



## PIKE RIVER COAL

11 October 2010

### PIKE RIVER PASSES FIRST HYDRO-MINING MILESTONE

Pike River Coal is pleased to announce that the mine has passed the first of its hydro-monitor commissioning milestones and continues to increase daily production.

“Pike staff were set the challenge in July 2010, to complete installation of the hydro-monitor system and deliver the first 1,000 tonnes of hydro coal by 24 September 2010 to achieve a significant milestone bonus,” says Pike River Coal Chief Executive Peter Whittall.

“To ensure ongoing continuity, a second target of a further 790 metres of roadway development was also set with the same target date.

“We started commissioning in the week beginning September 20 2010. The process has gone very well with all of the gear synchronizing, by and large, as expected. We reached our roadway development target and while we came very close to achieving our target time-frame for delivering the 1,000 tonnes, a number of factors such as lightning strikes that affected power supply to the mine, and minor equipment glitches meant that target was delayed, but only by a week.

“I am very pleased with the efforts of all staff who appreciated the importance of reaching our targets and worked very hard to achieve them. As a result, the workforce will receive 75% of the target bonus as well as the satisfaction of seeing coal flowing from the mine in increasing volumes.

“That in itself is a major boost for all Pike employees.”

Mr Whittall says that the first of the main underground mine ventilation fans is also now in commissioning and that process is expected to be completed in the coming week. This will increase ventilation underground and allow production from the hydro-monitor panel to continue to ramp-up.

The company is continuing to evaluate its roadway advance and hydro-extraction performance against its current full year forecast and will update the market once commissioning of all equipment is achieved in the coming weeks.

Ends

Further information:

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Chief Executive

*Pike River Coal owns the rights to a premium hard coking coal resource located 50 kilometres north-east of Greymouth, New Zealand. All of Pike River's coal is used steel-making.*

Pike River shares are quoted on the NZSX and the ASX under the code “PRC”; and options are quoted on the NZSX under code “PRCOA”, and the ASX under code “PRCO”.

news release