

13 December 2010

## Receivers appointed for PRCL

New Zealand Oil & Gas Ltd (NZOG), as a secured creditor, has at the request of the Board of Pike River Coal Ltd (PRCL) arranged for the appointment of receivers for the company.

John Fisk, Malcolm Hollis and David Bridgman of PricewaterhouseCoopers have been appointed.

Over the weekend, PRCL confirmed that it needs to address corporate solvency ahead of the extension of time that its secured creditors had provided in the immediate days following the mine explosion. PRCL has debts which are substantial and in excess of its cash and other immediately foreseeable sources of funds.

Given these circumstances, receivership provides the best mechanism to manage the business' immediate future.

It is anticipated that the receivers will give particular regard to:

- options for the recovery effort and making the mine safe
- co-operating with the inquiries
- employees entitlements
- preserving the value of the asset, while recognising that there is considerable uncertainty about the future of the mine.

NZOG Chief Executive David Salisbury says it is now evident that it will be an extended period before any resumption of mining can be contemplated, and with PRCL rapidly facing insolvency, receivership is an unavoidable step.

“These are very difficult times, especially for the families of the 29 men who have lost their lives and for the Pike River miners facing redundancy. Decisions on the mine’s future must at least await a conclusion to the recovery efforts, but NZOG is supportive of any intentions to eventually reopen the mine. It is to be hoped that the inquiries now under way will result in findings which allow this to happen in a safe manner.”

The receivers are in Greymouth today to initiate a handover with PRCL management.

NZOG has requested that the Trading Halt put in place on the ASX this morning be lifted.

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**NZOG stock**

**symbols:**  
NZX shares – NZO  
ASX shares – NZO