

QUARTERLY REPORT OF CONSOLIDATED CASH FLOWS

PIKE RIVER COAL LIMITED

For Quarter ended 30 June 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 June \$NZ'000	Year to Date (12 months) \$NZ'000
	Cash Flows Relating to Operating Activities		
1(a)	Receipts from product sales and related debtors	0	0
1(b)	Payments for		
	(a) exploration and evaluation	0	(340)
	(b) development	(15,656)	(75,744)
	(c) production	(1,784)	(1,784)
	(d) administration	(1,502)	(6,007)
1(c)	Dividends received	0	0
1(d)	Interest and other items of a similar nature received	150	4,946
1(e)	Interest and other costs of finance paid	(821)	(5,398)
1(f)	Income taxes (paid)/received	0	0
1(g)	Other	0	0
1(h)	Net Operating Cash Flows	(19,613)	(84,327)
	Cash Flows Related to Investing Activities		
2(a)	Cash paid for purchases of: (a) prospects	0	0
	(b) equity investments	0	0
	(c) other fixed assets	0	(4,568)
2(b)	Cash proceeds from sale of: (a) prospects	0	0
	(b) equity investments	0	0
	(c) other fixed assets	0	0
2(c)	Loans to other entities	0	0
2(d)	Loans repaid by other entities	0	0
2(e)	Other	0	0
2(f)	Net Investing Cash Flows	0	(4,568)
	Total Operating and Investing Cash Flows	(19,613)	(88,895)
	Cash Flows Related to Financing Activities		
3(a)	Cash proceeds from issue of shares	40,487	45,027
3(b)	Proceeds from sale of forfeited shares		132
3(c)	Borrowings		8,500
3(d)	Repayment of borrowings	(8,500)	(8,500)
3(e)	Dividends paid	-	-
3(f)	Other	-	-
3(g)	Net Financing Cash Flows	31,987	45,159
4(a)	Net Increase in Cash Held	12,374	(43,736)
4(b)	Cash at beginning of quarter/year to date	9,268	63,911
4(c)	Exchange rate adjustments to Items 4(a) above	43	1,510
4(d)	Cash at End of Quarter	21,685	21,685

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.
- 3(a) Cash proceeds from issue of shares comprises \$40.48 million from the rights issue on 17 April 2009.
- 4(c) Exchange rate adjustments relate to translation of retained USD cash holdings.

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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

On 4 July 2008, Liberty Harbor LLC converted 50 bonds (with a face value of USD\$2.5 million) of its Pike River convertible bond holdings. This resulted in an amount of \$3.2 million being reclassified from debt to equity to reflect the financial impact of the conversion.

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	16,160	-
Multi-option Debt Facility	2	10,000	-

		Current Quarter # \$NZ'000	Following Quarter \$NZ'000
7	Estimated Outlays for Specified Quarters		
7(a)	Exploration and evaluation	-	-
7(b)	Development	24,500	14,700
	Total	24,500	14,700

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 30 June 2009 was \$15.6 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	99	99
Deposits at call and bank bills	21,586	9,169
Bank overdraft		
Other		
Total: Cash at End of Quarter (Item 4(d)/4(b))	21,685	9,268

Note:

Cash at End of Quarter does not include \$1.15 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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10 Issued and Quoted Securities at End of Current Quarter – 30 June 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	347,104,770	347,104,770	\$0.9714 ¹	\$0.9714
Issued during quarter	58,571,429	58,571,429	\$0.70	\$0.70
	315,000	315,000	\$0.7753	\$0.7753
	1,037	1,037	\$1.25	\$1.25
Partly Paid Securities <i>(included in ordinary securities, but not part of quoted ordinary securities)</i>	5,913,556	-	\$0.91 to \$2.68	\$0.01
Issued during quarter	85,500	-	\$0.95 to \$0.98	\$0.01
	194,650	-	\$0.93 to \$1.15	\$0.01
Fully paid during quarter	(315,000)	-	(\$0.7653)	(\$0.01)
Convertible Debt Securities	-	-		
Issued during quarter	-	-		-
Convertible Debt Securities USD\$27.5 million 6.75% convertible bonds maturing 13 March 2011	550	-	Convertible at the bondholders election any time prior to maturity at a price of \$1.08 per share	\$62,305.30 ²
Converted during quarter	-	-		-
Options	64,284,677	64,284,677	Exercise price of \$1.25	Expiry 24 April 2011
Issued during quarter	58,571,429	58,571,429	Exercise price of \$1.25	Expiry 24 April 2011
Exercised during quarter	(1,037)	(1,037)	\$1.25	\$1.25
Expired during quarter	(22,496,694)	(22,496,694)	Exercise price of \$1.30	Expiry 30 June 2009
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 NZD:USD rate in effect on the date of issue (being 0.8025).