

25 February 2008

Waratah announces Galilee Basin inferred resources now 3.12 billion tonnes

Waratah increases North Alpha resource to 975 million tonnes of coal in Galilee Basin

Waratah Coal Inc. is pleased to announce that a limited drilling program at its Alpha North EPC 1053 licence in the Galilee Coal Basin in Queensland, Australia has increased its JORC-compliant inferred resource by **300 million tonnes** to 3.12 billion tonnes of thermal coal.

Waratah's EPC 1053 already hosts a JORC-compliant inferred resource of **675 million tonnes** of thermal coal on its northern portion. This new drilling program will continue to test the unexplored area to the south of this resource, covering 140km².

EPC 1053 is some 37km north of Waratah's EPC 1040 which has a recently upgraded JORC-compliant inferred resource of **2.145 billion tonnes**. In between Waratah's two licences, Hancock Prospecting Pty Ltd has historic resources totalling 2.1 billion tonnes.

The Alpha North project benefits from the following:

- Large resource potential in a previously unexplored area
- Potentially high quality thermal coal products
- Proximity to substantial existing resources
- Recent world wide demand for coal increases dramatically
Record world spot prices for thermal coal

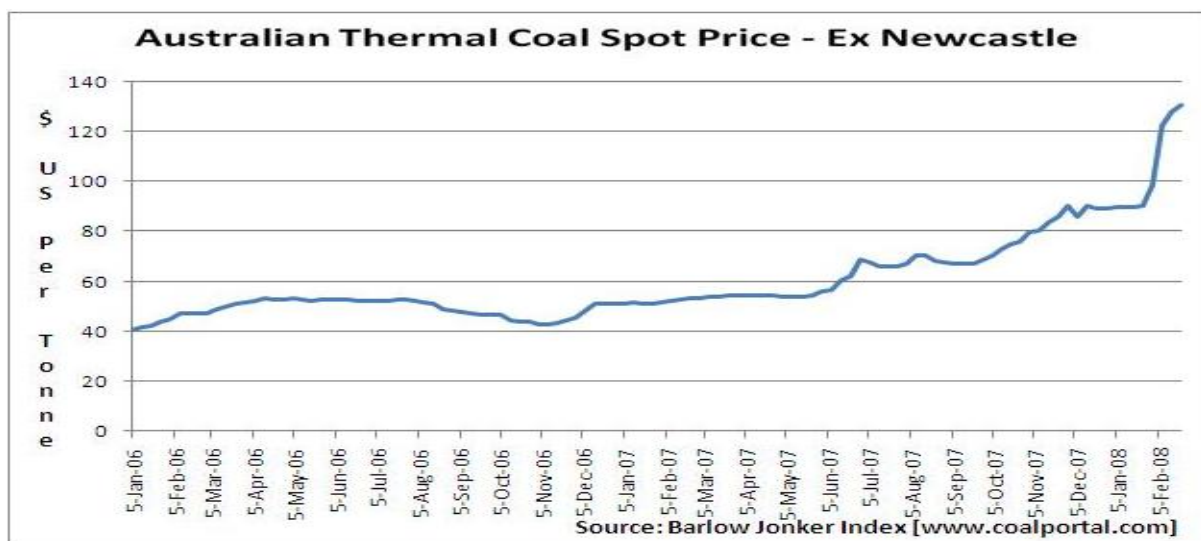


Figure 1: Latest Barlow Jonker Index for thermal coal (\$US per tonne)

