

Pike River Coal Spectacular New Zealand Mine



New Zealand's Largest Premium Hard Coking Coal Deposit

Pike River Coal is mining deep under a remote mountain to produce top grade hard coking coal for export to international coke makers and steel mills.

The mine lies under the rugged Paparoa Ranges, almost 50 kilometres northeast of the coastal town of Greymouth on the west coast of the South Island.

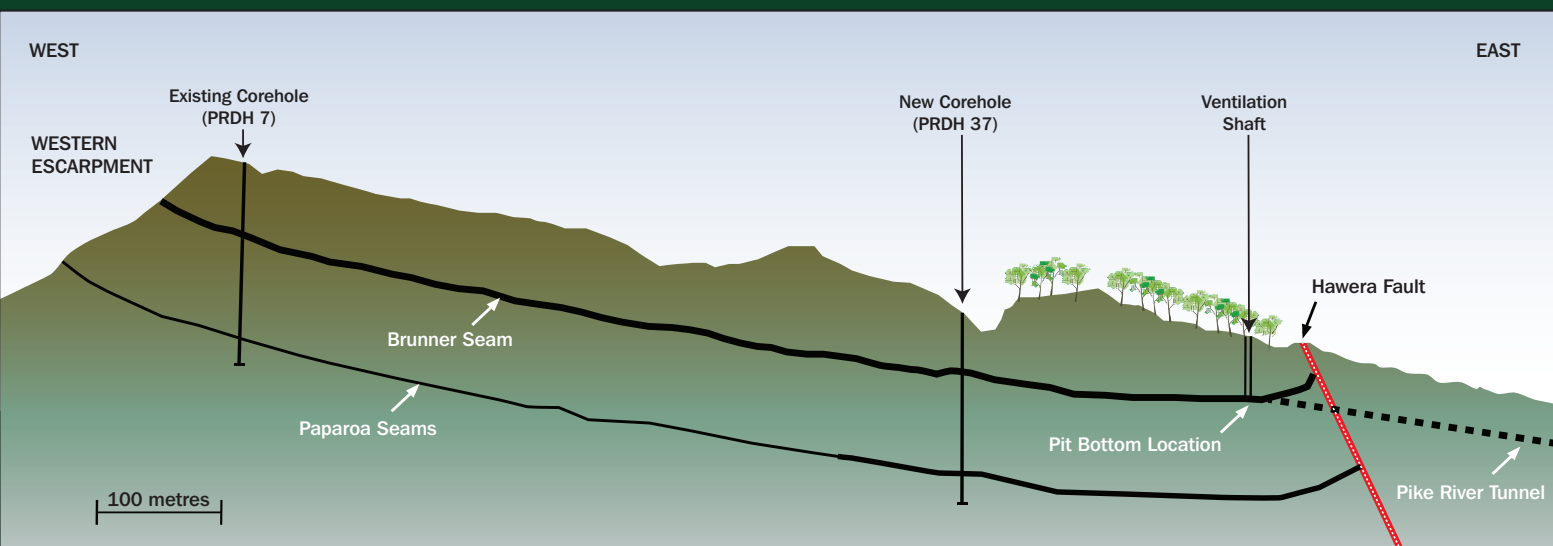
Production started in mid-2009 and the new Pike River mine will become the second largest coal export mine in New Zealand.

It was 10 years in the making, including two years in cutting a 2.4 kilometre access tunnel under the Ranges to intersect with the main Brunner coal seam.

The underground coalfield holds the largest known deposit of premium hard coking coal in New Zealand, with firm export markets in Japan and India and strong interest elsewhere.

The Brunner seam, which is about 6.5 kilometres long and 1.5 kilometres wide, has an inground resource of 58.5 million tonnes, with estimated recovery of at least 18 million tonnes over 18 years.

Initial core drilling suggests the Paparoa seam, 200 metres below, could produce up to another 8 million tonnes.



Pike River Coal – New Zealand's Only Listed Local Coal Mining Company



TOP QUALITY COAL

Pike River metallurgical hard coking coal is particularly sought after by coke makers and steel mills because of its high quality, including the lowest ash content in the world at one percent, and very low phosphorous levels.

The coal has a high fluidity level, a measure of how fluid the coal becomes when heated to form coke.

Because of these special qualities, it is about 50 percent more efficient in making coke than lesser quality coking coals, generating far fewer carbon emissions.

While hard coking coal prices fluctuate in line with steel demand, Pike River maintains a strong marketing edge because of the special qualities of its coal.

Pike River Coal employs a Marketing Manager to identify and develop opportunities.

