

REPORT ON ACTIVITIES FOR THE QUARTER ENDED 30 June 2013

1. CONSOLIDATED QUARTERLY ACTIVITY SUMMARY

MINING OPERATIONS

Baralaba	June Quarter 2013	Previous Quarter
ROM coal production (tonnes)	188,061	99,687
Overburden (tonnes)	1,541,767	1,005,283
Strip ratio	8.2	10.1
Production cash cost (FOBT Gladstone, including royalties) (\$'000)	17,604*	11,664*
Shipments - PCI (tonnes)	144,980	60,828
- Thermal (tonnes)	-	-
Receipts (\$'000)	18,819	17,424
Gross cash flow contribution (\$'000)	1,215*	5,760*
Group cash at end of the quarter (\$'000)	12,685*	12,244*

^{*} Payments for production during the quarter have been increased by \$4,241,000 (\$11,217,000 increase to date) to match certain production costs with the period in which they are paid.

For further information, refer to the Company's Appendix 5B.

RESERVES & RESOURCES

Global Resource Inventory (100% Project Basis)	Marketable JORC Reserve (Mt)	Total JORC Resource (Mt)	Change
- Bowen Basin (Qld)	70	346	Unchanged
- Surat Basin (Qld)	300.8	1,761	Unchanged
- Bylong (NSW)		423	Unchanged
- Hume (NSW)		451	Unchanged
Total	370.8	2,981	

SUMMARY ASX: COK

Corporate

- Sale of 30% interest in the Hume Project for \$10 million and the cancellation of 134.8 million shares in the Company held by POSCO Australia Pty Ltd.
- Extension of \$100 million KEBA loan facility and SK Networks guarantee.

Mining Operations

- 188,061 tonnes of coal produced during the quarter.
- Production cash cost (FOBT Gladstone, including royalties) during the quarter equates to \$93.61 per tonne of ROM coal production during the quarter.
- 144,980 tonnes of PCI coal sold during the quarter.
- Production and shipping performance normalised following adverse weather conditions in the March quarter.

Development and Exploration

• Minimal exploration undertaken as the Company prepares for the development of the Baralaba Expansion Project.

2. CORPORATE ACTIVITIES

2.1 Sale of 30% interest in Hume Project

Subsequent to the end of the quarter, conditions precedent were satisfied for the agreement with POSCO Australia Pty Limited ('POSA') whereby the Company will sell its 30% shareholding in Hume Coal Pty Limited ('Hume Coal') for approximately \$10 million of cash and the cancellation of POSA's 134,807,307 shares held in the Company ('the Transaction').

The cancellation of POSA's existing 13.2% shareholding in the Company under the Transaction will be effected by way of a selective capital reduction. The Transaction will not cancel or otherwise deal with any shares held by other shareholders.

The cancellation of the management agreement and related shareholders agreement under the Transaction will end all further cash call requirements for the Company to fund the exploration and development of the Hume Project. The Company originally purchased its 30% interest in Hume Coal from POSA in December 2010 for cash from the proceeds of the issue of 46,059,957 shares in the Company to POSA and has subsequently spent approximately \$10 million to fund its 30% share of exploration and development expenditure of the Hume Project.

The Transaction was approved at a general meeting of the Company held on 29 July 2013 and is scheduled to complete on 13 August 2013.

In addition to the Transaction, the Company has received a non-binding Letter of Intent from POSA's parent company, POSCO, for the procurement of 1.0 million tonnes per annum of metallurgical coal from the Baralaba Expansion Project.

2.2 Extension of KEBA Loan Facility

During the quarter, the Company entered into an agreement to extend the maturity of the KEB Australia Ltd ('KEBA') \$100 million loan facility ('Facility') to 28 September 2013. SK Networks, Co., Ltd ('SKN'), the ultimate parent entity of SK Networks Resources Australia Pty Ltd, an existing shareholder of the Company, continues to guarantee the KEBA Facility.

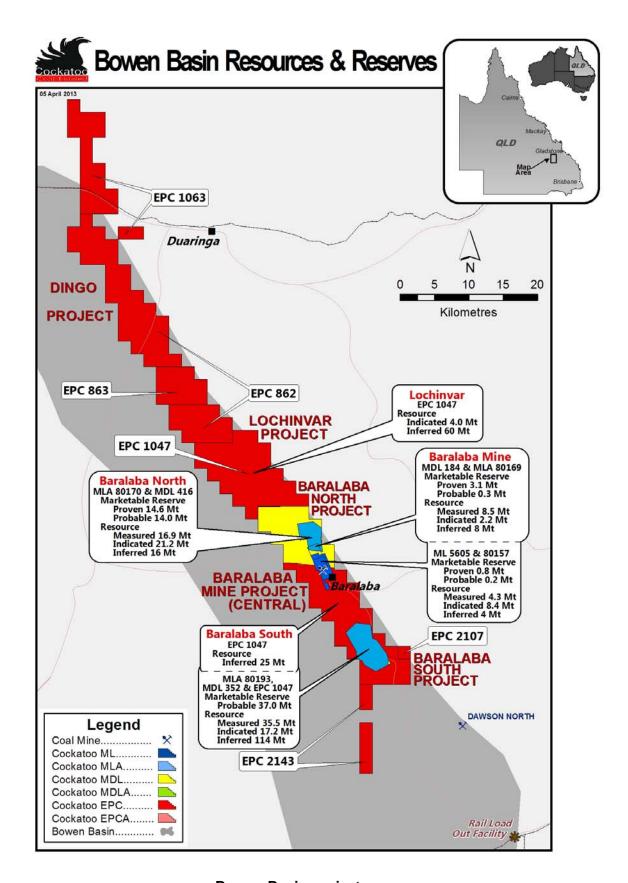
The extension of the Facility allows the Company to progress its current funding discussions with a number of parties, including SKN, regarding the refinancing of the Facility and future funding of the Baralaba Expansion. The Facility will be reduced to \$95 million, with Cockatoo agreeing to repay \$5 million from the proceeds received from the sale of its 30% interest in the Hume Project.

