

QUARTERLY REPORT OF CONSOLIDATED CASH FLOWS

PIKE RIVER COAL LIMITED

For Quarter ended 31 December 2009

Quarterly Report of Consolidated Cash Flows prepared in accordance with NZSX Listing Rule 10.10.4. These figures are based on accounts which are unaudited. The Company has a formally constituted Audit Committee of the Board of Directors. All figures are in NZ dollars unless specified otherwise.

NZSX Ref		Current Quarter December \$NZ'000	Year to Date (6 months) \$NZ'000
	Cash Flows Relating to Operating Activities		
1(a)	Receipts from product sales and related debtors	-	-
1(b)	Payments for		
	(a) exploration and evaluation	-	-
	(b) development	(3,702)	(8,299)
	(c) production	(14,201)	(23,757)
	(d) administration	(1,120)	(1,992)
1(c)	Dividends received	-	-
1(d)	Interest and other items of a similar nature received	65	283
1(e)	Interest and other costs of finance paid	(806)	(1,512)
1(f)	Income taxes (paid)/received	-	-
1(g)	Other	-	-
1(h)	Net Operating Cash Flows	(19,764)	(35,277)
	Cash Flows Related to Investing Activities		
2(a)	Cash paid for purchases of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	(209)	(270)
2(b)	Cash proceeds from sale of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
2(c)	Loans to other entities	-	-
2(d)	Loans repaid by other entities	-	-
2(e)	Other	-	-
2(f)	Net Investing Cash Flows	(209)	(270)
	Total Operating and Investing Cash Flows	(19,973)	(35,547)
	Cash Flows Related to Financing Activities		
3(a)	Cash proceeds from issue of shares	-	-
3(b)	Proceeds from sale of forfeited shares	-	-
3(c)	Borrowings	24,542	24,542
3(d)	Repayment of borrowings	(447)	(447)
3(e)	Dividends paid	-	-
3(f)	Other	330	660
3(g)	Net Financing Cash Flows	24,425	24,775
4(a)	Net Increase/(Decrease) in Cash Held	4,452	(10,792)
4(b)	Cash at beginning of quarter/year to date	6,502	21,746
4(c)	Exchange rate adjustments to Items 4(a) above	-	-
4(d)	Cash at End of Quarter	10,954	10,954

Notes:

1(b) Development expenditure includes major items of mining equipment and other physical assets in the course of construction. Once completed and utilised in production these items will be reclassified as either PP&E or Production Assets.

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5 Non-Cash Financing and Investing Activities

5(a) Provide details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

5(b) Provide details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

N/A

6 Financing Facilities Available

Provide details of used and unused loan facilities and credit standby arrangements, adding such notes as are necessary for an understanding of the position.

	Notes	Amount Available \$NZ'000	Amount Used \$NZ'000
CreditPlus Facility	1	0	14,095
Multi-option Debt Facility	2	0	10,000

		Current Quarter # \$NZ'000	Following Quarter \$NZ'000
7 Estimated Outlays for Specified Quarters			
7(a) Exploration and evaluation		-	-
7(b) Development	3	11,800	3,000
Total		11,800	3,000

The outlays to be shown in this column are the estimates made for this quarter in the previous quarterly report. When these estimates differ by more than 15% from the actual outlays reported in Item 1(b) of this report, provide an explanation of the reason(s) for these differences. The actual outlay for development expenditure in the quarter ended 31 December 2009 was \$3.7 million. Actual cash payments were less than forecast due to some capital expenditure timing differences and areas of under spend compared to budget.

Notes:

1. CreditPlus Facility with Bank of New Zealand – akin to a ‘revolving credit’ style facility which is fully redrawable and repayable at any time. Facility is secured against certain major pieces of mobile mining equipment.
2. Multi-option Debt Facility with Bank of New Zealand – a one year working capital facility secured via a pari-passu first ranking charge over the company assets (excluding major pieces of mobile mining equipment).
3. Development expenditure during the current quarter has been lower than previously forecast primarily due to a rephasing of the timing of certain items of expenditure.

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8 Reconciliation of Cash		
For the purposes of this statement of cashflows, cash includes: bank bills, cash on hand and at bank, short term deposits less any overdraft.		
Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows:	Current Quarter \$NZ'000	Previous Quarter \$NZ'000
Cash on hand and at bank	100	100
Deposits at call and bank bills	10,854	6,402
Bank overdraft	-	-
Other	-	-
Total: Cash at End of Quarter (Item 4(d)/4(b))	10,954	6,502

Note:

Cash at End of Quarter does not include \$0.49 million of cash lodged by Pike River to guarantee certain obligations under a contract with Westpower Limited. This cash is repaid to Pike River in equal instalments over the remaining term of the contractual arrangements which expire in May 2010

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9 Changes in Interests in Mining Tenements

	Tenement Reference	Nature of Interest	Interest at Beginning of Quarter %	Interest at End of Quarter %
9(a)	Interests in mining tenements relinquished, reduced or lapsed	-	-	-
9(b)	Interests in mining tenements acquired or increased	-	-	-

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Issued and Quoted Securities at End of Current Quarter – 31 December 2009

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Number Issued	Number Quoted	Value (cents)	Paid-Up Value (cents)
Preference securities	-	-	-	-
Issued during quarter	-	-	-	-
Ordinary Securities				
Opening balance 01/10/09	347,474,072	347,474,072	\$0.7627 ^(note 1)	\$0.7627
Issued during quarter	56,700	56,700	1.091	1.091
Closing balance at 31/12/09	347,530,772	347,530,772	\$0.7627	\$0.7627
Partly Paid Securities <i>(included in ordinary securities, but not part of quoted ordinary securities)</i>				
Opening balance	5,839,066	-	\$0.91 to \$2.68	\$0.01
Issued during quarter	707,976	-	\$1.21 to \$1.36	\$0.01
Fully paid during quarter	(56,700)	-	(\$0.01)	(\$0.01)
Closing balance at 31/12/09	6,490,342	-	\$1.42 ^(note 1)	\$0.01
Convertible Debt Securities USD\$27.5 million convertible bonds maturing 13 March 2011		-	Convertible at the bondholders election any time prior to maturity at a price of \$1.08 per share	
Opening balance 01/10/09	550	-		\$62,305.30 ^(note 2)
Issued/Converted during quarter	-	-	-	-
Options				
Opening balance 01/10/09	64,281,875	64,281,875	Exercise price of \$1.25	Expiry 24 April 2011
Issued during quarter	-	-	-	-
Exercised during quarter	-	-	-	-
Closing balance 31/12/09	64,281,875	64,281,875	Exercise price of \$1.25	Expiry 24 April 2011
Debentures (totals only)	-	-	-	-
Unsecured Notes (totals only)	-	-	-	-

Gordon Ward
 Chief Executive

¹ Value is shown on a weighted average basis.

² Paid-up value is the NZD equivalent of each convertible bond's face value of USD\$50,000 converted at the current fixed ratio of 0.870344.