



PIKE RIVER COAL

10 December 2008

VENTILATION SHAFT RAISEBORE UNDERWAY

In an essential milestone step, Pike River Coal Limited has started the process of coring out a 108 metre ventilation shaft between its underground mine and the surface of the Paparoa Ranges on the West Coast.

Pike River is using a 'raiseboring' process to ream out the shaft which will be used to exhaust air and any gas from the mine face.

After many months of forming the surface site for the raisebore rig, including excavating the shaft collar and building retaining walls, a laydown area and a helicopter pad, the heavy raisebore equipment was brought in from Australia. The raisebore equipment was then lifted to the site in 5 tonne lots by a heavy lift helicopter.

The first step in constructing the shaft was to drill a 350 mm pilot hole down to the coal seam, which commenced on 7 December 2008 and has now been completed.

The pilot hole will intersect with the underground tunnel, which during the past month has been driven north 68 metres from the end of the 2.3 kilometre access tunnel. This northern roadway has been excavated largely in coal up to the edge of the projected shaft perimeter.

The northern roadway will now be driven through to the far side of the projected shaft perimeter and a chamber excavated, ready for the reaming head to be attached to the raisebore drill string during the next week. Large raisebore motors on the surface will then turn the reamer and pull it up through the ground, allowing the material to fall back down the shaft to be removed from underground.

Once the ventilation shaft is completed, by the end of the March 2009 quarter, an exhausting fan will be located over the shaft to draw air from the mine and it will be the mine's backup ventilation fan. Until the fan is established the mine will continue to be ventilated via the tunnel under the current ventilation.

The main fans for the mine will ultimately be sited underground and exhaust up the ventilation shaft.

Further information:

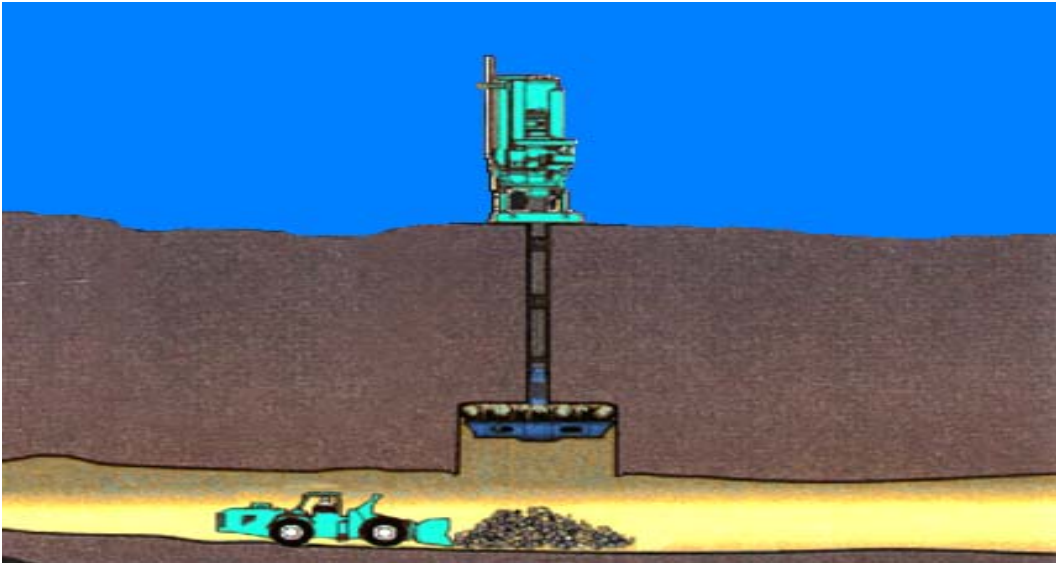
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The Pike River mine, about 50 kilometres northeast of Greymouth, is opening up New Zealand's largest known deposit of hard coking coal. The mine is expected to produce an average of one million tonnes a year for at least 18 years once hydro-mining commences in mid 2009.

Pike River shares are quoted on the NZSX and the ASX under the code "PRC"

DIAGRAM - RAISEBORING THE MINE VENTILATION SHAFT



Not to scale