The Company has also significantly reduced expenditure on its non-core assets and continues to generate positive operating cash flows from the Baralaba mine. Cockatoo will continue to provide progressive updates to the market as the Company delivers on the financing plan.

3. BOWEN BASIN PROJECTS

The Company's Bowen Basin projects comprise:

- MLs 5580, 5581, 5590, 5605 and 80157, MDL184 and MLA 80169 (Baralaba mine project), which are held by the Company's 62.5% owned subsidiary, Baralaba Coal Pty Limited;
- MDL 352, EPCs 1047, 2107 and 2143 and MLA 80193 to the south of Baralaba Township (Baralaba South project) and EPC 1047, MDL 416 and MLA 80170 to the north of the Baralaba mine (Baralaba North project) which are held by the Company's 80% owned subsidiary, Wonbindi Coal Pty Limited; and
- the Dingo project comprising EPCs 862 (Dingo South), 863 (Middle Creek) and 1063 (Tryphinia) which are currently 30% owned by the Company's 100% owned subsidiary, Independent Coal Pty Limited and which are subject to a Joint Venture Farmout agreement.



Bowen Basin project areas.

3.1 Baralaba Coal Mine

The Baralaba mine, located near the town of Baralaba in the south eastern limb of the Bowen Basin, Queensland, is an open-pit operation, managed by the Company and operated by contractors providing blasting, mining and haulage.

The Company undertakes its own coal preparation services. PCI coal and thermal coal are produced from multiple seams from the well known Rangal Coal Measures. All the coal sold is exported through the Port of Gladstone.

Production during the quarter returned to normal following adverse weather in the previous quarter. Shipments also increased during the quarter and the shortfall in sales is expected to be recouped during the remainder of the year.

Production	September 2012 Quarter	December 2012 Quarter	March 2013 Quarter	June 2013 Quarter	FYTD	
ROM coal (tonnes)	232,988	186,645	99,687	188,061	707,381	
Overburden (bcm)	1,920,328	1,830,935	1,005,283	1,541,767	6,298,313	

The Company continued to maintain positive cash margins from mining operations during the quarter. The Company has also achieved positive cash margins for the 2013 financial year despite coal prices decreasing significantly in the September 2012 and December 2012 quarters, and wet weather disrupting production and the Moura Rail System during the March 2013 quarter.

Shipments	September 2012 Quarter	December 2012 Quarter	March 2013 Quarter	June 2013 Quarter	FYTD	
PCI (tonnes)	151,648	186,950	60,828	144,980	544,406	
Thermal (tonnes)	0	0	0	0	0	
Totals	151,648	186,950	60,828	144,980	544,406	

3.2 Bowen Basin Exploration Activities

There were no exploration drilling activities at the Bowen Basin projects during the quarter as current data requirements were satisfied in previous quarters. The next phase of open hole drilling and core hole drilling for coal quality testing in the Baralaba North and Lochinvar projects will be commenced later in the year, with the aim of expanding the JORC Resources and Reserves to the north and at depth.

Exploration potential in the different projects remains open in most directions.

The Company continued to progress its approvals for the Baralaba Expansion Project and is currently preparing the business for development later in the year.

3.3 Bowen Basin Projects' Reserves and Resources

A summary of the Company's Bowen Basin projects' total JORC compliant Reserves and Resources, by project on a 100% basis, is as follows:

Project	Ownership (%)	Tenement	Depth of Resource (m)	JORC Classification					
				Reserves Resources					
				Marketable (Mt)	Measured (Mt)	Indicated (Mt)	Inferred (Mt)	Total (Mt)	Inventory (Mt)
Baralaba mine	62.5	MLs 5605 and 80157	<200	1.0	4.3	8.4	4	17	0
	62.5	MDL 184 (MLA 80169)	<200	3.4	8.5	2.2	8	19	0
Baralaba North	80	MDL 416 (MLA 80170)	<200	28.6	16.9	21.2	16	54	0
Baralaba South	80	MDL 352 and EPC 1047 (MLA 80193)	<200	37	35.5	17.2	114	167	0
	80	EPC 1047	<200	0	0	0	25	25	0
Lochinvar	80	EPC 1047	<175	0	0	4.0	60	64	44
		Bowen Basin 1	otal	70 65.2 53 227 346			44		

The Baralaba mine, Baralaba North and Baralaba South JORC compliant Marketable Reserves estimate, which is entirely within pit shells designed for open-cut mining, is capable of being increased through further drilling to increase Resource classification of Inferred Resources to Measured and Indicated, to allow for inclusion in Marketable Reserve estimates.

