://www.idx.co.id/enus/home/membershipparticipant/exchangemembersprofiles.aspx>.
- You will need to contact your Qualified Broker for details on any fees and charges that may be associated with trading your Cakra Shares.

17.22 Return of documents

If this Offer does not become unconditional or any contract arising from this Offer is rescinded by Cakra on the grounds of a breach of a condition of that contract, Cakra will, at its election, either return by post to you at the address shown on the Acceptance Form and any other documents sent with it by you, or destroy those documents and notify the ASX of this.

17.23 Rights

If Cakra becomes entitled to any Rights as a result of your acceptance of this Offer, it may require you to give to Cakra all documents necessary to vest title to those Rights in Cakra. If you do not give those documents to Cakra, or if you have received or are entitled to receive (or any previous holder of your Cokal Shares has received or is entitled to receive) the benefit of those Rights, Cakra may deduct the amount (or value as reasonably assessed by Cakra) of such Rights from any Consideration otherwise payable to you. If Cakra does not, or cannot make such a deduction, you must pay that amount to Cakra.

17.24 Acceptance by Ineligible Foreign Shareholders

If you are a person:

- (a) whose address as shown in the register of members of Cokal is in a jurisdiction other than Australia, its external territories or New Zealand; and
- (b) by the law of that jurisdiction makes it, in the reasonable opinion of Cakra, unlawful or too onerous for Cakra to make the Offer to you and to issue you with Cakra Shares,

then you will be taken to be an Ineligible Foreign Shareholder.

As an Ineligible Foreign Shareholder, you will not be entitled to receive Cakra Shares as consideration for your Cokal Shares. Instead Cakra will:

- (a) arrange for the issue to a nominee approved by ASIC of the number of Cakra Shares to which you and all other Ineligible Foreign Shareholders would have been entitled but for this section;
- (b) cause those Cakra Shares to be offered for sale on ASX as soon as practicable after the end of the Offer Period and otherwise in such manner, at such price and on such terms as are determined by the nominee; and
- (c) cause the amount ascertained in accordance with the formula below to be paid to you:

$$\text{net proceeds of sale} \quad \times \quad \frac{\text{your Cakra Shares}}{\text{total Cakra Shares}}$$

net proceeds of sale is the amount remaining after deducting the expenses of sale and of appointing the nominee from the total proceeds of sale of the Cakra Shares issued to the nominee under this section;

your Cakra Shares is the number of Cakra Shares which would, but for this section, have been issued to you; and

total Cakra Shares is the total number of Cakra Shares issued to the nominee under this section.

You will be paid by cheque in Australian currency. The cheque will be sent at your risk by pre-paid airmail to the address shown in the Acceptance Form.

Cakra has applied to ASIC to appoint Sinarmas as nominee.

17.25 Unmarketable parcels of Cakra Shares

If the total number of Cakra Shares you are entitled to receive as consideration under this Offer is an unmarketable parcel and you do not sign and return the Acceptance Form and state clearly on it that you wish to be the holder of an unmarketable parcel, you are offered and will receive a cash amount for your Cokal Shares calculated under section 17.24 as if you were an Ineligible Foreign Shareholder.

17.26 Cokal Shareholders clearances for offshore residents and others

If at the time you accept this Offer or at the time the consideration is provided under it:

- (a) any authority or clearance of the Reserve Bank of Australia or the Australian Tax Office is required for you to receive any consideration under this Offer; or
- (b) you are resident in or a resident of a place to which, or you are a person to whom any of the following applies:
 - (i) the *Banking (Foreign Exchange) Regulations 1959* (Cth);
 - (ii) Part 4 of the *Charter of the United Nations Act 1945* (Cth);
 - (iii) Part 9 of the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (Cth);
 - (iv) the *Charter of the United Nations (Sanctions - Afghanistan) Regulations 2001* (Cth); or
 - (v) any other regulations made under Part 4 of the *Charter of the United Nations Act 1945* (Cth);
 - (vi) any other law of Australia or elsewhere that would make it unlawful for Cakra to provide consideration for your Cokal Shares,

then your acceptance of this Offer does not create or transfer to you any right (contractual or contingent) to receive the consideration specified in this Offer unless and until you obtain all requisite authorities or clearances.

17.27 Costs and stamp duty

Cakra will pay all costs and expenses of the preparation and circulation of the Offer and any stamp duty payable on the transfer of any Cokal Shares to Cakra.

17.28 Offerees

- (a) Registered holders

Cakra is making an offer in the form of this Offer to:

- (i) each holder of Cokal Shares registered in the register of members of Cokal at the Register Date; and
- (ii) each holder Cokal Shares issued on exercise of the Cokal Options existing at the Register Date.

(b) Transferees

This Offer extends to any person who is able during the Offer Period to give good title to a parcel of your Cokal Shares. That person may accept as if an Offer on terms identical to this Offer had been made to them for those Cokal Shares.

(c) Trustees and nominees

If during the Offer Period and before you accept this Offer your Cokal Shares consist of two or more separate parcels within the meaning of section 653B of the Corporations Act (for example, because you are a trustee or nominee for several distinct beneficial owners), section 653B of the Corporations Act will apply so that:

- (i) Cakra is taken to have made a separate Offer to you for each separate parcel of Cokal Shares; and
- (ii) acceptance by you of the Offer for any distinct parcel of Cokal Shares is ineffective unless:
 - (A) you give Cakra notice in accordance with section 17.28(d) stating that your Cokal Shares consist of separate parcels; and
 - (B) your acceptance specifies the number of Cokal Shares in each separate parcel to which the acceptance relates.

(d) Notices by Trustees and Nominees

The notice required under section 17.28(c)(ii)(A):

- (i) if it relates to Cokal Shares not in a CHESS Holding, must be in writing; or
- (ii) if it relates to Cokal Shares in a CHESS Holding, must be in an electronic form approved under the ASX Settlement Rules for the purposes of Part 6.8 of the Corporations Act.

17.29 Variation and withdrawal of Offer

(a) Variation

Cakra may vary this Offer in accordance with the Corporations Act.

(b) Withdrawal

In accordance with section 652B of the Corporations Act, Cakra may withdraw this Offer with the written consent of ASIC and subject to the conditions (if any) which apply to that consent.

17.30 Governing law

This Offer and any contract resulting from acceptance of it are governed by the law in force in Queensland.

18 DIRECTORS' AUTHORISATION

Signed on behalf of PT Cakra Mineral Tbk. by Julian Atkinson who was authorised to sign under power of attorney by a resolution unanimously passed at a meeting of the directors of Pt. Cakra Mineral Tbk on 14 August 2015.

A handwritten signature in black ink, reading "Julian Atkinson", enclosed within a thin black rectangular border.

