

WARATAH COAL INC.
2400 – 1111 West Georgia Street
Vancouver, B.C., V6E 4M3

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Shareholders (the "Meeting") of WARATAH COAL INC. (the "Company") will be held at the offices of Armstrong Simpson: Suite 2080 – 777 Hornby Street, Vancouver, British Columbia, V6Z 1S4, on **Thursday, May 24, 2007 at 1:00 p.m.** for the following purposes:

1. To receive the audited consolidated financial statements of the Company for the fiscal year ended December 31, 2006 and the auditors' report thereon;
2. To fix the number of directors to be elected for the ensuing year at three;
3. To elect directors of the Company for the ensuing year;
4. To appoint the auditors for the Company for the ensuing year and authorize the Directors to fix the auditors' remuneration;
5. To approve the Stock Option Plan of the Company, as more particularly set out in the Circular; and
6. To transact such other business as may properly come before the Meeting or any adjournment thereof;

all as more particularly set out in the attached Management Information Circular. The audited financial statements, auditors' report and form of proxy accompany this Notice.

The Directors have fixed the close of business on April 19, 2007 as the record date for determination of shareholders entitled to notice of and the right to vote at the Meeting either in person or by proxy. A shareholder who is unable to attend the Meeting in person and who wishes to ensure that their shares will be voted at the Meeting, is requested to complete, date and execute the enclosed form of Proxy and deliver it to the Company's transfer agent: PACIFIC CORPORATE TRUST COMPANY, 510 Burrard Street, 2nd Floor, Vancouver, B.C., V6C 3B9, Fax No. (604) 689-8144, by fax, hand or by mail in accordance with the instructions set out in the form of Proxy and Management Proxy Circular.

BY ORDER OF THE BOARD OF DIRECTORS

"Peter Lynch"
Chief Executive Officer, Director

April 30, 2007
Vancouver, British Columbia