



PIKE RIVER COAL

19 February 2009

PIKE RIVER COAL VENTILATION SHAFT ROCK FALL BEING REMEDIED

Pike River Coal's new 108 metre ventilation shaft has suffered a rock fall affecting a 30-metre zone near the bottom of the shaft. Remedial activities are underway.

Following the successful raise boring of the ventilation shaft in January 2009, the construction contractor commenced at the surface to bolt and mesh the walls of the shaft working down towards the coal seam. Due to the potential for falling rock, it is not possible to work in a shaft below an unsupported area.

The top 66 metres of the shaft was successfully supported and stabilised, prior to a rock fall affecting a zone of nearly 30 metres near the bottom of the ventilation shaft. This rock fall has blocked ventilation to the mine from the shaft, delaying mining operations underground until ventilation is re-established. The shaft is critical to venting mine air and gases to the surface and providing fresh air to the mine face for mining to operate safely.

Chief Executive Gordon Ward says "whilst very frustrating and unexpected by all parties including the contractor and its technical experts, the problem will be remedied and all steps are being taken to do so in the quickest time possible. The area identified as possibly problematic before raise boring was the top 35 metres where we had injected cement and this area has stood up well". Insurance assessors have attended site and are preparing their reports on the incident.

Pike River Coal is investigating alternative methods of remedying the problem to reinstate ventilation from the shaft. One step already underway to ensure the top 66 metres of the shaft is protected, is to fly concrete in by helicopter and pipe it down the shaft to fill a cavity at the top of the rock fall.

It is expected that the bottom part of the shaft will be remedied by raising an angled drive from the tunnel using the "Alimak" method to intersect the main shaft at about 40 metres above its base. A contractor will be promptly mobilised from Australia to undertake this driveage. In the meantime, there is only enough ventilation for limited pit bottom development operations, although alternatives for getting more air into the mine are being investigated.

Pike River Coal will provide further advice to the market on the status of the ventilation shaft and implications for operations within the next 10 days.

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.

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

Next page: Cross-section and Plan View of Ventilation Shaft

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