Dated 14 August 2015

19 DEFINITIONS AND INTERPRETATION

19.1 Definitions

The following definitions apply in interpreting this Bidder's Statement and the Acceptance Form, except where the context makes it clear that a definition is not intended to apply:

\$ or AUD	means Australian dollars unless otherwise specified.
Acceptance Form	means the form with that title that accompanies this Bidder's Statement.
Announcement Date	means the date on which the Bid was announced to ASX by Cokal being 29 April 2015.
Approval	means a licence, authority, consent, approval, order, exemption, waiver, ruling or decision.
ASIC	means the Australian Securities and Investments Commission.
associate	has the meaning given in section 12(2) of the Corporations Act.
ASX Settlement	means the ASX Settlement Pty Limited ACN 008 504 532.
ASX Settlement Rules	means the operating rules of the settlement facility provided by ASX Settlement.
ASX Listing Rules	means the listing rules of ASX.
ASX	means ASX Limited or the Australian Securities Exchange as appropriate.
BBM Project	means the Bumi Barito Mineral Project with an ownership structure of 60% Cokal and 40% Indonesian owners.
Bid Implementation Agreement	means the bid implementation agreement entered into by Cakra and Cokal on the Announcement Date.
Bid	means the off-market takeover bid by Cakra to all Cokal Shareholders to be implemented in accordance with Chapters 6 to 6C of the Corporations Act.

Bidder's Statement	means this document, being the statement made by Cakra under Part 6.5 Division 2 of the Corporations Act relating to the Bid.
Broker	means a person who is a share broker and participant in CHES.
Business Day	means a day on which: <ul style="list-style-type: none">(a) banks are open for general banking business in Brisbane, Queensland, excluding Saturdays, Sundays and public holidays; and(b) ASX is open for trading in securities.
Cakra	means PT. Cakra Mineral Tbk..
Cakra Board	means the board of directors of Cakra.
Cakra Directors	means the directors on the Cakra Board.
Cakra Group	means Cakra and its related bodies corporate (as defined in the Corporations Act).
Cakra Share	means a fully paid share in Cakra.
Cash Consideration	is defined in section 17.1(c)(ii).
CHES Holding	means a holding of shares on the CHES Subregister of Cokal.
CHES	means the Clearing House Electronic Subregister System operated by ASX, which provides for the electronic transfer, settlement and registration of securities.
CHES Subregister	has the meaning set out in the ASX Settlement Rules.
Cokal Board	means the board of directors of Cokal from time to time.
Cokal Directors	means the directors of Cokal from time to time.
Cokal	means Cokal Limited (ACN 082 541 437).
Cokal Options	means options to subscribe for Cokal Shares.
Cokal Prescribed Occurrence	means any of the following: <ul style="list-style-type: none">(a) Cokal converts all or any of its shares into a larger or smaller number of shares;

- (b) Cokal or a subsidiary of Cokal resolves to reduce its share capital in any way;
- (c) Cokal or a subsidiary of Cokal:
 - (i) enters into a buy-back agreement; or
 - (ii) resolves to approve the terms of a buy-back agreement under section 257C(1) or 257D(1) of the Corporations Act;
- (d) Cokal or a subsidiary of Cokal issues shares (other than Cokal Shares upon the exercise of Cokal Options) or grants an option over its shares, or agrees to make such an issue or grant such an option;
- (e) Cokal or a subsidiary of Cokal issues, or agrees to issue, convertible notes;
- (f) Cokal or a subsidiary of Cokal disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property;
- (g) Cokal or a subsidiary of Cokal charges, or agrees to charge, the whole, or a substantial part, of its business or property;
- (h) Cokal or a subsidiary of Cokal resolves to be wound up;
- (i) the appointment of a liquidator or provisional liquidator of Cokal or of a subsidiary of Cokal;
- (j) a court makes an order for the winding up of Cokal or of a subsidiary of Cokal;
- (k) an administrator of Cokal, or of a subsidiary of Cokal, is appointed under sections 436A, 436A or 436C of the Corporations Act;
- (l) Cokal or a subsidiary of Cokal executes a deed of company arrangement; or
- (m) a receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part, of the property of Cokal or of a subsidiary of Cokal,

provided that an Cokal Prescribed Occurrence will not include any matter:

	<ul style="list-style-type: none"> (n) fairly disclosed to Cakra on or before the date of the Bid Implementation Agreement (including as a result of disclosures made to ASX); (o) occurring as a result of any matter, event or circumstance required by this document, the Bid or the transactions contemplated by them; or (p) approved in writing by Cakra.
Cokal Share	means a fully paid ordinary share in Cokal.
Cokal Shareholder	means a holder of Cokal Shares.
Competing Proposal	<p>means any proposal (including a scheme of arrangement) or offer that would if completed substantially in accordance with its terms, result in:</p> <ul style="list-style-type: none"> (a) any person or persons other than Cakra or one of Cakra's associates acquiring: <ul style="list-style-type: none"> (i) an interest in all or a substantial part of the assets of Cokal; (ii) a Relevant Interest in more than 20% of the voting shares of Cokal; or (iii) control of Cokal within the meaning of section 50AA of the Corporations Act; or (b) Cokal and another person or persons (other than Cakra or one of Cakra's associates) operating under a dual listed company, or similar structure.
Condition Period	means the period beginning on the Announcement Date and ending on 1 November 2015 being not more than 14 days and not less than 7 days before the end of the Offer Period (subject to extension in accordance with the Corporations Act if the Offer Period is extended).
Consideration	means the Share Consideration or the Cash Consideration or both (as the context requires).
Controlling Participant	has the meaning set out in the ASX Settlement Rules.
Corporations Act	means the <i>Corporations Act 2001</i> (Cth) as modified by any relevant exemption or declaration by ASIC.

Crowe Horwath	means Crowe Horwath Corporate Finance (Aust) Ltd (ACN 001 508 363).
Encumbrance	means: <ul style="list-style-type: none"> (a) a mortgage, charge, pledge, lien, hypothecation or a title retention arrangement; (b) a notice under section 255 of the <i>Income Tax Assessment Act 1936</i> (Cth), subdivision 260 A in schedule 1 to the <i>Taxation Administration Act 1953</i> (Cth) or any similar legislation; (c) any other interest in or right over property (including a right to set off or withhold payment of a deposit or other money); (d) any other thing that prevents, restricts or delays the exercise of a right over property, the use of property or the registration of an interest in or dealing with property; or (e) an agreement to create anything referred to above or to allow any of them to exist.
EST	means Australian Eastern Standard Time.
Exchange Rate	means IDR to US\$ exchange rate of on 10 August 2015, being IDR13,538 to US\$1.
Exclusivity Period	means the period commencing from the date of the Bid Implementation Agreement to expiry of the Offer Period or the date that the Bid Implementation Agreement is terminated (whichever is the earlier).
Extend Harmony Group	means Extend Harmony Group Limited (formerly Z&N International Co. Ltd.).
foreign law	means a law of a jurisdiction other than an Australian jurisdiction.
Foreign Shareholder	means a person whose address as shown in the register of members of Cokal is in a jurisdiction other than Australia, its external territories or New Zealand.
GST	has the same meaning as in <i>A New Tax System (Goods and Services Tax) Act 1999</i> (Cth).

