

Pike's first coal production begins; will fetch US\$128 per tonne

30 July 2009 - Pike River Coal's first coking coal now being mined from its new West Coast underground mine will be sold at a price of US\$128 (about NZ\$193) per tonne during the mine's first production year to March 2010.

Pike River says in its June quarterly report that settlement at this level was anticipated and matches prices reported for benchmark premium hard coking coal achieved by major Australian coal producers.

The company says an increase in coking coal prices looks more likely for the following year to March 2011 with industry analysts predicting China will import a record quantity of hard coking coal in 2009.

Production ramp-up at the Pike River mine is now well underway since normal mining operations recommenced on 8 June 2009 following the successful restoration of mine ventilation.

All three coal cutting machines are expected to be mining coal by the end of July.

Two heavy cutting machines, the roadheader and a continuous mining machine, have been used since 8 June.

First hydro mining using water-jet cannons is now expected in November.

Pike River says that at pit bottom most of the basic infrastructure was completed during the June 2009 quarter and commissioned.

All coal is now being transported from the pit down the coal slurry pipeline to the coal preparation plant 10 km away at the foot of the Paparoa mountain range.

At the coal preparation plant itself, initial commissioning tests have been run and adjustments made in readiness for receiving, washing and sorting the coal ready for trucking to the rail head.

Twenty kilometres away at Ikamatua, the new rail load out facility will be fully test run in August using rail wagons contracted from Solid Energy to transport Pike's first coal to Port Lyttelton.

The slower production ramp-up has put back the scheduled date for the first 60,000 tonne export shipment to Japan by six weeks to around mid-November 2009.

Once hydro-mining starts the mine will be capable of producing in excess of 1 million tonnes per year.

[Map of New Zealand Coal reserves and production \[1.14 MB PDF\]](#)

Sources: Pike River Mine and Lindsay Clark