

## 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.

#### 1.1 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  | Convertible Bonds, fully-paid and unlisted ("NZOG Convertible Bonds") |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 578   |

<p>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)</p>	<p>Interest: will be paid on the NZOG Convertible Bonds at a rate of 10% per annum, calculated quarterly in arrears for the three year term.</p> <p>Conversion: The NZOG Convertible Bonds will be convertible at the option of the holder in whole or in part, at any time after issue into that number of fully registered and freely tradeable ordinary shares of the Company calculated as (i) the outstanding principal amount of the NZOG Convertible Bonds (US\$28,900,000) divided by (ii) the conversion price for the NZOG Convertible Bonds, which is determined as follows:</p> <p>The Conversion Price is US\$0.84760709.</p> <p>At this Conversion Price of US\$0.84760709 the US\$28,900,000 of NZOG Convertible Bonds would convert to 34,095,987 Ordinary Shares in the Issuer.</p> <p>At the exchange rate of NZ/US \$0.70 the Conversion Price of US\$0.84760709 converts to an issue price of NZ \$1.21.</p> <p>The Conversion Price is adjusted for subsequent issues of securities as detailed further in the Information Memorandum announced by PRC to ASX on 21 May 2010.</p> <p><b>Date of maturity:</b> 12 March 2012</p> <p><b>Security:</b> First ranking secured debt securities.</p> <p>For further details of the terms of the NZOG Convertible Bonds please refer to the Information Memorandum announced by PRC to ASX on 21 May 2010.</p>
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4	<p>Do the <sup>+</sup>securities rank equally in all respects from the date of allotment with an existing <sup>+</sup>class of quoted <sup>+</sup>securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> <li>• the date from which they do</li> <li>• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</li> <li>• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</li> </ul>	<p>All Shares issued on conversion of the NZOG Convertible Bonds will rank, from the date of issue, equally with existing ordinary shares on issue.</p>
5	Issue price or consideration	<p>US\$50,000 per NZOG Convertible Bond</p>
6	<p>Purpose of the issue</p> <p>(If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>Funds raised will primarily be used to refinance the Liberty Harbor Convertible Bond Facility.</p>
7	Dates of entering <sup>+</sup> securities into uncertificated holdings or despatch of certificates	<p>21 May 2010</p>

	Number	+Class
8	404,781,367*	Ordinary Shares
	64,281,875	2011 Options
	* this includes 45,454,545 Ordinary Shares to be issued under the pro rata renounceable rights issue which was detailed in the Appendix 3B announcement on 20 April 2010.	
9	6,661,740	Partly paid ESOP shares
	572,336,666	Convertible Bonds
	578	NZOG Convertible Bonds
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	
	Before conversion the NZOG Convertible Bonds do not carry any rights to participate in dividends.	

## Part 2 - Bonus issue or pro rata issue

11	Is security holder approval required?	N/A
12	Is the issue renounceable or non-renounceable?	N/A
13	Ratio in which the +securities will be offered	N/A
14	+Class of +securities to which the offer relates	N/A
15	+Record date to determine entitlements	N/A

16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	N/A
17	Policy for deciding entitlements in relation to fractions	N/A
18	Names of countries in which the entity has +security holders who will not be sent new issue documents  Note: Security holders must be told how their entitlements are to be dealt with.  Cross reference: rule 7.7.	N/A
19	Closing date for receipt of acceptances or renunciations	N/A
20	Names of any underwriters	N/A
21	Amount of any underwriting fee or commission	N/A
22	Names of any brokers to the issue	N/A
23	Fee or commission payable to the broker to the issue	N/A
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders	N/A
25	If the issue is contingent on +security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	N/A

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	N/A
28	Date rights trading will begin (if applicable)	N/A
29	Date rights trading will end (if applicable)	N/A
30	How do +security holders sell their entitlements <i>in full</i> through a broker?	N/A
31	How do +security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	N/A
32	How do +security holders dispose of their entitlements (except by sale through a broker)?	N/A
33	+Despatch date	N/A

### 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

### 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 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?  
  
If the additional securities do not rank equally, please state:  
  - 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 paymentN/A
- 41 Reason for request for quotation now  
  
Example: In the case of restricted securities, end of restriction period  
  
(if issued upon conversion of another security, clearly identify that other security)  
  
N/A

	Number	+Class
42	Number and +class of all +securities quoted on ASX (including the securities in clause 38)	N/A

(i) 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: ..... Date: 21 May 2010  
Chief Executive and Managing Director

Print name: Gordon Ward