IDR	means Indonesian Rupiah unless otherwise specified.
IDX	means the Indonesia Stock Exchange.
Ineligible Foreign Shareholder	has the meaning given in section 17.24 of this Bidder's Statement.
Interested Persons	means a: <ul style="list-style-type: none"> (a) a director or proposed director of Cakra; (b) a person named in this Bidder's Statement as performing a function in a professional, advisory or other capacity in connection with preparing or distributing this Bidder's Statement; (c) a promoter of Cakra; or (d) a broker or underwriter to the issue of Cakra Shares.
Issuer Sponsored Holding	means a holding of Cokal Shares on Cokal's issuer sponsored subregister.
JORC Code	means the Australian Code for Reporting of Mineral Resources and Ore Reserves prepared by the Joint Ore Reserves Committee of The Australasian Institute of Mining and Metallurgy, the Australian Institute of Geoscientists and the Minerals Council of Australia, as amended or replaced from time to time.
KSEI	means PT Kustodian Sentral Efek Indonesia, the central securities depository in Indonesia.
Merged Entity	means Cakra following the acquisition by Cakra of not less than 90% of Cokal under the Offer.
Mt	means million tonnes.
Mtpa	means million tonnes per annum.
Offer Conditions	means the conditions to the Offer set out in the Bid Implementation Agreement and summarised in section 17.16.
Offer Date	means the date on which the offer was first made to Cokal Shareholders, namely 14 August 2015.

Offer	means the offer as set out in this Bidder's Statement and includes a reference to those offers as varied in accordance with the Corporations Act.
Offer Period	means the period referred to in section 17.6 of this Bidder's Statement.
OKJ	Otoritas Jasa Keuangan, the Financial Services Authority in Indonesia.
PSAK	means the Indonesian Financial Accounting Standards.
Public Authority	means any government or any governmental, semi-governmental, administrative, statutory or judicial entity or authority, or any minister, department, office or delegate of any government, whether in Australia or elsewhere. It also includes any self-regulatory organization established under statute and any stock exchange.
Qualified Broker	means a broker that is a member of the IDX and KSEI.
Redstone	means Redstone Resources Pte Ltd.
Register Date	means 9am EST on 14 August 2015, being the date set by Cakra under section 633(2) of the Corporations Act.
relevant interest	has the same meaning as given in sections 608 and 609 of the Corporations Act.
Reserve or Ore Reserve	has the meaning given to Ore Reserve in the JORC Code.
Resource or Mineral Resource	has the meaning given to Mineral Resource in the JORC Code.
Rights	means all accretions and rights attaching to Cokal Shares after the Register Date (including all rights to receive dividends and other distributions declared or paid and to receive or subscribe for shares, notes or options issued by Cokal).
Rights Issue	has the meaning given in section 1.2.
Share Consideration	is defined in section 17.1(c)(i).

Sinarماس	means PT. Sinarماس Sekuritas, part of the Sinar Mas Group.
Superior Proposal	<p>means a Competing Proposal that in the determination of the Cokal Board acting in good faith after taking advice from its financial advisers:</p> <ul style="list-style-type: none"> (a) is reasonably capable of being valued and completed, taking into account both the nature of the Competing Proposal and the person or persons making it; and (b) is more favourable to Cokal Shareholders than the Bid, taking into account all terms and conditions of the Competing Proposal, <p>provided that a financial adviser, independent of the Cokal Board, has provided a written opinion to the Cokal Board which supports the determination of the matters in paragraphs (a) and (b) above.</p>
Standby Agreement	means the standby buyer's agreement entered into between Cakra and Sinarماس on or around 1 June 2015.
Standby Buyer	has the meaning given in section 11.3
unmarketable parcel	means a number of Cakra Shares which is less than the minimum number of shares that must be held in order to trade under the market rules of IDX.
your Cokal Shares	<p>means, subject to section 17.28, the Cokal Shares:</p> <ul style="list-style-type: none"> (a) of which you are registered or entitled to be registered as the holder in the register of members of Cokal at the Register Date and any new Cokal Shares of which you are registered or entitled to be registered as the holder on the register of members of Cokal from the Register Date to the end of the Offer Period as a result of the exercise of the Cokal Options; and (b) any other Cokal Shares, to which you are able to give good title at the time you accept this Offer during the Offer Period.

19.2 Interpretation

- (a) Words and phrases which are defined by the Corporations Act have the same meaning in this Bidder's Statement and the Acceptance Form and, if a special

meaning is given for the purposes of Chapter 6 or 6A or a provision of Chapter 6 or 6A of the Corporations Act, have that special meaning.

- (b) Headings are for convenience only, and do not affect interpretation.
- (c) The following rules also apply in interpreting this Bidder's Statement and the Acceptance Form, except where the context makes it clear that a rule is not intended to apply:
 - (i) a singular word includes the plural, and vice versa;
 - (ii) a word which suggests one gender includes the other genders;
 - (iii) if a word is defined, another part of speech has a corresponding meaning;
 - (iv) unless otherwise stated references in this Bidder's Statement to sections, paragraphs and sub-paragraphs are to sections, paragraphs and sub-paragraphs of this Bidder's Statement;
 - (v) a reference to a person includes a body corporate;
 - (vi) a reference to \$ is to the lawful currency in Australia unless otherwise stated; and
 - (vii) appendices to this Bidder's Statement form part of it.

SCHEDULE 1 COMPARISON OF RELEVANT COMPANIES AND SECURITIES LAWS AND LISTING RULES IN INDONESIA AND AUSTRALIA

As Cakra is a company incorporated under the laws of Indonesia and whose shares are listed on the IDX, Cakra must comply with Indonesian laws, as well as the listing rules of the IDX.

Comparison table

The information below is only a summary of some of the companies and securities laws and listing rules that apply to Cakra in Indonesia and which may be of interest to Cokal Shareholders in their consideration of the Offer. For comparison purposes only, a general outline of Australian laws and regulations (under the Corporations Act and ASX Listing Rules) is also set out in the third column. Cokal Shareholders should note that this is set out for comparison purposes only and Australian laws and regulations will not apply to Cakra or to Cakra Shares that are issued as Consideration (other than in respect of taxation laws and regulations for which you should seek your own professional advice).

The information below is general in nature and is not intended to be an authoritative or a complete statement of the companies or securities laws or listing rules or other regulations that are or may be applicable to Cakra or to companies incorporated in Indonesia or whose shares are listed on the IDX. The information below does not constitute legal advice and Cokal Shareholders should consider obtaining their own professional advice on these and other companies and securities laws and listing rules and other regulations that do or may apply to Cakra and how they do or may differ to Australian companies and securities laws, regulations and listing rules.

