



18 May 2009

COAL PRODUCTION UNDERWAY AGAIN

Pike River Coal has put its first heavy coal cutting machine back into action following completion of a 'slimline' ventilation hole to bring air 100 metres underground.

This is the first step in providing a strong air flow from the surface to the pit bottom for miners and machines, to vent gases, and allow for the main production ramp-up of premium hard coking coal to start.

The slimline ventilation hole has been reamed through extremely hard rock to 600 mm diameter, lined with steel casing and connected to an underground fan to provide air, whilst the main shaft is fully restored.

Restoration of the main shaft is progressing to schedule. A specially-trained mining team from Australia, working around the clock, is constructing a 2.5 metre square Alimak raise (an angled bypass round the blocked main ventilation shaft).

The Alimak raise is being constructed upwards using explosives to blast approximately 1.2 metres of rock per day. As the Alimak shaft is created rockbolts and mesh are used to secure the shaft walls and maintain stability. Concrete is also sprayed onto the walls of the Alimak raised shaft to ensure a "life-of-mine" support standard.

At 18 May 2009 the Alimak raise was up to 31 metres (58% complete) with completion of the remaining 22 metres on track for the end of May 2009.

The first heavy coal cutting machine, a roadheader, now has the job of cutting roadways into the main Brunner coal seam, initially to create space for other mining equipment. The in-seam drilling unit has been re-established underground and re-commenced its drilling programme to map out the coal seam ahead of roadway development.

The two continuous miners will start up as soon as ventilation from the main shaft is restored.

Pike River Coal's chief executive, Gordon Ward, says "the slimline ventilation hole and the Alimak raise will provide the necessary air for all mining operations and we expect to have all three mining machines cutting coal by early June".

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.

Pike River shares are quoted on the NZSX and the ASX under the code "PRC"

Following page: Diagram showing location of the Alimak raised shaft at 18 May 2009

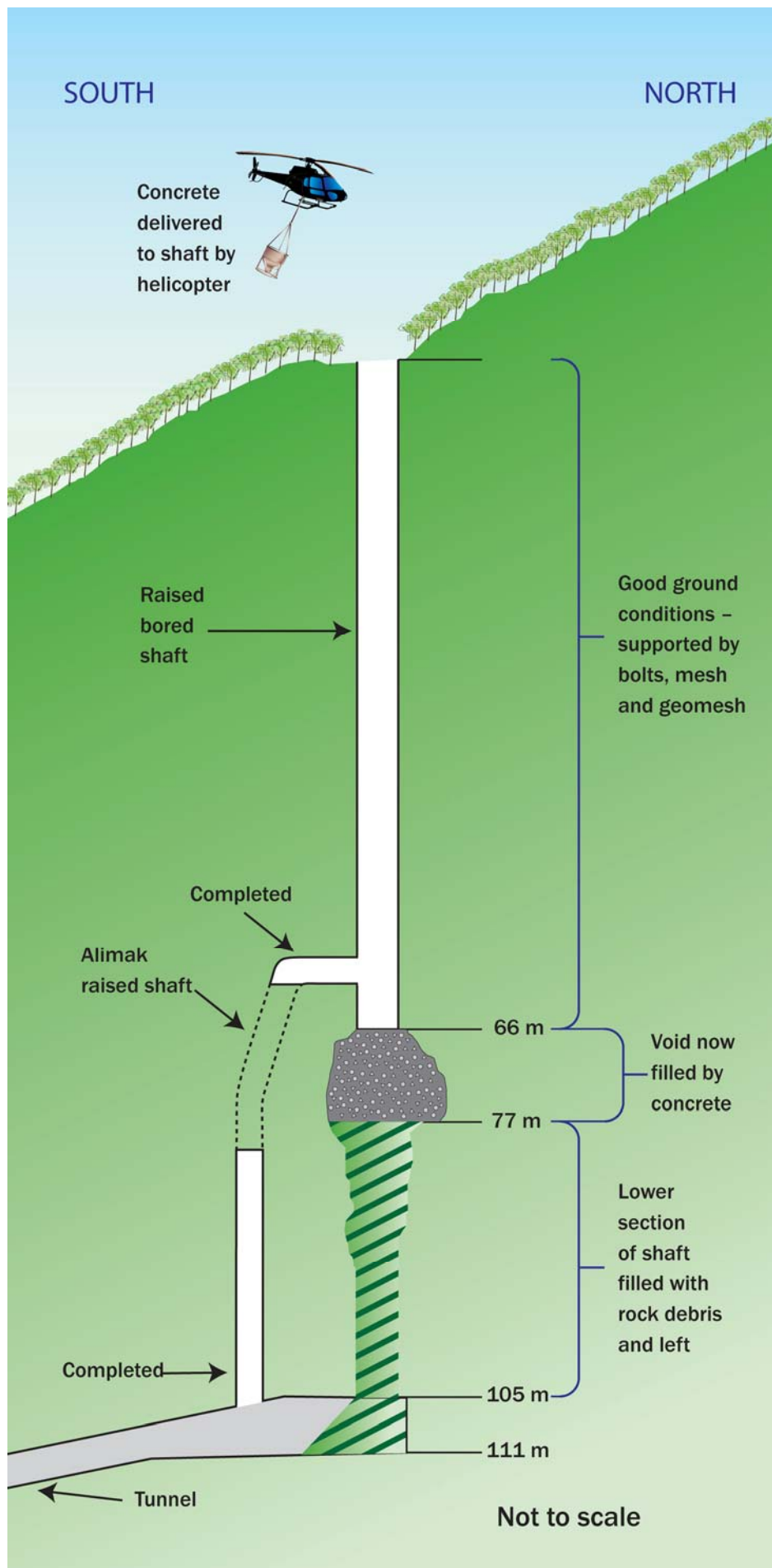


Diagram showing location of the Alimak raised shaft at 18 May 2009