

PGC Stock Exchange Announcement - 21 October 2009

Notification of Level of Subscription pursuant to NZSX Listing Rule 7.14.1

Pyne Gould Corporation Limited (PGC) advises that it has successfully completed its NZ\$237 million pro rata renounceable rights offer (Rights Offer).

The Rights Offer which closed at 5.00pm on Monday 19 October 2009 entitled shareholders to subscribe for 6 New Shares for every 1 Share held on 30 September 2009 at an issue price of \$0.40 each to raise NZ\$237 million.

Chairman Sam Maling commented that he was pleased with the strong level of take-up under the Rights Offer. "The offer represented over 200% of our market capitalisation – a large raising by any measure. Over 35% of the rights traded, a high but not unexpected level. We emerge from this process with a strong capital structure and a broader base of shareholders."

For the purposes of NZSX Listing Rule 7.14.1 PGC advises the following in respect of the Rights Offer for a maximum of 591,577,740 shares:

- Subscriptions received: 524,930,717 New Shares totalling NZ\$210 million, representing a take-up of approximately 88.7%;
- Under subscription: 66,647,023 New Shares totalling NZ\$27 million, representing a shortfall of approximately 11.3%.

The Rights Offer was fully underwritten by First NZ Capital Securities Limited (FNZC). In accordance with the terms of the Underwriting Agreement between PGC and FNZC dated 23 September 2009, the 11.3% under subscription will be taken up in full by FNZC and sub-underwriters.

MR Maling further commented "The Offer was fully underwritten so the outcome was never in doubt. But the fact that there was only a modest shortfall for an Offer this size is extremely encouraging."

The allotment of the New Shares under the Rights Offer is to take place on Tuesday 27 October 2009 with holding statements expected to be dispatched to shareholders shortly thereafter.

PGC now intends to conduct a Placement later this week and will make allotments under such Placement on Wednesday 28 October 2009.

SR Maling

Chairman