	Indonesia position	Australian position
Company management	<p>Under the Indonesian Company Law No. 40 of 2007, a company is required to adopt a two board structure: board of directors and board of commissioners. Members of both the board of directors and the board of commissioners shall be appointed by general meeting of shareholders. The board of directors has managerial or day-to-day operational responsibilities while the board of commissioners has a supervisory function. Notwithstanding these different functions, the two boards have equal status. The purpose of the two board structure is to enhance checks and balances on the company governance.</p> <p>The board of directors has the authority and full responsibility to manage the company for the interest of the company, in accordance with the purposes and objectives of the company as well as to represent the company, either in or out the court in accordance with the provisions of the articles of association. The board of commissioners is not involved in the day-to-day operations of the company, which is undertaken by the board of directors, the responsibilities of the board of commissioners are to conduct supervision over the management policy, the implementation of the management in general, either regarding the company or its business, and provides advice to the board of directors. Among other things, the board of directors is responsible to prepare the annual work plan, annual report and proposal on the distribution of interim dividend,</p>	<p>In Australia, pursuant to section 198A of the Corporations Act (or an equivalent provision under a company's constitution), the business of a company is to be managed by or under the direction of the directors. Every company is required to have at least one director, while public companies must have at least three directors. The directors collectively are known as the board of directors. Directors can be appointed at a general meeting of the shareholders or to fill a casual vacancy (with subsequent ratification of the appointment to be sought at the company's next annual general meeting).</p> <p>The directors may exercise all the powers of the company except any powers that the Corporations Act or the company's constitution (if any) requires the company to exercise in the general meeting. For example, the directors may issue shares, borrow money and issue debentures. Unless the company's constitution provides otherwise, the directors of a company may delegate any of their powers to a committee of directors, a director, an employee of the company or any other person.</p> <p>Generally, the directors of an Australia company have a fiduciary duty to the company to act in good faith in the best interest of the company and for a proper purpose with care and diligence. Where any director's act is in contravention of the statutory duty under the Corporation Act, the director may face civil or criminal penalties.</p>

	Indonesia position	Australian position
	<p>which shall be reviewed/ approved by the board of commissioners.</p> <p>The members of both the board of directors and board of commissioners are personally liable for losses suffered by the company if it resulted from its fault or negligent in performing its duties.</p>	
Voting rights	<p>Under Article 84. (1) of the Law Of The Republic Of Indonesia Number 40 Of 2007 Concerning Limited Liability Companies each issued share confers one voting right, unless otherwise stipulated by the articles of association.</p> <p>Under Article 86, a General Meeting of Shareholders (GMS) shall be lawfully held if shareholders holding more than one-half of the total shares with voting rights are present or represented, unless Indonesian Company Law and/or the company's articles of association stipulates a larger quorum.</p> <p>If a GMS has no quorum, a GMS which has been reconvened shall be lawfully held and entitled to adopt a binding resolution if shareholders holding more than one-third of the total shares with voting rights are present or represented, unless Indonesian Company Law and/or the company's articles of association stipulates a bigger number of quorum.</p>	<p>Full details of the rights and liabilities attaching to shares in a listed company are detailed in the company's constitution and in certain circumstances, regulated by the Corporations Act, the relevant Listing Rules and the general law.</p> <p>Subject to any rights or restrictions attached to a class or classes of shares, most commonly, at a general meeting of members every member has one vote on a show of hands and one vote per share on a poll. Voting may be in person or by proxy, attorney or representative.</p> <p>Some companies may have more than one class of share which may have different classes come with different voting rights. A class may not have voting rights at all.</p> <p>Preference shares are generally superior to an ordinary share in some way, usually because they have first preference or right to a dividend. Preference shares usually don't have voting rights.</p>

	Indonesia position	Australian position
Amendments to constitution	<p>Amendments to the articles of association must be determined by a GMS.</p> <p>Under Article 88 of Indonesian Company Law, a GMS to amend the articles of association can be convened if at least two-thirds of the total shares issued with voting rights are present or represented. Resolutions shall be valid if approved by more than two-thirds of total votes cast at the meeting unless the articles of association stipulates a larger quorum and/or a larger number of votes to adopt the resolution. If a GMS has no quorum, the reconvened GMS shall be valid and entitled to adopt a resolution if shareholders holding at least three-fifths of the total shares issued with voting rights are present or represented. The resolutions at that GMS shall be valid if approved by more than two-thirds of the total votes cast at the meeting unless the articles of association stipulates a larger quorum and/or a larger number of votes to adopt the resolution.</p>	<p>Under section 136(2) a company may modify or repeal its constitution, or a provision of its constitution, by special resolution i.e. a resolution that has been passed by at least 75% of the votes cast by members entitled to vote on the resolution.</p>
Holdings	<p>Under Article III.3.4.2. of the IDX's Rule No. I.E, a listed company must submit a monthly report of registration activity at the latest on the 12th of each month containing, inter alia, the following: (a) name and address of the controlling shareholder and its total number of shares; (b) name and address of the shareholder who owns 5% or more shares of the listed company and its total number of shares; (c) total number</p>	<p>Under section 671B of the Corporations Act, a substantial shareholder of a listed company must give the ASX information about its shareholding, including any movements of 1% or more in its shareholding. A substantial shareholder is defined as being a holder who holds a Relevant Interest in 5% or more of the securities of a listed entity.</p>

	Indonesia position	Australian position
	of shares owned by each director and each commissioner of the listed company; (d) the company's total number of shareholders.	In addition, under Listing Rule 3.19A of the ASX Listing Rules, a listed entity must notify the ASX of any notifiable interests of directors, i.e. information about their shareholdings in the listed entity. The listed entity must then provide this information to the ASX.
Takeovers	Under Article 89: (1) of Indonesian Company Law a GMS to approve a merger, consolidation, acquisition, or separation, bankruptcy, extension of duration, and the liquidation of the Company can be convened if shareholders holding at least three-fourths of the total shares issued with voting rights are present or represented. The resolutions shall be valid if shareholders that hold more than three-fourths of the total votes cast at the meeting vote in favour unless the articles of association stipulates a bigger quorum and/or a larger number of votes to adopt the resolution. (2) If a quorum is not present, a second GMS can be convened. (3) The second GMS as referred to in paragraph (2) shall be valid and entitled to adopt a resolution if shareholders holding at least two-thirds of the total shares issued with voting rights are present or represented. The resolutions shall be valid if approved by shareholders holding more than three-fourths of total votes cast at the meeting unless the articles of association stipulate a larger quorum and/or a larger number of votes to adopt the resolution.	Under Chapter 6 of the Corporations Act, a person must not acquire a Relevant Interest in voting shares of a public company of 20% or more, subject to a number of exemptions (including approval by shareholders and a 3% creep every 6 months).

