

Pike River tunnel on track to intersect coal in July

28 May 2008, Source: Pike River Coal and Lindsay Clark - Pike River Coal Ltd's coal mine development on the South Island West Coast has completed its eastern pit bottom in rock and is now beginning the final push across the Hawera Fault and into its coking coal target.

The tunnel is on track to intersect the fault 2.1 km from the tunnel mouth in late May and intersect coal at approximately 2.3 km in July 2008, Pike River Coal says.

Work on building tunnels for the pit-bottom roadways began in mid December 2007. All tunneling halted for a month from 11 April to allow undertaking of concrete works and other infrastructure activities in the pit bottom. This area will provide for water and coal sumps as well as foundations for pump and electrical installations.

Other works completed in the tunnel during this period have included the installation of high voltage power supply, cables for gas monitoring and communications, and transformers for the pit-bottom pumping systems.

In other Pike River project activities, the coal preparation plant 10 km down the valley from the mine mouth, is now 90% complete with all of the major equipment installed and the stack-out conveyors in place for both coal and reject material.

The mine workers bathhouse facilities are near completion, and work is progressing well on the installation of the return water line from the preparation plant to the mine and recruitment of operational personnel for the mine and plant.

A contract for the design and construction of a \$12 million rail loading facility has been awarded to Brightwater Engineering of Nelson.

In the Pike River Coal first quarter report to March, the company says that international premium hard coking coal prices have been settled at US\$300 per tonne for the current Japanese fiscal year commencing 1 April 2008, a trebling of the previous year's price.

Market observers are now predicting an increase in long term prices for hard coking coal, with forecasts ranging from US\$90 – US\$120 per tonne, the report says.