



PIKE RIVER COAL

20 April 2010

PIKE RIVER ACCESS ROADWAY THROUGH GRABEN INTO COAL

Pike River Coal is another step closer to the start-up of hydro-mining after driving the first access roadway through the rock graben back into coal, says Chief Executive Gordon Ward.

Over the past six months Pike River staff and contractors have been working in two primary areas underground at pit-bottom, which is situated at the far end of the access tunnel. Access roadways have been driven out towards the hydro-mining areas west of the graben and large underground excavations are being constructed for hydro-mining infrastructure in the southern pit-bottom area.

“We have driven the first access roadway through the rock graben and graded that roadway uphill back up into the coal seam. The roadway is now being driven to the closest hydro-mining area, located 80 metres to the north-west of the rock graben,” says Mr Ward.

“The access roadways are built for the life of mine and need to be on a constant grade to ensure that coal will wash downhill without pumping from the uphill mining operations.”

A second roadway through the graben has a further 50 metres to re-enter the coal seam. As expected, in-seam drilling has proved to be a valuable mine planning tool. Six in-seam holes have now been drilled into the coal seam in a fan from the north-west down to the south, all confirming at least 300 metres of coal once through the rock graben.

All in-seam holes intersected nine metres of Brunner seam premium hard coking coal consistent with the updated geological model. The most recent hole was drilled through the graben and continued to the west beyond the location of the first hydro-mining areas.

The results were consistent with the previous in-seam holes described above and confirmed the absence of significant faulting in this target area. Current drilling is radiating out to give detailed information for approximately the first six months of hydro-mining extraction.

Pike River is on track to begin hydro-mining in the July-September quarter 2010, with roadways being developed within the coal seam to allow water storage and pumping systems to be installed to support the future mining operations.

Based on a revised production ramp-up and the latest mine plan, Pike River has reforecast using conservative development rates of advance for roadways and a more conservative ramp-up for hydro-mining. As a result, Pike River’s second export shipment of hard coking coal has also been pushed out to July 2010 and production for the year ended 30 June 2011 is forecast at approximately 620,000 tonnes. The Mine is forecast to hit its average steady state rate of approximately 1 million tonne per annum in the first half of 2011.

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Further information:

Gordon Ward +64 4 494 0190

Peter Whittall +64 3 769 8400

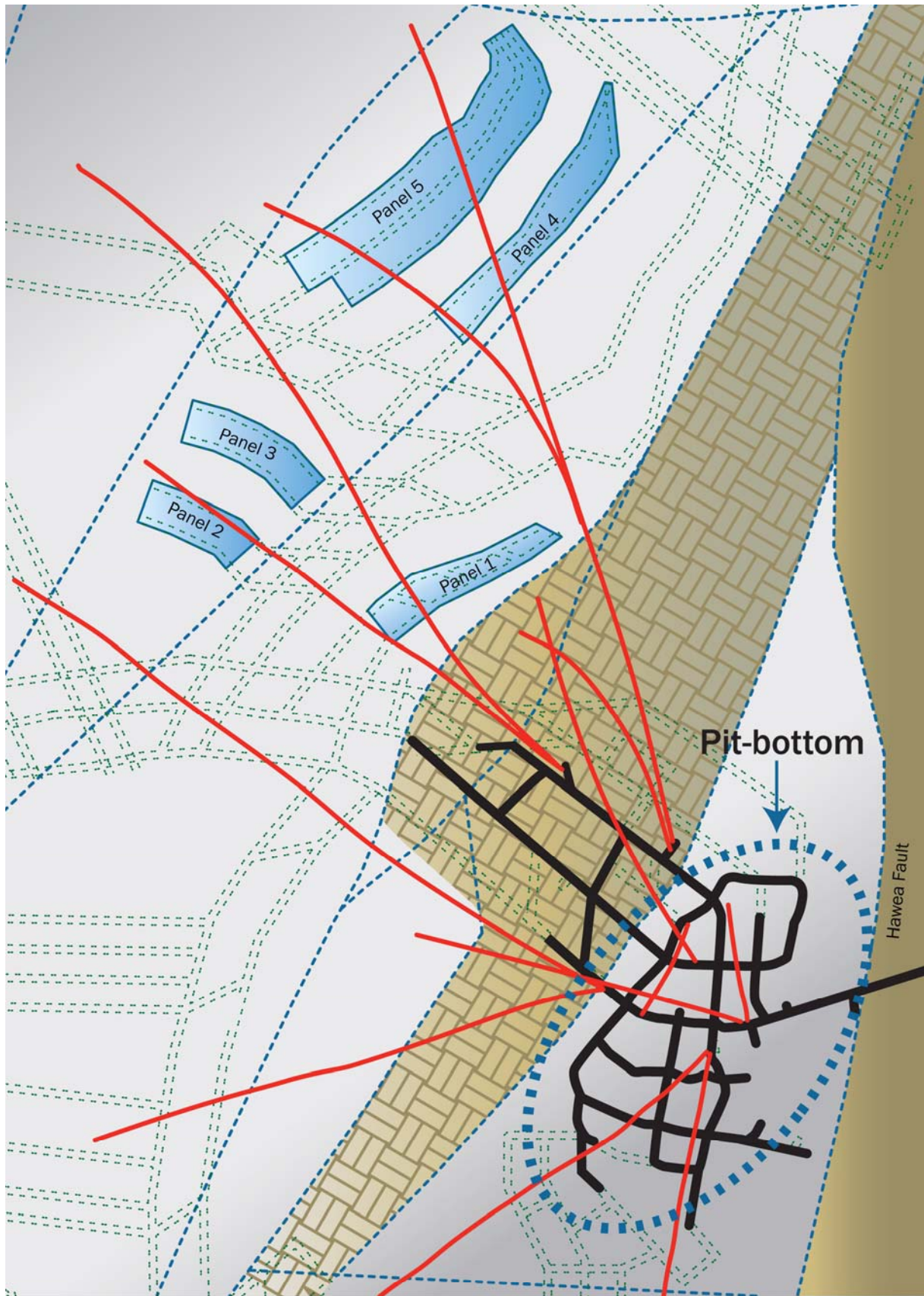
Chief Executive and Managing Director

General Manager, Mines

Hydro-mining will be the main mining technique used in the Pike River mine to extract coal and involves using high pressure water to cut the coal. Access to the coal is achieved by constructing tunnel roadways. First hydro-mining is scheduled for the July-September 2010 quarter.

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 in 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”.









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|  Stone "graben" zone |  First hydro-mining panels |  Existing Roadways |
|  Planned Roadways |  Fault lines |  In-seam drillholes |

Diagram showing location of pit bottom, rock graben and in-seam drilling

Diagram showing location of access tunnel, pit bottom, the roadway access tunnels being driven through the rock graben towards the first hydro mining areas (shown in blue and numbered panels 1 - 5) and the in-seam drilling (shown by the red lines).