



PIKE RIVER COAL

29 November 2010

Update from Pike River Coal Ltd

This update from Pike River Coal Limited further addresses information that the Company has provided to various parties. It is provided for the purpose of bringing those matters together for more general release by the Company, including via the market release platforms of NZX and ASX. The Company will continue to provide such summary releases until the recovery operation is completed and control of the mine site is released from the Police and other agencies back to the control of the Company.

As of 7pm Monday evening, the fire which followed the fourth explosion continues. The plan remains to use the GAG machine to inject inert gas into the mine to put the fire out and enable access into the mine. Deployment may occur this evening.

Royal Commission of Inquiry

Pike River Coal has already advised that it will cooperate fully with all inquiries that are under way into the disaster at its mine and this extends to the Royal Commission of Inquiry that was announced by the Prime Minister today.

Mr Dow said, "We welcome whatever inquiries are needed to find the cause of the explosion and also what is required to ensure the safe operation of our mine in the future."

"The Commission's draft terms of reference include consideration of a wider range of issues relevant to our industry and it is the appropriate place to do that. Pike will also assist the Commission with these issues."

"We are committed to determining if our mine can reopen. Whether that requires an answer to all of the matters the Royal Commission will address is unknown at this time. The other enquiries by the Police, the Department of Labour and the Coroner are focussed on Pike and they may give us the information that we need. It's speculation now to say anymore."

Current Activities

Pike employees who can assist are focussed on the recovery operation.

"We also have some of the team looking at the potential impact of this situation on the business. Support from our suppliers and others at this time is appreciated", Mr Dow noted.,

"I am pleased to announce that over the weekend we negotiated, and today completed, an agreement with Solid Energy under which it will purchase our coal stockpiles. This amounts to approximately 20,000 tonnes which would, of itself, not have met our own future shipping arrangements. The terms of this sale will see Pike receive full net market value for this hard coking coal once on-sold to an end-user customer."

Mr Dow said, "This action by Solid Energy is just another aspect of the extraordinary support that Pike River has had from the management and staff of Solid Energy. They have stood with us from the outset of this tragedy, providing significant support for the rescue and recovery effort."

More Information

Pike will make further announcements as the state of its underground assets becomes known.

ENDS

Further information:

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news release