Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

COCKATOO COAL LIMITED

ABN

13 112 682 158

Quarter ended ("current quarter")

31 DECEMBER 2011

Consolidated statement of cash flows

	Cash flows related to operating activities	Current quarter $A'000	Year to date (6 months) $A'000
1.1	Receipts from product sales and related debtors	23,833	28,845
1.2	Payments for (a) exploration and evaluation	(7,633)	(12,567)
	(b) development	(7,096)	(11,323)
	(c) production	(16,591)*	(38,262)*
	(d) administration	(4,589)	(5,819)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	499	1,020
1.5	Interest and other costs of finance paid	(6,457)	(6,963)
1.6	Income taxes paid	-	-
1.7	Other (a) Flood reparation costs	(114)	(4,193)
	(b) JV Advances	(1,542)	(2,453)
	(c) Project management costs	(1,114)	(2,125)
	(d) Infrastructure costs	(1,041)	(706)
	Net Operating Cash Flows	**(21,845)**	**(54,546)**
	Cash flows related to investing activities		
1.8	Payment for purchases of:		
	(a) prospects	-	-
	(b) equity investments	(3,482)	(29,967)
	(c) other – property, plant and equipment	(13,554)	(16,399)
1.9	Proceeds from sale of:		
	(a) prospects	-	-
	(b) equity investments	202	202
	(c) other – property, plant and equipment	-	-
1.10	Loans to other entities (net)	(1,504)	(965)
1.12	Other		
	(a) Security deposits (net)	(18,669)	(18,834)
	(b) Wiggins Island security deposit (net)	205	8,357
	(c) Government funding for Dawson River Bridge	-	4,000
	Net investing cash flows	**(36,802)**	**(53,606)**
1.13	Total operating and investing cash flows (carried forward)	**(58,647)**	**(108,152)**

+ See chapter 19 for defined terms.

		Current quarter $A'000	Year to date (6 months) $A'000
1.13	Total operating and investing cash flows (brought forward)	**(58,647)**	**(108,152)**
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	20
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	109,780	159,780
1.17	Repayment of borrowings	(65,042)	(65,083)
1.18	Dividends paid	-	-
1.19	Other	-	-
	Net financing cash flows	**44,738**	**94,717**
	Net increase/(decrease) in cash held	(13,909)	(13,435)
1.20	Cash at beginning of quarter/year to date	12,229	11,630
1.21	Exchange rate adjustments to item 1.20	(78)	47
1.22	**Cash at end of quarter**	**(1,758)***	**(1,758)***

Note: * Payments for production during the quarter have been decreased by $9,255,000 ($9,219,000 increase to date) to match certain production costs with the period in which they are paid. This adjustment, which has a consequential effect on the net increase in cash held and the cash balance, has been made to more accurately report the cash cost of production of coal.

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter $A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	360
1.24	Aggregate amount of loans to the parties included in item 1.10	Nil

1.25 Explanation necessary for an understanding of the transactions

N/A

+ See chapter 19 for defined terms.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

N/A

Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount available $A'000	Amount used $A'000
3.1	Loan facilities	Nil	Nil
3.2	Credit standby arrangements	$50.0 million Bank Guarantee Facility $85.0 million Loan Facility	$50.0 million $78.0 million

Estimated cash outflows for next quarter

		$A'000
4.1	Exploration and evaluation	4,900
4.2	Development	5,900
4.3	Production	18,000
4.4	Administration	3,300
	Total	**32,100**

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter $A'000	Previous quarter $A'000
5.1	Cash on hand and at bank	7,461	30,703
5.2	Deposits at call	-	-
5.3	Bank overdraft	-	-
5.4	Other (Payments for production adjustment)	(9,219)	(18,474)
	Total: cash at end of quarter (item 1.22)	**(1,758)***	**12,229***

+ See chapter 19 for defined terms.

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	MDLA 452	Mining development license application	51%	-
6.2 Interests in mining tenements acquired or increased	MLA 55006	Mining license application	-	100%

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 **Preference +securities** *(description)*	Nil			
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	Nil			
7.3 **+Ordinary securities**	1,016,196,908	1,016,196,908	Fully Paid	Fully Paid
7.4 Changes during quarter (a) Increases through issues	Nil			
(b) Decreases through returns of capital, buy-backs	Nil			

+ See chapter 19 for defined terms.

7.5	+**Convertible debt securities** (Converting Note)	Nil			
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	Nil			
7.7	**Options** *(description and conversion factor)*			*Exercise price*	*Expiry date*
		650,000	Nil	20 cents	30 June 2012
		500,000	Nil	25 cents	30 June 2012
		500,000	Nil	30 cents	30 June 2012
		1,500,000	Nil	60 cents	30 June 2012
		750,000	Nil	70 cents	30 June 2012
		750,000	Nil	80 cents	30 June 2012
		1,450,000	Nil	40 cents	30 September 2013
		950,000	Nil	50 cents	30 September 2013
		3,200,000	Nil	60 cents	30 September 2013
		10,500,000	Nil	70 cents	30 September 2013
		20,833,333	Nil	64 cents	31 December 2013
7.8	Issued during quarter	Nil			
7.9	Exercised during quarter	Nil			
7.10	Expired during quarter	250,000	Nil	60 cents	30 September 2013
7.11	**Debentures** *(totals only)*	Nil			
7.12	**Unsecured notes** *(totals only)*	Nil			

Compliance statement

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).

2 This statement does give a true and fair view of the matters disclosed.

Sign here: ..... Date: 31 January 2012
(Company Secretary)
Print name: Lee J. O'Dwyer

+ See chapter 19 for defined terms.

Notes

1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.

3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.

4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.

5 Accounting Standards ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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