	Indonesia position	Australian position
	<p>Under Article 3 of Bapepam-LK Rule No.IX.H.1 in the event of a company takeover, the new controller of the company must conduct a tender offer for all of the remaining shares of the company, except for: (a) shares owned by a shareholder that has made another company takeover transaction with the new controller of that company; (b) shares owned by any other person that has already made an offering with similar terms and conditions as those of new controller of that company; (c) shares owned by any other person who, at the same time, also conducts a tender offer for the same shares; (d) shares owned by substantial shareholders or other controllers of that company. Company takeover means an activity, either directly or indirectly, that causes any change in a Company's control.</p> <p>Under Article 1.c of Bapepam-LK Rule No.IX.H.1, company controller means: (a) any person that owns more than 50% of a company's shares, or (b) any person that directly or indirectly has the ability to control a Company.</p>	
Compulsory acquisition	The trigger for compulsory acquisition is the change of controller of the target company, where the controller is defined as a party holding more than 50% of the issued shares in the company OR a party who has the ability to determine, directly or indirectly, the management and/or policies of the company. There is a concept of "organised group", which is	Under Chapter 6A of the Corporations Act, a person who holds a Relevant Interest in 90% or more of a class of securities in a public company may be entitled to compulsorily acquire all of the remaining securities in that class and move to 100% ownership. There are different rules that apply to a compulsory acquisition which follows a takeover bid and a

	Indonesia position	Australian position
	<p>akin to the concept of “concert parties” found in other jurisdictions.</p> <p>Under Article V.1 and V.2 of the IDX’s Rule No.I-A, a listed company can remain listed on the IDX if the total shares owned by non-controlling shareholders and non-substantial shareholders is at least fifty million shares and at least 7.5% of the total number shares in the paid-up capital And the company has at least 300 shareholders that hold a securities account with a broker who is a member of the IDX.</p>	<p>compulsory acquisition which follows a person acquiring a 90% interest in securities in a class by other means.</p> <p>In addition, if the bidder and their associates have a Relevant Interest in at least 90% of the securities by number in the bid class at the end of the offer period, the bidder must offer to buy out the remaining holders in the bid class.</p>
Issue of new securities	<p>Under Article 41 (1) of Indonesian Company law, the increase of the Company’s capital shall be conducted based on the approval of the GMS.</p> <p>Under Article 42 (2) of the Indonesia Company law, the GMS resolution for the increase of issued and paid-up capital within the limits of the authorised capital shall be declared valid if a quorum consists of shareholders holding more than one-half of the total number of shares with voting rights. The resolution will be approved if shareholders holding more than one-half of the total votes vote in favour, unless a larger number is specified in the articles of association.</p>	<p>Under ASX Listing Rule 7.1, an entity listed on the ASX cannot issue securities without shareholder approval unless the securities to be issued constitute less than 15% of the total ordinary share capital of the company. This 15% threshold is calculated by reference to shares on issue over a rolling 12 month period. Certain exceptions apply under Listing Rule 7.2. Some listed companies may be able to obtain shareholder approval at an annual general meeting to increase the 15% limit to 25%.</p>
Disclosure requirements for issues of	<p>In the event that a public company intends to increase its capital then, subject to the exemption discussed below, each of the shareholders must be given the pre-emptive right to subscribe for the new securities with the proportion to their</p>	<p>A public company cannot issue new securities without a disclosure document which complies with the requirements of</p>

	Indonesia position	Australian position
new securities	<p>percentage of their ownership. The issue of new securities in a public company must comply with all the requirements as stated in Bapepam-LK Rule No. IX.D.1 and Disclosure Information as stated in Bapepam-LK Rule No. IX.K.1.</p> <p>However a public company can increase its capital with non pre-emptive rights if the company has a negative working capital and the value of its liabilities is more than 80% of the value of its assets. The issue of new securities with non pre-emptive rights is allowed only for at maximum 10% of company's paid in capital and have to publish to all the shareholders.</p>	<p>Chapter 6D of the Corporations Act. However, there are a number of exemptions from these requirements, including:</p> <ul style="list-style-type: none"> (a) personal offers where the total amount raised does not exceed \$2 million in a 12 month period and from no more than 20 investors; (b) issues to “professional investors” (as defined in section 9 of the Corporations Act); (c) issues to sophisticated investors, being investors who have an income of more than \$250,000 per annum or assets in excess of \$2.5 million, in each case, as certified by an accountant; (d) offers to senior managers; and (e) offers by way of rights issues by listed entities, <p>subject to section 708AA of the Corporations Act (including that an entity has not been suspended from trading for 5 or more days over the preceding 12 months and the entity has complied with its financial reporting requirements).</p>
Related party transactions	<p>Article 2 of Bapepam LK’s Rule Number IX.E.1A provides that companies that conduct transactions with “affiliated” parties must disclose certain information to Bapepam LK and announce that information to the public no later than the end of second working day after the transaction has occurred.</p>	<p>Under Chapter 2E of the Corporations Act, a public company cannot provide a financial benefit to a related party without shareholder approval, subject to certain exemptions, including arm’s length transactions. A related party includes:</p> <ul style="list-style-type: none"> (a) an entity that controls the public company;

	Indonesia position	Australian position
	<p>Article 3 of Bapepam LK's Rule NUMBER IX.E.1A provides that (a) a transaction involving a conflict of interest is any transaction undertaken by the company or a controlled company in which the company's director, commissioner and/or substantial shareholder has a conflict of interest. (b) a transaction involving a conflict of interest must first be approved by non-conflicted shareholders or their authorised representative in at a GSM. Such approval must be confirmed in the form of notarised deeds. Under Article 29 of the OJK's Rule No. 32/POJK.04/2014, a GSM to approve transactions involving a conflict of interest can be convened if more than one-half of the total shares held by non-conflicted shareholders are present or represented. The resolutions shall be approved if more than one-half of total shares voted by non-conflicted shareholders vote in favour at the GSM unless the articles of association provides otherwise. In the case the attending quorum is not sufficient, a second GSM can be convened. The second GSM shall be valid and entitled to adopt a resolution if more than one-half of the total independent shares issued with voting rights are present or represented and the resolutions thereof shall be valid if approved by more than one-half of total independent votes cast at the meeting unless the articles of association stipulates a bigger quorum and/or a provision regarding the adoption of resolution in the GSM. In the case the attending quorum of the second GSM is not sufficient, a third GSM can be convened with the quorum determined by the OJK</p>	<p>(b) directors of the public company;</p> <p>(c) directors of an entity that controls the public company;</p> <p>(d) an entity that has reasonable grounds to believe that it will be a related entity in the future; and</p> <p>(e) an entity which acts in concert with a related party of the public company on the understanding that the related party will receive a financial benefit if the public company gives the entity a financial benefit.</p> <p>In addition, under Chapter 10 of the ASX Listing Rules, a shareholder who holds 10% or more of the shares of a listed entity is subject to restrictions under Listing Rule 10.1 regarding acquisitions and disposals of substantial assets from the public company.</p> <p>On any shareholders' resolution to approve the giving of a financial benefit under Chapter 2E of the Corporations Act (or Chapter 10 of the ASX Listing Rules), none of the related party or its associates is able to vote on the relevant resolution.</p> <p>There are also restrictions that apply to remuneration of directors of public companies (and listed entities) particularly any termination payments under section 200 of the Corporations Act and Chapter 10 of the Listing Rules.</p>

