



## Solid Energy New Zealand Ltd

### Results for Announcement to the Market

<b>Reporting period</b>	Six months to 31 December 2010
<b>Previous reporting period</b>	Six months to 31 December 2009

	6 months to 31 December 2010 (\$000s)	6 months to 31 December 2009 (\$000s)	Percentage change
<b>Revenue from ordinary activities</b>	\$432,898	\$257,214	68%
<b>Profit (loss) from ordinary activities after tax</b>	\$45,179	(\$6,479)	N/A
<b>Net profit (loss)</b>	\$45,179	(\$6,479)	N/A

<b>Interim dividend</b>	Nil	\$24,000	N/A
<b>Dividend payment date</b>	N/A		

<b>Comments</b>	<p>Solid Energy New Zealand Ltd, has recorded a profit after tax of \$45.2 million for the six months ended 31 December 2010, a significant improvement on the same period last year (2009: loss of \$6.5 million) when the global economic downturn, the drop in hard coking coal prices and industrial action impacted on production and sales.</p> <p>Revenue for the half year was \$433 million, 68% higher than for the same period last year (2009: \$257 million) reflecting the 40% increase in coal sales and 56 % increase in coking coal prices from US\$128/tonne in the first half of 2009 to more than US\$200/tonne in the first half of 2010.</p> <p>Coal sales for the six months were up to 2.16 million tonnes (Mt) compared to the same period last year (2009: 1.54 Mt). Export coal sales increased to 1.16 Mt (2009: 674,000 tonnes) while New Zealand sales increased to 1 Mt (2009: 866,000). Wood pellet sales increased to 22,000 tonnes (2009: 6,400 tonnes) and sales of biodiesel blended product to 957,000 litres (2009: 545,000 litres).</p> <p><b>Subsequent Event: Christchurch Earthquake</b> On 22 February 2011 a catastrophic earthquake struck Christchurch. Our mining and other operations and assets around New Zealand have been physically unaffected. Our Christchurch head office has suffered minor damage, but is currently operational under restricted conditions. The major impact on our business has been disruption to our export coal</p>
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	<p>distribution operation through Lyttelton Port of Christchurch which has temporarily ceased operation. Force majeure notices have been issued to our export customers. The full extent of the damage to Lyttelton is still being assessed. We are working closely with our export supply chain partners towards resuming (initially limited) operations from Lyttelton but the timing of this is not yet known with certainty. As a result, no dividend is being declared at this time.</p>
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