PRODUCTION

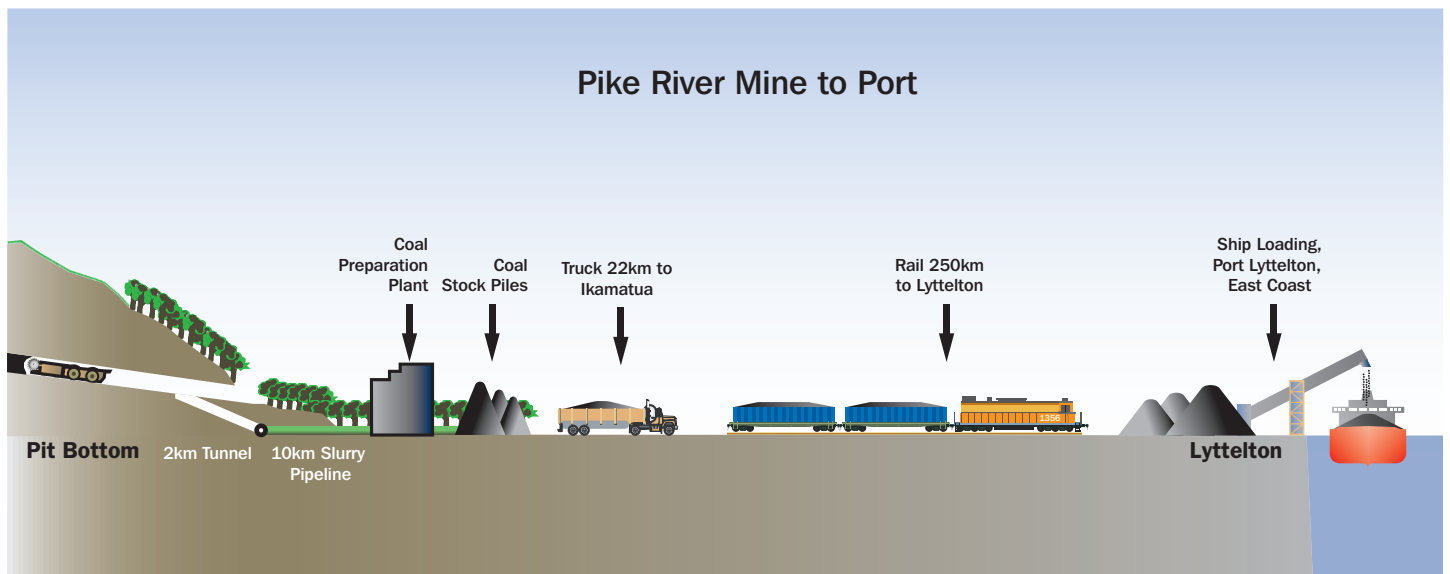
Pike River Coal will produce one million tonnes a year for at least 18 years.



Two mining methods are used. The first involves large cutting machines to create roadways in the Brunner seam and the second uses hydraulic monitors (water cannons) to break up the coal face at the rate of 2,000 tonnes-a-day using high pressure blasting.

The crushed coal is washed down flumes into a low pressure water pipe which carries the coal 10 kilometres downhill to a coal preparation plant for cleaning, grading, and stockpiling.

From the coal preparation plant, the coal is trucked 20 kilometres to the nearest railhead near the small community of Ikamatua and loaded onto coal trains for a 250 kilometre journey to the east coast export port of Lyttelton.



EXPORT MARKETS

Much of Pike River Coal's output from the Brunner seam is pre-sold.

76 percent is contracted over the next three years to Japan and India and 55 percent for the remaining life of the mine (at least 15 years) to India.

Interest has been shown by other countries including China, Brazil and South Korea.

Further exploratory drilling over the next one or two years will confirm whether the Paparoa seam is worth developing and, if so, much of the infrastructure is already in place.



TOP 50 LISTED COMPANY

A successful Initial Public Offer in July 2007 raised NZ\$85 million including NZ\$20 million in over-subscriptions.

Pike River Coal was listed on the New Zealand and Australian Stock Exchanges in July 2007 and has been in the NZX Top 50 listed companies since July 2008.

It has three major shareholders: cornerstone shareholder New Zealand Oil & Gas Limited (30 percent), and Indian customers Gujarat NRE Limited (7 percent) and Saurashtra World Holdings Private Limited (6 percent).

It now has almost 350 million shares on issue, currently held by more than 8,000 shareholders, and a market capitalisation of NZ\$400 million in mid-2009.



ENVIRONMENTAL RECOGNITION

The greatest care has been taken to safeguard the remote natural environment in which Pike River Coal operates.

Not only does the mine have a particularly small surface footprint but the steps taken to minimise interference with the native flora and fauna have been formally recognised by the Department of Conservation.

Conservation Minister Tim Groser has described the mine as an environmental “show-case”.

CONTACT US

Pike River Coal Limited

Head Office

Level 3, 1 Willeston Street
P O Box 25 263, Wellington 6146
New Zealand

TELEPHONE +64 4 494 0190

FAX +64 4 494 0219

Site Office

586 Logburn Road, Atarau
P O Box 212, Greymouth, 7840
New Zealand

TELEPHONE +64 3 769 8400

FAX +64 3 769 8434

Corporate Office

Level 3
1 Willeston Street
PO Box 25 263
Wellington 6146

Chief Executive

Peter Whittall
+64 4 494 0190
peterw@pike.co.nz

Mine General Manager

Doug White
+64 3 769 8400
dougw@pike.co.nz

Marketing Manager

Bob Reynolds
+61 418 972 365
bob.reynolds@rcm.bz

Relationships Manager

Helene Ambler
+64 4 494 0213 or +64 21 130 3816
helenea@pike.co.nz

Website

www.pike.co.nz