	Indonesia position	Australian position
	and the resolutions thereof shall be valid if approved by more than 50% of total independent votes cast at the meeting.	
Capital reductions	Under Article 44 (1) of the Indonesian Company law, a resolution of the GMS for the reduction of the company's capital shall be valid if adopted by taking into account the requirements of quorum provisions and the numbers of votes in favour for the amendments of the articles of association in accordance with this law and/or the articles of association.	Under Chapter 2J.1 of the Corporations Act, a company can reduce its capital if the reduction: <ul style="list-style-type: none"> (a) does not materially prejudice creditors or the interest of the company; and (b) is approved by shareholders. In addition, there are specific forms of capital reduction, share buy-backs and financial assistance that have specific rules and restrictions under the Corporations Act and the ASX Listing Rules.
Appointment or removal of directors	According to Article 2 of the OJK's Regulation No. 33/POJK.04/2014, the board of a public company will consist of at least two directors. Article 94, 106 & 107 of the Indonesian Company Law provides that members of the board of directors are appointed and dismissed by the GMS. Directors are appointed for a certain period of time with the maximum being five years. Within that time directors may be re-appointed. The articles of association of the company regulates the procedures to appoint, replace, and dismiss members of the board of directors, and may also regulate the procedures to nominate directors.	Generally speaking, directors may be appointed to fill casual vacancies on the board by the directors of the company. However, under the ASX Listing Rules, the appointment of any director appointed by the board must be ratified by shareholders at the next annual general meeting of the company. In addition, most listed entities have provisions in their constitution requiring directors to retire at least every 3 years but are eligible for re-election. Directors of a public company may only be removed by ordinary resolution of the members - the board cannot remove directors. Any such resolution of the company is subject to requirements

	Indonesia position	Australian position
	A member of the board of directors can be temporarily suspended by the board of commissioners for specified reasons. Within the latest period of 30 days as of the date of suspension, a GMS will be convened. At the GMS, the relevant director will be given an opportunity to defend themselves. GMS shall revoke or confirm the resolution regarding such suspension.	set out in the Corporations Act (including a two month notice period).
Disclosure requirements that apply to mining companies	Disclosure requirements for listed mining companies are subject to Rule no. X.K.1, regarding Disclosure of Information and Surat Edaran BAPEPAM No. SE-02/BL/2008.	Listed entities are subject to continuous disclosure requirements set out in section 674 of the Corporations Act and Listing Rule 3.1 of the Listing Rules. Australian listed entities that are “mining entities” (as defined in the Listing Rules) are subject to separate disclosure requirements under Chapter 5 of the Listing Rules, including that exploration results, reserves, resources and production targets/financial forecasts are disclosed in accordance with the Joint Ore Reporting Committee (JORC) Code.
Franking credits	Franking credits do not exist under Indonesian law.	Australia has a full dividend franking (imputation) system. If Cokal was a taxpayer it may pay a dividend which is franked and carries a franking credit. An Australian tax resident shareholder would be entitled to a franking credit. A shareholder who is not an Australian tax resident and receives a fully franked dividend from Cokal would not be subject to withholding tax on the dividend but would not receive any credit in Australia in respect of the franking credit.

	Indonesia position	Australian position
		Australian tax resident shareholders in Cakra will generally include the gross amount (inclusive of any withholding tax deducted) of any dividends received in their taxable income. They would then be allowed a tax off-set in respect of any withholding tax paid in Indonesia.

For personal use only

CH:BD
14 August 2015

The Directors
PT Cakra Mineral Tbk
C/-Kings Park Corporate Lawyers
Level 2, 45 Richardson Street
WEST PERTH WA 6005

Dear Directors

Investigating Accountant's Report

Introduction

We have prepared this Investigating Accountant's Report ("the Report") on the historical financial information of PT Cakra Mineral Tbk ("CKRA" or "the Company") for the years ended 31 December 2012, 2013 and 2014 and pro-forma financial information for the year ended 31 December 2014 for inclusion in a Bidder's Statement dated 14 August 2015 ("the Bidder's Statement"). This report has been prepared at the request of the Directors of CKRA so as to provide Cokal Limited ("Cokal") shareholders with historical and pro-forma financial information of CKRA.

Crowe Horwath Corporate Finance (Aust) Ltd ("Crowe Horwath") holds an Australian Financial Services Licence ("AFSL") (No. 239170) in accordance with the Australian Securities and Investments Commission ("ASIC") requirements for advising and dealing in securities. We have attached at Annexure 1, a Financial Services Guide.

Background

CKRA is an Indonesian-incorporated, publicly-listed mineral investment company that operates integrated mining business segments through its subsidiaries. CKRA is 74.23% owned by Redstone Resources Pte Ltd, a Singapore based company that specialises in mining investments.

CKRA's business ranges from exploration, mining, processing to marketing of minerals with an increasing downstream focus. CKRA's headquarters are in Central Jakarta and it has operations in both West Sumatra and Central Kalimantan.

On 29 April 2014, CKRA and Cokal announced that they had signed and entered into a Bid Implementation Agreement under which CKRA would make a conditional off-market takeover bid for all the shares in Cokal ("the Offer"). For the reasons set out in the Bidder's Statement, CKRA announced that it is offering to acquire Cokal Shares in exchange for either:

- a) 10.327 Cakra Shares per Cokal Share (Share Consideration); or
- b) AUD\$0.16 cash per Cokal Share (Cash Consideration); or
- c) a combination of both.

In terms of funding the offer, CKRA's intention is to raise approximately US\$111 million by way of a rights issue fully underwritten (as a standby buyer) by PT Sinarmas Sekuritas ("Underwriter").

The Offer is subject to a number of conditions including CKRA receiving all approvals required by law or by any governing agency. Further information about the Offer and the future plans of the Company can be found in other sections of the Bidder's Statement.

Basis of preparation

The historical and pro-forma financial information is presented in a condensed consolidated form insofar it does not include all of the disclosures required by Australian Accounting Standards applicable to financial reports in accordance with the *Corporations Act 2001*.

Our report does not address all the rights attaching to the shares to be issued in accordance with the Offer, nor the risks associated with accepting the Offer. Crowe Horwath has not been requested to consider the prospects for CKRA nor the merits and risks associated with becoming a shareholder in CKRA and accordingly has not done so, nor purports to do so.

Consequently, Crowe Horwath has not made and will not make any recommendation through the issue of this report to potential investors of the Company as to the merits of the Offer and takes no responsibility for any matter or omission in the Bidders Statement, other than the responsibility for the report.

Scope of report

You have requested Crowe Horwath prepare an Investigating Accountant's Report to provide limited assurance on the information set out in Sections 7 and 13 of the Bidder's Statement, that being:

- the Company's condensed historical consolidated Profit and Loss Statements for financial years ended 31 December 2012, 2013 and 2014;
- the Company's condensed historical consolidated Balance Sheets for the financial years ended 31 December 2012, 2013 and 2014; and
- the condensed historical consolidated pro-forma Balance Sheet of CKRA as at 31 December 2014 adjusted on the basis of the acquisition of 100% of the issued shares in Cokal as at that date and the completion of certain other transactions as disclosed in the Bidder's Statement.

Pursuant to our terms of engagement, this Report does not address the risk associated with the Offer, as set out in Section 14 of the Bidder's Statement.

Scope of review

Management's responsibilities

The Directors of CKRA are responsible for the preparation and presentation of the historical and pro-forma financial information, including the determination of the pro-forma assumptions and transactions.

