



30 May 2007

Dear NZOG Shareholder,

PIKE RIVER COAL INITIAL PUBLIC OFFERING

Pike River Coal Limited has now lodged its New Zealand Investment Statement and Australian Prospectus with the Australian Securities & Investment Commission, and with the Australian and New Zealand stock exchanges.

As a New Zealand Oil & Gas shareholder you have been reserved a specific preferential entitlement to acquire shares in this public offer on the basis of one Pike River share for every eight NZOG shares you hold. Notwithstanding this entitlement, applications must be made for a minimum of NZ\$3,000 or AU\$3000 depending on the currency chosen by the Australian resident applicant.

The record date to determine your entitlement based on your NZOG shareholding is 6 June 2007.

Your entitlement letter and application form, together with a prospectus, will be mailed to you on or about 7 June 2007. The closing date for NZOG shareholder pool applications is 26 June 2007. Allocation and allotment will take place on or about 17 July 2007 following the closing date for applications from the public and firm allocation pools. Please note that the timetable is indicative, and dates could change.

The prospectus can be viewed at the ASX website www.asx.com.au or the Pike River Coal website at www.pike.co.nz

Yours sincerely,

A handwritten signature in black ink, appearing to read 'D Salisbury', with a long horizontal stroke extending to the right.

David Salisbury
Chief Executive and Managing Director
New Zealand Oil & Gas Limited

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