

**QUARTERLY REPORT OF CONSOLIDATED CASH FLOWS**  
**PIKE RIVER COAL LIMITED**  
For Quarter ended 30 September 2007

Quarterly Report of Consolidated Cash Flows prepared in accordance with NZSX Listing Rule 10.10.4. These figures are based on accounts which are unaudited. The Company has a formally constituted Audit Committee of the Board of Directors.

NZSX Ref		Current Quarter September \$NZ'000	Year to Date (3 months) \$NZ'000
<b>Cash Flows Relating to Operating Activities</b>			
1(a)	Notes Receipts from product sales and related debtors	-	-
1(b)	Payments for		
	(a) exploration and evaluation	-	-
	(b) development	(24,491)	(24,491)
	(c) production	-	-
	(d) administration	(1,366)	(1,366)
1(c)	Dividends received	-	-
1(d)	Interest and other items of a similar nature received	1,174	1,174
1(e)	Interest and other costs of finance paid	(354)	(354)
1(f)	Income taxes (paid)/received	-	-
1(g)	Other	-	-
1(h)	<b>Net Operating Cash Flows</b>	<b>(25,037)</b>	<b>(25,037)</b>
<b>Cash Flows Related to Investing Activities</b>			
2(a)	Cash paid for purchases of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	(77)	(77)
2(b)	Cash proceeds from sale of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
2(c)	Loans to other entities	-	-
2(d)	Loans repaid by other entities	-	-
2(e)	Other	-	-
2(f)	<b>Net Investing Cash Flows</b>	<b>(77)</b>	<b>(77)</b>
<b>Total Operating and Investing Cash Flows</b>		<b>(25,114)</b>	<b>(25,114)</b>
<b>Cash Flows Related to Financing Activities</b>			
3(a)	Cash proceeds from issue of shares	82,479	82,479
3(b)	Proceeds from sale of forfeited shares	-	-
3(c)	Borrowings	-	-
3(d)	Repayment of borrowings	(18,500)	(18,500)
3(e)	Dividends paid	-	-
3(f)	Other	-	-
3(g)	<b>Net Financing Cash Flows</b>	<b>63,979</b>	<b>63,979</b>
4(a)	<b>Net Increase in Cash Held</b>	<b>38,865</b>	<b>38,865</b>
4(b)	Cash at beginning of quarter/year to date	7,406	7,406
4(c)	Exchange rate adjustments to Items 4(a) above	926	926
4(d)	<b>Cash at End of Quarter</b>	<b>47,197</b>	<b>47,197</b>

**Notes:**

- 1(b)(b) – Cash payments include \$6.132m of milestone payments made in relation to purchase of major mining equipment  
3(a) – Cash proceeds from issue of shares is shown net of IPO costs  
4(c) – Exchange rate adjustments relate to translation of retained AUD cash proceeds from issue of shares

5 Non-Cash Financing and Investing Activities

5(a) Provide 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

5(b) Provide 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

NZSX  
 Ref

6 Financing Facilities Available

Provide details of used and unused loan facilities and credit standby arrangements, adding such notes as are necessary for an understanding of the position.

Notes  
 1

Amount Available \$NZ'000	Amount Used \$NZ'000
-	-
-	-

Notes:

1. Westpac Banking Corporation has been mandated to arrange debt facilities totalling \$65 million. At the date of this report these facilities have not been formally established

7 Estimated Outlays for Specified Quarters

Notes

	Current Quarter # \$NZ'000	Following Quarter \$NZ'000
7(a) Exploration and evaluation	-	-
7(b) Development	(24,491)	(21,814)
<b>Total</b>	<b>(24,491)</b>	<b>(21,814)</b>

# The outlays to be shown in this column are the estimates made for this quarter in the previous quarterly report. When these estimates differ by more than 15% from the actual outlays reported in Item 1(b) of this report, provide an explanation of the reason(s) for these differences as an attachment to this report.

8 **Reconciliation of Cash**

For the purposes of this statement of cashflows, cash includes:  
 bank bills, cash on hand and at bank, short term deposits less any overdraft.

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 \$NZ'000	Previous Quarter \$NZ'000
Cash on hand and at bank	6	12
Deposits at call and bank bills	47,191	7,394
Bank overdraft	-	-
Other	-	-
<b>Total: Cash at End of Quarter</b> (Item 4(d)/4(b))	<b>47,197</b>	<b>7,406</b>
<b>Note:</b>		

NZSX  
 Ref  
 9

**Changes in Interests in Mining Tenements**

Note

	Tenement Reference	Nature of Interest	Interest at Beginning of Quarter %	Interest at End of Quarter %
9(a)		Interests in mining tenements relinquished, reduced or lapsed	-	-
9(b)		Interests in mining tenements acquired or increased	-	-

Pike River Coal Limited  
 Quarterly Report of Consolidated Cashflows

NZSX

Ref

10

Issued and Quoted Securities at End of Current Quarter – 30 September 2007

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

	Number Issued	Number Quoted	Value (cents)	Paid-Up Value (cents)
<b>Preference securities</b>	-	-	-	-
Issued during quarter	-	-	-	-
<b>Ordinary Securities</b>	115,000,000	115,000,000	1.00	1.00
Issued during quarter	85,000,000	85,000,000	1.00	1.00
Issued during quarter	200,000	-	1.00	1.00*
<b>Partly Paid Securities</b> <i>(included in ordinary securities, but not part of quoted ordinary securities)</i>	-	-	-	-
Issued during quarter	3,167,820	-	1.15 to 1.34	0.01
Fully paid during quarter	-	-	-	-
<b>Convertible Debt Securities</b> 8.50% mandatory convertible notes maturing 31 December 2008	11,000,000	-	Conversion at 0.9174 ordinary shares per \$1 face value	1.00
Issued during quarter	-	-	-	-
<b>Options</b>	22,500,000	-	Exercise price of \$1.30	Expiry 30 June 2009
Issued during quarter	-	-	-	-
Exercised during quarter	-	-	-	-
Expired during quarter	-	-	-	-
<b>Debentures (totals only)</b>	-	-	-	-
<b>Unsecured Notes (totals only)</b>	-	-	-	-

\*: allocation is subject to performance criteria being met



Gordon Ward  
 Chief Executive