Our responsibilities

Procedures performed by us have been undertaken to form a conclusion as to whether, on the basis of the procedures described below, anything has come to our attention that would indicate that:

- (a) the pro-forma adjustments do not provide a reasonable basis for the preparation of the pro-forma condensed historical balance sheet of CKRA as at 31 December 2014;

(b) the following items do not present fairly in accordance with the recognition and measurement requirements, but not all of the disclosure requirements of applicable Accounting Standards and other mandatory professional reporting requirements in Australia:

- the condensed historical consolidated Profit and Loss Statements of CKRA for the years ended 31 December 2012, 2013 and 2014;
- the condensed historical consolidated Balance Sheets of CKRA as at 31 December 2012, 2013 and 2014;
- the pro-forma condensed historical Balance Sheet of CKRA as at 31 December 2014, as if the pro-forma adjustments as set out in Section 13 had occurred; and
- notes to and forming part of the financial information referred to above.

We have conducted our limited assurance review of the historical financial information in accordance with Standard on Review Engagements ASRE 2405 *Review of Historical Financial Information Other than a Financial Report*. We have also considered the requirements of AS3420 *Assurance Engagement to Report on the Compilation of Pro-Forma Historical Financial Information included in a Prospectus or other Document*.

For the purposes of this engagement we are not responsible for updating or reissuing any reports or opinions on any historical financial information used to compile the pro-forma financial information, nor have we, in the course of this engagement, performed an audit of the financial information used in compiling the pro-forma financial information, or the pro-forma information itself.

The purpose of the compilation of the pro-forma information is solely to illustrate the impact of the takeover bid on the Company as if the event had occurred at an earlier date selected for purposes of the illustration. Accordingly we do not provide any assurance that the actual outcome of the takeover would be as presented.

Our review has been conducted in accordance with AUASB Standards Applicable to Review Engagements. We have made such inquiries and performed such review procedures as we, in our professional judgement considered reasonable in the circumstances, including:

- (a) a review of key contractual arrangements;
- (b) a review of financial statements, management accounts, audit and management work papers, accounting records and other documents to the extent considered necessary;
- (c) review of the pro-forma adjustments and assumptions used to compile the pro-forma historical Balance Sheet;
- (d) analytical review of the historical financial information and a review of the overall presentation of the pro-forma financial information;
- (e) review of the consistency in application of the recognition and measurement principles in Accounting Standards and other mandatory professional reporting requirements in Australia and Indonesia, and the accounting policies adopted by CKRA; and
- (f) enquiry and discussions with management, directors and auditors of CKRA and Cokal.

These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than that given in an audit. We have not performed an audit, and accordingly, we do not express an audit opinion.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Sources of information

The underlying historical financial information of CKRA has been extracted from the Company's audited consolidated financial statements for the years ended 31 December 2012, 2013 and 2014. The information was subsequently adjusted for compliance with International Financial Reporting Standards "IFRS" where necessary and translated into US dollars for presentation purposes in the Bidder's Statement and for the purposes of preparing the pro-forma financial information.

The Company's consolidated financial statements for the years ended 31 December 2012 and 2013 were subject to audit by two (2) separate and independent Indonesian Registered Public Accounting firms based in Jakarta in accordance with Auditing Standards prescribed by the Indonesian Institute of Public Accounting.

The Company's consolidated financial statements for the year ended 31 December 2014 was subject to audit by Kosasih, Nurdjaman, Tjahjo & Rekan – a member firm of Crowe Horwath International ("Crowe Horwath Indonesia" or "the Company's auditor") in accordance with Auditing Standards prescribed by the Indonesian Institute of Public Accounting.

The pro-forma financial information also includes underlying historical financial information extracted from Cokal's reviewed consolidated interim financial statements for the half-year ended 31 December 2014 (which is prepared in accordance with IFRS and presented in US dollars).

Cokal's consolidated interim financial statements for the half-year ended 31 December 2014 was reviewed by Ernst & Young Australia in accordance with the Australian Standard on Review Engagements, ASRE 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*.

Valuation of capitalised costs – exploration, evaluation and development

Upon completion of the acquisition of Cokal, a significant asset of CKRA will be its interests in exploration and mining tenements, comprising tenement acquisition, exploration, evaluation and mine development costs which have been capitalised in the consolidated pro-forma Balance Sheet. The interests in exploration and mining tenements have been included at either cost of acquisition to Cokal or capitalised exploration, evaluation and development expenditure incurred, in the consolidated pro-forma Balance Sheet.

We have not carried out valuations of any of the exploration and mining tenements, pre-existing or otherwise, in either CKRA or Cokal and do not express a view on whether the carrying values of any of the capitalised exploration, evaluation and development of mines costs exceeds recoverable amounts. In addition, the value of the exploration and mining tenements may rise or fall depending on a variety of factors including future exploration results and world prices for minerals being sought.

Measurement of assets and liabilities acquired from Cokal

The acquisition of Cokal as recorded in the condensed consolidated pro-forma Balance Sheet as at 31 December 2014 treats the take-over transaction provisionally as an "asset acquisition" as opposed to a "business combination" (Refer Section 13).

It may potentially be determined subsequently, that the transaction is a business combination in which case the assets and liabilities acquired from Cokal will be remeasured after completion of the acquisition. Whilst the total net assets acquired may not change significantly, the allocation between the different types of assets acquired may change significantly as a result of such re-measurement.

Conclusion

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that:

- (a) the pro-forma adjustments do not provide a reasonable basis for the preparation of the condensed historical consolidated pro-forma Balance Sheet of CKRA as at 31 December 2014;
- (b) the following items do not present fairly in accordance with the recognition and measurement requirements, but not all of the disclosure requirements of applicable Accounting Standards and other mandatory professional reporting requirements in Australia:
 - the condensed historical consolidated Profit and Loss Statements of CKRA for the years ended 31 December 2012, 2013 and 2014;
 - the condensed historical consolidated Balance Sheets of CKRA as at 31 December 2012, 2013 and 2014;
 - the condensed historical consolidated pro-forma Balance Sheet of CKRA as at 31 December 2014, as if the pro-forma adjustments as set out in Section 13 had occurred; and
 - notes to and forming part of the financial information referred to above.

Consistency in application of Accounting Standards

We have been advised by the Directors of CKRA that the Company's audited consolidated financial statements for the years ended 31 December 2012, 2013 and 2014 have been prepared in accordance with Indonesian Financial Accounting Standards ("IFAS" or "PSAK"). After several major convergence processes in recent years, there is now substantial alignment between PSAK and International Financial Reporting Standards ("IFRS") in Indonesia. Whilst there are still some differences between PSAK and IFRS, these exceptions are not entirely relevant to CKRA nor considered significant in the context of CKRA's financial information.

Similarly, there are no key differences between Australian Accounting Standards (Australian Equivalents to International Financial Reporting Standards "AIFRS") and Indonesia with both countries closely modelling their accounting standards on the International Financial Reporting Standards issued by the International Accounting Standards Board.

