

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003, 24/10/2005.

Name of entity

Pike River Coal Limited

ABN

ARBN 119 304 148

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|--|---|
| 1 | +Class of +securities issued or to be issued | Ordinary Shares, fully paid and listed |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 45,454,545 Ordinary Shares by way of a pro rata renounceable rights issue.

11,363,636 Ordinary Shares by way of a placement. |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Ordinary Shares

Fully paid Ordinary Shares with rights identical to existing Ordinary Shares |

+ See chapter 19 for defined terms.

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4	<p>Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none">• the date from which they do• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment	<p>Ordinary Shares to be issued will rank equally with existing Ordinary Shares on issue.</p>
5	Issue price or consideration	<p>NZ\$0.88 per Ordinary Share</p>
6	<p>Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>The placement and rights issue are to provide working capital to complete the Company's underground mine development until steady state production from hydro-monitor mining is achieved.</p> <p>For further details of the purpose of the issue, please refer to the Simplified Disclosure Prospectus which will be dispatched to eligible securityholders on or about 3 May 2010.</p>
7	Dates of entering +securities into uncertificated holdings or despatch of certificates	<p>Expected to be 21 May 2010.</p>

+ See chapter 19 for defined terms.

8 Number and ⁺class of all
 ⁺securities quoted on ASX
 (*including* the securities in
 clause 2 if applicable)

Number	⁺ Class
410,839,295	Ordinary Shares
64,281,875	2011 Options

⁺ See chapter 19 for defined terms.

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9	Number and ⁺ class of all ⁺ securities not quoted on ASX (including the securities in clause 2 if applicable)	Number	⁺ Class
		6,394,910	Partly paid ESOP shares
		572.3366666	Convertible Bonds
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	Ordinary Shares rank equally with existing Ordinary Shares	

Part 2 - Bonus issue or pro rata issue

11	Is security holder approval required?	No
12	Is the issue renounceable or non-renounceable?	Renounceable
13	Ratio in which the ⁺ securities will be offered	2 new Ordinary Share for every 18.905331516 existing Ordinary Shares held 2 new Ordinary Share for every 18.905331516 existing Ordinary Shares that would be held by optionholders as if their options has been exercised immediately prior to the Record Date.
14	⁺ Class of ⁺ securities to which the offer relates	Ordinary Shares
15	⁺ Record date to determine entitlements	30 April 2010
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	Yes
17	Policy for deciding entitlements in relation to fractions	Ignored

+ See chapter 19 for defined terms.

- | | | |
|----|---|---|
| 18 | Names of countries in which the entity has ⁺ security holders who will not be sent new issue documents

<small>Note: Security holders must be told how their entitlements are to be dealt with.
Cross reference: rule 7.7.</small> | None – the offer document will be sent to all overseas shareholders (those shareholders who are subject to the laws of a country other than New Zealand) for information purposes only. It is up to individual overseas shareholders to determine if the offer can be legally made to them and inform the Company in accordance with the instructions provided to them. |
| 19 | Closing date for receipt of acceptances or renunciations | 19 May 2010 |

⁺ See chapter 19 for defined terms.

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20	Names of any underwriters	UBS New Zealand Limited (UBS), McDouall Stuart Group Limited (McDouall), New Zealand Oil & Gas Limited (NZOG) and Gujarat NRE Limited (Gujarat).
21	Amount of any underwriting fee or commission	An underwriting fee of 2% of the respective underwritten amounts (which includes the placement subscription) is payable to each of the underwriters. The underwritten amounts are UBS NZ\$21,125,000, McDouall NZ\$11,375,000, NZOG NZ\$14,345,000 and Gujarat NZ\$3,155,000. NZOG is also to be paid a facilitation fee equal to 1.5% of the amount raised from it under the placement and rights issue.
22	Names of any brokers to the issue	UBS New Zealand Limited and McDouall Stuart Securities Limited as Lead Managers.
23	Fee or commission payable to the broker to the issue	A Lead Manager fee of 1.5% of the respective underwritten amounts are payable to UBS and McDouall.
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders	Brokerage at 0.50% (up to a maximum of NZ\$1,500 on any one application) of the aggregate issue price of all new Ordinary Shares allotted pursuant to valid applications bearing their stamp.
25	If the issue is contingent on +security holders' approval, the date of the meeting	The issue is not contingent on shareholder approval of the issue.
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	Expected to be 3 May 2010.
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	Expected to be 3 May 2010.
28	Date rights trading will begin (if applicable)	Expected to be 23 April 2010 on ASX and 3

+ See chapter 19 for defined terms.

		May 2010 on New Zealand Exchange (NZX) as PRC's shares are also listed on NZX.
29	Date rights trading will end (if applicable)	Expected to be 12 May 2010 on ASX and 17 May 2010 on NZX.
30	How do +security holders sell their entitlements <i>in full</i> through a broker?	Refer to the Entitlement and Acceptance Form which will accompany the Simplified Disclosure Prospectus and section 10 of the Simplified Disclosure Prospectus.
31	How do +security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	Refer to the Entitlement and Acceptance Form which will accompany the Simplified Disclosure Prospectus and section 10 of the Simplified Disclosure Prospectus.

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- 32 How do ⁺security holders dispose of their entitlements (except by sale through a broker)?
- Refer to the Entitlement and Acceptance Form which will accompany the Simplified Disclosure Prospectus and section 10 of the Simplified Disclosure Prospectus.
- 33 ⁺Despatch date
- Expected to be 21 May 2010.

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

- 34 Type of securities
(tick one)
- (a) ☒ Securities described in Part 1
- (b) ☐ All other securities
- Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

- 35 ☐ If the ⁺securities are ⁺equity securities, the names of the 20 largest holders of the additional ⁺securities, and the number and percentage of additional ⁺securities held by those holders
- 36 ☐ If the ⁺securities are ⁺equity securities, a distribution schedule of the additional ⁺securities setting out the number of holders in the categories
- 1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over
- 37 ☐ A copy of any trust deed for the additional ⁺securities

⁺ See chapter 19 for defined terms.

Entities that have ticked box 34(b)


38	Number of securities for which +quotation is sought	N/A				
39	Class of +securities for which quotation is sought	N/A				
40	<p>Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	N/A				
41	<p>Reason for request for quotation now</p> <p>Example: In the case of restricted securities, end of restriction period</p> <p>(if issued upon conversion of another security, clearly identify that other security)</p>	N/A				
42	Number and +class of all +securities quoted on ASX (including the securities in clause 38)	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%; padding: 5px;">Number</th> <th style="width: 50%; padding: 5px;">+Class</th> </tr> </thead> <tbody> <tr> <td style="padding: 5px;">N/A</td> <td style="padding: 5px;">N/A</td> </tr> </tbody> </table>	Number	+Class	N/A	N/A
Number	+Class					
N/A	N/A					

+ See chapter 19 for defined terms.

Quotation agreement

- 1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.
- 2 We warrant the following to ASX.
 - The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
 - There is no reason why those +securities should not be granted +quotation.
 - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
 - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
 - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.
- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here: 
Chief Executive and Managing Director

Date: 20 April 2010

Print name: Gordon Ward

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