



13 December 2010

Receivers appointed to Pike River Coal

Media Statement

For immediate use

Pike River Coal (PRCL) Chairman, John Dow, advises that NZ Oil & Gas (NZOG) has appointed a Receiver to the company at the request of the Board of Pike River Coal.

“The company finds itself in a precarious position financially as a result of the events of the last three weeks. The only prudent action we could take was to approach our major creditors and advise them we were unlikely to be able to repay our loans at the end of the standstill period that NZOG and BNZ offered us after the 19th of November.

“The Pike River Coal Board had a clear business plan for the next few months but unfortunately this has proved to be unachievable because of the explosions and subsequent coal fire.

“We have advised NZOG of our priorities for action going forward and these have been conveyed to the Receiver. These are:

- 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.”

“Both PRCL and NZOG are 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.”

“There remains a continuing effort to support the families.”

“The arrival of the Receiver later today will expedite the orderly transition of the company’s governance and management into its new form. The directors and management of Pike River Coal will do everything they can to assist the Receiver in the performance of his statutory duties.”

ENDS

Further information:

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news release