



23 December 2005

PIKE RIVER COAL TRANSPORT ROUTE FINALISED

Pike River Coal Company Limited has signed a long term transport contract for delivery and shipping of Pike River coal from mine stockpile to export vessel.

Details are set out in the attached Pike River Coal Company release.

news release

FOR FURTHER INFORMATION PLEASE CONTACT:

Gordon Ward

Telephone: (04) 495 2424

Toll free 0800 000 594

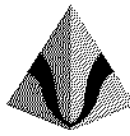
Website: www.nzog.net

Email: inquiries should be made to enquiries@nzog.net

NZOG stock symbols:

NZX: Shares - NZO Options - NZOOD

ASX: Shares - NZO Options - NZOO



PIKE RIVER COAL COMPANY

MEDIA RELEASE

23 December 2005

Pike River Coal Transport Route Finalised

- Long term transport contract signed
- New coal export route
- Significant port redevelopments at Greymouth and Taranaki
- Special purpose vessels for coastal shipping

A long term transport contract was executed today by Pike River Coal Company Limited ("PRCC") for delivery and export of up to 1.3 million tonnes of coal per annum.

PRCC has been working for a year with a transport consortium to put together the \$80 million supply chain. The contract has been awarded to The West Coast Coal Company ("WCCC") comprising Port Taranaki Limited, the TNL Group Limited, the Wendell Group of Companies and Jepsens International.

WCCC will have responsibility for all aspects of handling and freighting the coal from the mine stockpile areas to onboard the export vessels at Port Taranaki. The coal will be coastally shipped from Port of Greymouth in two small coastal bulk ships, purpose built for the limited water depth that exists there, to Port Taranaki to be shipped in Panamax size vessels carrying up to 65,000 tonnes at a time to export markets in Asia, India, South America and Europe.

PRCC's general manager Mr Gordon Ward said "This new transport route is a major innovation for New Zealand's coal export industry and opens up significant opportunities for expansion. We are pleased with the outcome of the extensive design and evaluation process which has delivered the best transport solution to PRCC."

Port Taranaki Export Port

Port Taranaki's CEO, Mr Roy Weaver, said "the establishment of WCCC and the coal handling facilities at the New Plymouth port will be the dawning of a new era in the port's history. The decision to deepen the port and will see Taranaki's strategic significance as an international shipping hub on New Zealand's western seaboard enhanced". Port Taranaki is currently dredging to deepen to 12.5m for all berths and has resource consents to dredge to 14m which would make it the deepest container port in New Zealand.

Mr Weaver said "the new infrastructure at Port Taranaki and the linkages with dedicated coastal shipping will open up exciting opportunities for other bulk trades and commercial traffic to be hubbed through the port."

Coastal Shipping

The ship management and marine services arm of the Wendell Group of Companies and specialised bulk ship owner operator Jepsens International is the coastal shipping provider within WCCC.

Level 20, 125 The Terrace
PO Box 10725
Wellington, New Zealand
Telephone: +64 4 495 2424
Facsimile: +64 4 495 2422

Design features of the special purpose vessels include capability to transport large cargoes (up to 12,000 tonnes each) at shallow draft, significant manoeuvrability using the ships own propulsion, and high standards for reliability and safety of operations. The vessels will be constructed in China and each vessel will take approximately 18 months to build and then deliver to New Zealand. Mr Tim Saville, Wendell's Commercial Director stated "The very nature of the trade determines the requirement for specially designed and purpose built vessels to navigate the Port of Greymouth's bar harbour and offer a committed trade on New Zealand's West Coast".

The formation of the Wendell/Jebsens joint venture is a significant development for Wendell Group, whose traditional business has been the provision of marine and associated services to New Zealand's offshore oil and gas industry whilst for Jebsens the development of this new business means further expansion of their global network.

Trucking - TNL

The TNL Group will be responsible to WCCC for trucking coal to the Port of Greymouth. TNL has a long and successful history of bulk coal carriage stretching back to the 1970's. TNL's principal shareholders are Mr Neil Reid (50%) and Five Star Distribution (a company owned by Hooker Bros Holdings Ltd, and United Carriers Ltd).

Port of Greymouth – Coastal Port

Greymouth Mayor Tony Kokshoorn said "after many years of Government lobbying and planning, the news of Pike River commencement and this transport agreement with WCCC will have huge spin-offs for the West Coast. The rundown Port of Greymouth will be revitalised with a major redevelopment and a new governance structure."

"There is still much to do but 150 full time jobs at the mine and hundreds of workers in the associated support industries will ensure that the West Coast economic growth rate remains amongst the highest in New Zealand", Mayor Kokshoorn said.

Mr Ward said that "first coal production is planned for the March 2007 quarter and first coal shipments some months later".

For more information:

Gordon Ward, General Manager, PRCC 04 495 2424 (tel)

Roy Weaver, CEO, Port Taranaki Ltd 06 751 0200 (tel)

Tim Saville, Commercial Director, Wendell Group of Companies 06 751 1458 (tel)

Neil Reid, Executive Director, The TNL Group 03 546 0086 (tel)