



21 May 2010

\$90 MILLION CAPITAL RAISING COMPLETED

Pike River Coal Limited advises that its \$90 million capital raising has been successfully completed today.

The pro rata rights issue to raise \$40 million closed on 19 May 2010. More than 6,100 of Pike River Coal's investors (72%) have taken up their rights entitlements for 43.4 million shares (95.5%) out of the total offer of 45.45 million shares. The shortfall was taken up by the offer underwriters, international investment bank UBS and the McDouall Stuart Group.

The lead managers advised that there was strong trading of rights with approximately a quarter of the rights available being traded on the NZX and ASX over the offer period. In light of this interest, Gujarat NRE sold approximately 1 million rights, with the agreement of the underwriters.

The allotment of the new shares takes place today, followed by the despatch of CHESS and FASTER holding statements.

Chief Executive Gordon Ward commented that "The Pike River rights issue has been well supported by our investors most of whom are New Zealanders. The high level of offer take-up is noteworthy especially considering the current status of international equity markets".

The rights issue was earlier preceded by a \$10 million share placement completed on 20 April 2010.

The final component of Pike River's capital raising was the issue of a new US\$28.9 million* bond to New Zealand Oil & Gas Limited which was completed today upon satisfaction of all conditions including completion of the rights issue. The Liberty Harbor LLC bonds have now been repaid.

*Approximately NZ\$41 million at NZD:USD 0.70

ENDS

Further information:

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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".