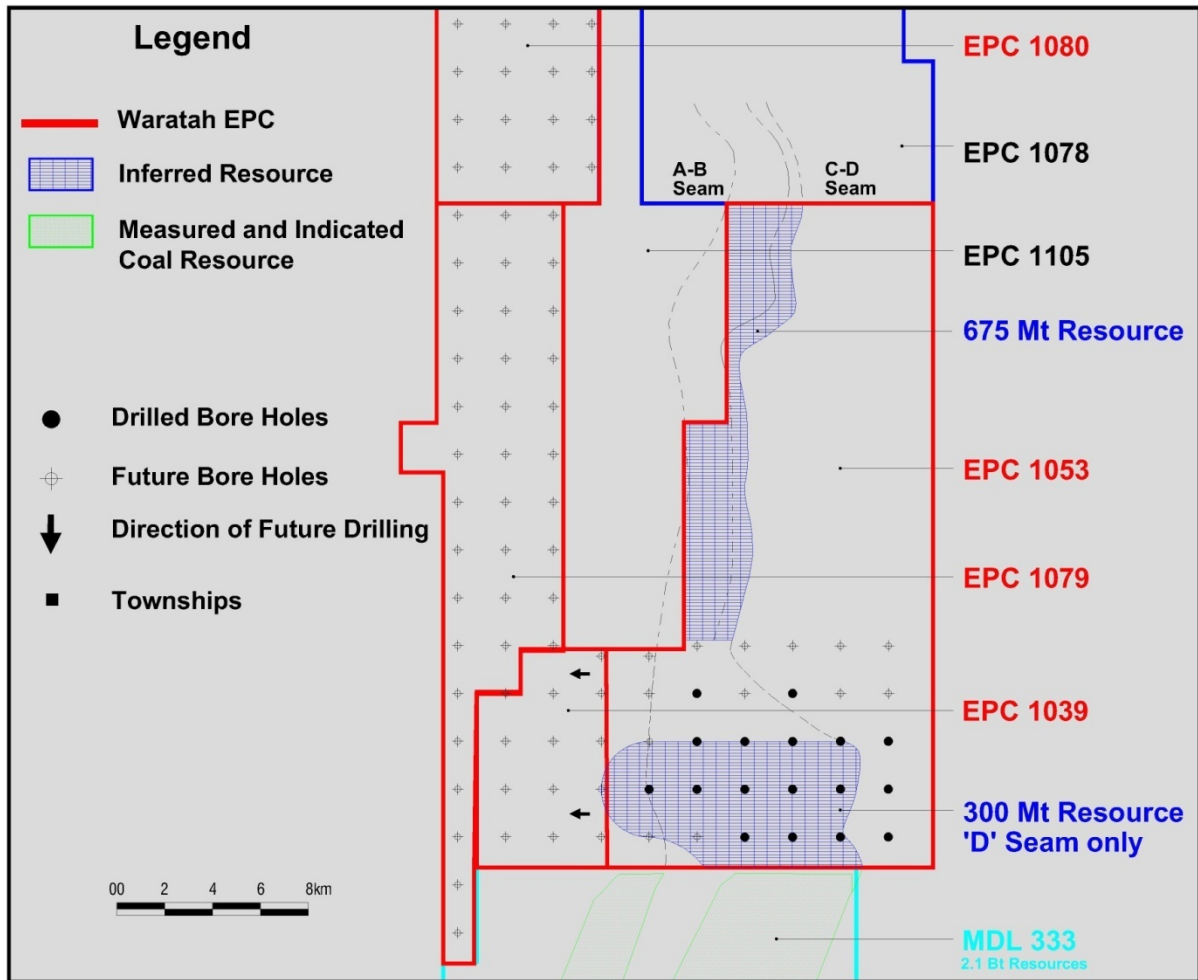


Figure 2: North Alpha drill map

To date only 17 partly cored and chip holes have been drilled due to the early onset of a long overdue monsoon season. These holes have now been geophysically logged and bore-core analysis allows Waratah to release this resource estimate.

Two drilling rigs are currently employed in EPC 1053. One rig is extending north to join the two known resources while the second will move westward into EPC 1039. The latter drill will test the extent of the A-B seam which has thicknesses in excess of 20 metres in other parts of the EPCs. Recent drilling has so far focussed only on the D seam group and the entire 300 million tonne upgrade is within these plies. A third rig is on standby to provide "infill" boreholes for structural integrity and an upgrade to reserve status.

The Galilee Basin is a known geological basin containing Permian-age high quality thermal coals which when washed produces a highly marketable export quality product. The main thrust of the Waratah Coal exploration program is to prove the continuity of the known four seams which account for the 2.1 billion tonnes of coal resource on the licence to the south of Waratah's EPC 1053 North Alpha licence. This area was extensively explored in the seventies by companies including Bridge Oil, Total, Cogema and the Shell Company.

Waratah has already confirmed the extension of these seams to the south in its EPC 1040 and further to the north within EPC 1053. Coal intersections over the four seams on the adjacent drill line in EPC 1053's northern resource show total coal thicknesses up to 30m with the thickest seam 21m.

Waratah's 100%-owned Galilee licences and applications now cover 4887km², extending over 185km along strike to the north and south adjacent to the historical resource as well as adjacent and down dip, to the west.

EPC 1053 is one of nine EPCs and EPC applications held by Waratah in the Galilee Basin. Waratah is targeting the potential for a very large scale export thermal coal project, should large tonnages of economically mineable coal be identified. Further exploration in EPC 1053 and adjacent EPC 1039 is expected to confirm Waratah Coal's Galilee tenures as one of the largest black coal resources in Australia.

For further information:

Peter Lynch
Waratah Coal President and CEO
T: +61 7 3303 0692
E-mail: plynch@waratahcoal.com

Spiro Kletas
T: +1 604 681 5755
E-mail: skletas@waratahcoal.com

The Qualified Person for this resource estimate is Mr. Patrick Hanna, Fellow of the AusIMM and Principal Coal Geology Consultant with SRK Consulting, who conducted a peer review of this resource determination on EPC1053 in February, 2008. The resource estimates were compiled using data supplied by Mr David Campbell, Fellow of the AusIMM and Vice President Waratah Coal and modelling by Mr Andrew McLaughlin, Member of the AusIMM, and Senior Coal Geologist Waratah Coal.

The TSX Venture Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this release.

- Ends -