Accordingly, we expect there to be no material differences between the consolidated financial statements of CKRA for the years ended 31 December 2012, 2013 and 2014 as originally prepared, in comparison to their preparation under AIFRS. In order to confirm this view, we reviewed the Company's audited consolidated financial statements for the years ended 31 December 2012, 2013 and 2014 and made enquiries of the persons and firm engaged by CKRA to undertake the PSAK to IFRS conversion of the same for the purposes of condensed, currency-translated inclusion in the Bidder's Statement. Based on our review and discussions, nothing has come to our attention that indicates that CKRA's audited consolidated financial statements for the years ended 31 December 2012, 2013 and 2014 have not been prepared on a basis consistent with Australian Accounting Standards (AIFRS).

Our review and discussions in relation to the above matter was substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently the level of assurance provided is less than that given in an audit. We have not performed an audit and accordingly we do not express an audit opinion on the above.

Subsequent events

Having regard to the scope of our report, to the best of our knowledge and belief no other material transactions or events have come to our attention that would require comment on, or adjustment to, the information referred to in the Report or that would cause such information to be misleading or deceptive.

Independence and conflicts of interest

Crowe Horwath does not have any interests that could reasonably be regarded as being capable of affecting its ability to give an unbiased opinion in relation to this matter. Crowe Horwath had no role in the preparation of the underlying financial information.

Responsibility and consents

Crowe Horwath has given consent to the inclusion of this Investigating Accountant's Report in the Bidder's Statement in the form and context in which it appears but has not authorised the issue of the Bidder's Statement. At the date of this Report, consent has not been withdrawn.

The Directors of CKRA have prepared and are responsible for the Bidder's Statement and the Financial Information in Sections 7 and 13 and have authorised the issue of the Bidder's Statement. Crowe Horwath makes no representation regarding, and takes no responsibility for, any other statements, material in, or omissions from, the Bidder's Statement. Crowe Horwath disclaims any responsibility for any reliance on the financial information for any purpose other than for which they were prepared.

CKRA has agreed to indemnify and hold harmless Crowe Horwath and its employees from any claims arising out of misstatement or omission in any material or information supplied by CKRA.

General advice

The Report has been prepared for inclusion in the Bidder's Statement, to provide its readers with general information only. It does not take account of the objectives, financial situation, or needs of specific shareholders.

It is not intended to take the place of professional advice and the readers should not make specific investment decisions based solely on the information contained in the Report. Before acting or relying on any information, the readers should consider whether it is appropriate for their individual circumstances having regard to their objectives, financial situation and needs.

Yours faithfully



CROWE HORWATH CORPORATE FINANCE (AUST) LTD

Annexure 1 — Financial Services Guide

Date of issue: 8 July 2015

General Advice – Investigating Accountant's Report

This Financial Services Guide is designed to help retail clients make a decision as to their use of the relevant general financial product advice; to ensure that we comply with our obligations as a financial services licensee; and to provide you with information on:

- how we and our associates are paid;
- any potential conflict of interest we may have; and
- our internal and external dispute resolution procedures and how you can access them.

Introduction

Crowe Horwath Corporate Finance (Aust) Ltd, ABN 95 001 508 363 has been engaged to issue general financial product advice in the form of an Investigating Accountant's Report for inclusion in a disclosure or other document in relation to the issuing of a financial product.

Who is responsible for the financial services provided to me?

Crowe Horwath Corporate Finance (Aust) Ltd holds an Australian Financial Services Licence No. 239170 and is responsible for the financial services provided by it and its Authorised Representatives, including authorising the distribution of this Financial Services Guide.

Crowe Horwath Corporate Finance (Aust) Ltd is wholly owned by Crowe Horwath Australasia Ltd and operates as part of the business advisory and professional accounting practice of Crowe Horwath. Crowe Horwath Australasia Ltd is owned by Findex Australia Pty Ltd.

General Financial Product Advice

In the Investigating Accountant's Report we provide general financial product advice, not personal financial product advice, because the advice has been prepared without taking into account your personal objectives, financial situation or needs.

You should, before acting on the advice, consider the appropriateness of the advice, having regard to your objectives, financial situation and needs.

What kinds of financial services are you authorised to provide to me?

We are authorised to provide advice on, and deal in, the following classes of financial products to wholesale and retail clients:

- Provide financial product advice for the following classes of financial products:
 - (a) derivatives; and
 - (b) securities.

■ Deal in a financial product by:

- (a) issuing, applying for, acquiring, varying or disposing of a financial product in respect of the following classes of financial products:
- i. derivatives; and
 - ii. securities.

Investigating Accountant's Report

We provide financial product advice by issuing an Investigating Accountant's Report in connection with a financial product of another person or entity. Our Report includes a description of the circumstances of our engagement and identifies the person or entity who has engaged us. You have not engaged us directly but you will be provided with a copy of the Report due to your connection to the matters set out in the Report.

Any report we provide is provided on our own behalf as an Australian Financial Services Licensee authorised to provide the financial product advice contained in the Report.

Do you have any relationships or associations with financial product issuers?

Crowe Horwath Corporate Finance (Aust) Ltd and any of its associated entities may at any time provide professional or financial services to financial product issuers in the ordinary course of our business.

How is Crowe Horwath Corporate Finance (Aust) Ltd paid to produce an Investigating Accountant's Report?

We will charge a fee for providing this Investigating Accountant's Report. This fee will be paid by the person or entity which engages us to provide the Report. The fee has not affected the opinion we have expressed in the Report.

Except for this fee, neither Crowe Horwath Corporate Finance (Aust) Ltd, nor any of its principals, employees or related entities, receives any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of the Report.

Does Crowe Horwath Corporate Finance (Aust) Ltd get paid for referring clients to invest in the products associated with your Investigating Accountant's Reports?

We do not pay commissions or provide any other benefits to any person for referring clients to us in connection with the Investigating Accountant's Report that we are engaged to provide.

We do not receive commissions or any other benefits for referring clients in connection with the underlying financial product and/or financial service that is the subject of the reports we are engaged to provide.

Do I pay for the financial services provided?

You do not pay us a fee for the production of the Investigating Accountant's Report. It is the responsibility of the person or entity which engaged our services to produce the Report to meet this cost.

Who can I complain to if I have a complaint about the financial services provided?

If you have any complaint about the service provided to you, you should take the following steps:

Contact us and tell us about your complaint.

If your complaint is not satisfactorily resolved within three (3) business days, please contact the Complaints Officer on (02) 9262 2155, or put your complaint in writing and send it to us at:

The Complaints Officer
Crowe Horwath Corporate Finance (Aust) Ltd
Level 15, 1 O'Connell St
SYDNEY NSW 2000

If you still do not get a satisfactory outcome you can contact the Financial Ombudsman Service (FOS) of which Crowe Horwath is a member. FOS can be contacted on 1300 780 808 or you can write to them at GPO Box 3, Melbourne, Victoria 3001.

ASIC has a freecall Infoline on 1300 300 630 which you may also use to make a complaint or obtain information about your rights.

If you have any further questions about the financial services Crowe Horwath Corporate Finance (Aust) Ltd provides, please contact our office on (02) 9262 2155.

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