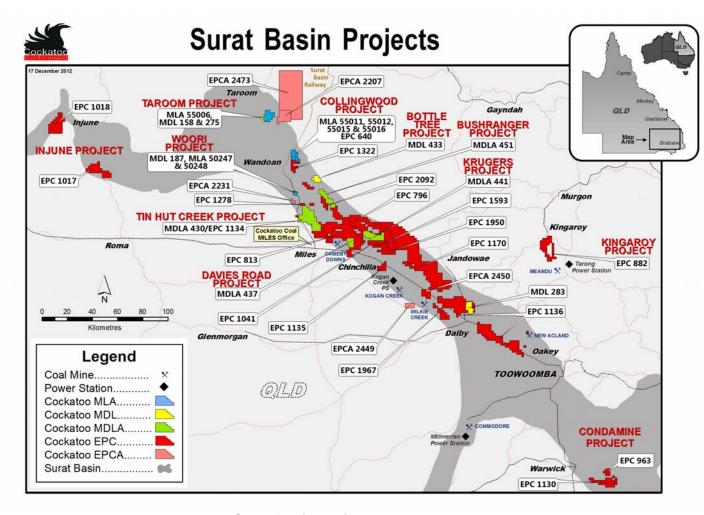
4. SURAT BASIN PROJECTS

4.1 The Surat Projects

The Company's Surat Basin projects cover an area of approximately 4,000 km². Both the Juandah and Taroom Coal Measures of the Walloon Sub-Group sub-crop within the Company's Surat Basin project area. The Woori and Tin Hut Creek projects are located in the Juandah Coal Measures and the Taroom, Collingwood, Bottle Tree, Krugers and Bushranger projects are located within the Taroom Coal Measures.

The Company holds a 51% interest in the Collingwood, Taroom and Woori projects which form the North Surat Joint Venture with MCH Surat Basin Investment Pty Ltd (a subsidiary of Mitsui Coal Holdings Pty Ltd) ('Mitsui') holding a 49% interest. The consolidation of the Collingwood, Taroom and Woori projects into one joint venture activity to be managed by the Company will facilitate the orderly development of these projects.

The Company holds a 100% interest in all other Surat Basin projects.



Surat Basin project areas.

4.2 Surat Basin Exploration Activities

During the guarter, there were limited exploration activities undertaken in the Surat Basin projects.

The Company's Surat Basin projects have advanced to a stage where no further substantial activities are planned for these projects until there is further clarity regarding the development progress of the proposed Surat Basin Railway and other major coal mine developments in the region.

Exploration potential in the different projects remains open in most directions.

4.3 Surat Basin Projects' Reserves and Resources

A summary of the Company's Surat Basin projects' total JORC compliant Reserves and Resources, by project on a 100% basis, is as follows:

Project	Ownership (%)	Tenement	Depth of Resource (m)	JORC Classification				
				Reserves	Resources			
				Marketable (Mt)	Measured (Mt)	Indicated (Mt)	Inferred (Mt)	Total (Mt)
Collingwood	51.0	EPC 640	<150	98.5	79.7	80.3	69	229
Taroom	51.0	MDLs 158 and 275 MLA 55006	<150	161.7	158.1	149.3	126	433
Woori	51.0	MDL 187 MLAs 50247 and 50248	<110	40.6	84.3	0	0	84
Tin Hut Creek	100.0	EPCs 813 and 1134 MDLA 430	<150	0	0	206.6	137	344
Bottle Tree	100.0	MDL 433	<125	0	0	29.5	6	35
Krugers	100.0	EPCs 796 and 1041 MDLA 441	<150	0	0	33.2	130	163
Davies Road	100.0	EPCs 813 and 1041 MDLA 437	<150	0	0	14.4	35	49
Bushranger	100.0	EPC 813 and MDLA 451	<150	0	0	18.8	126	145
Kingaroy	100.0	EPC 882	<150	0	35.5	87.4	85	208
		EPC 882	150-300	0	0	40.9	29	70
		Surat Basin To	otal	300.8 357.6 660.4 743		1,761		

5. OTHER

5.1 Competent Person

The information in this report that relates to Exploration Results, Mineral Resources and Ore Reserves is based on information compiled by Dr Oliver Holm, geologist, who is a Member of the Australasian Institute of Mining and Metallurgy. Oliver Holm is a full-time employee of the Company who 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 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Oliver Holm has consented to the inclusion in this report of the matters based on his information in the form and context in which they appear.

For further information, contact Andrew Lawson, Mark Lochtenberg or Peter Nightingale on (61-2) 9300 3333.

Yours sincerely

Andrew C. Lawson Managing Director

30 July 2013

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