O.k., so i finally got in, but it took a bit of hackery.

Here's what i had to do:

strace -f vzctl enter <VEID>

Then look for something like the following near the end:

[pid 19407] open("/dev/ptmx", O_RDWR)   = -1 ENOENT (No such file or directory)
[pid 19407] open("/dev/ptyp0", O_RDWR) = -1 ENOENT (No such file or directory)

Identify the ptyp device then run the following:

vzctl exec <VEID> MAKEDEV ptyp0
(replacing this with your device).

Now, possibly, you will need to run this again. I had to do this twice and afterwards was able to get into the VE properly.