

24 June, 2008

Waratah announces Galilee Basin total of Inferred Resources now 4.355 Billion tonnes

Waratah announces a further Exploration Target ranging between 675 and 840 Million tonnes

Waratah Coal is pleased to announce that as a result of recent drilling it has increased its South Alpha (EPC 1040 and EPC 1079) Inferred Resource to **3.380 Billion tonnes**.

At Alpha North (EPC 1053 and EPC 1039) Waratah Coal has already identified Inferred Resources of **0.975 Billion tonnes**. This brings Waratah's total of Inferred Resources to **4.355 Billion tonnes**.

SOUTH ALPHA INFERRED RESOURCES

SEAM	INFERRED RESOURCE (Million Tonnes)
B	1700
CU	110
C	440
DUR	10
D1	465
DB1	230
DB2	410
D2	15
TOTAL	3380

Additionally a Resource Target* of **range 675 - 840 Million tonnes** has been identified.

SOUTH ALPHA EXPLORATION TARGET

SEAM	EXPLORATION TARGET (Million Tonnes)
B	290 - 330
CU	0 - 5
C	145 - 165
DUR	0 - 5
D1	90 - 120
DB1	60 - 90
DB2	90 - 120
D2	0 - 5
TOTAL	675 - 840

*Note: The Exploration Target outlined herein is derived from downhole geophysically logged bores which readily define correlated coal intersections. At this stage insufficient exploration has occurred and as no coal quality is yet available within the target areas the Exploration Targets should therefore only be used as a guide. It is uncertain that further exploration will define a resource.

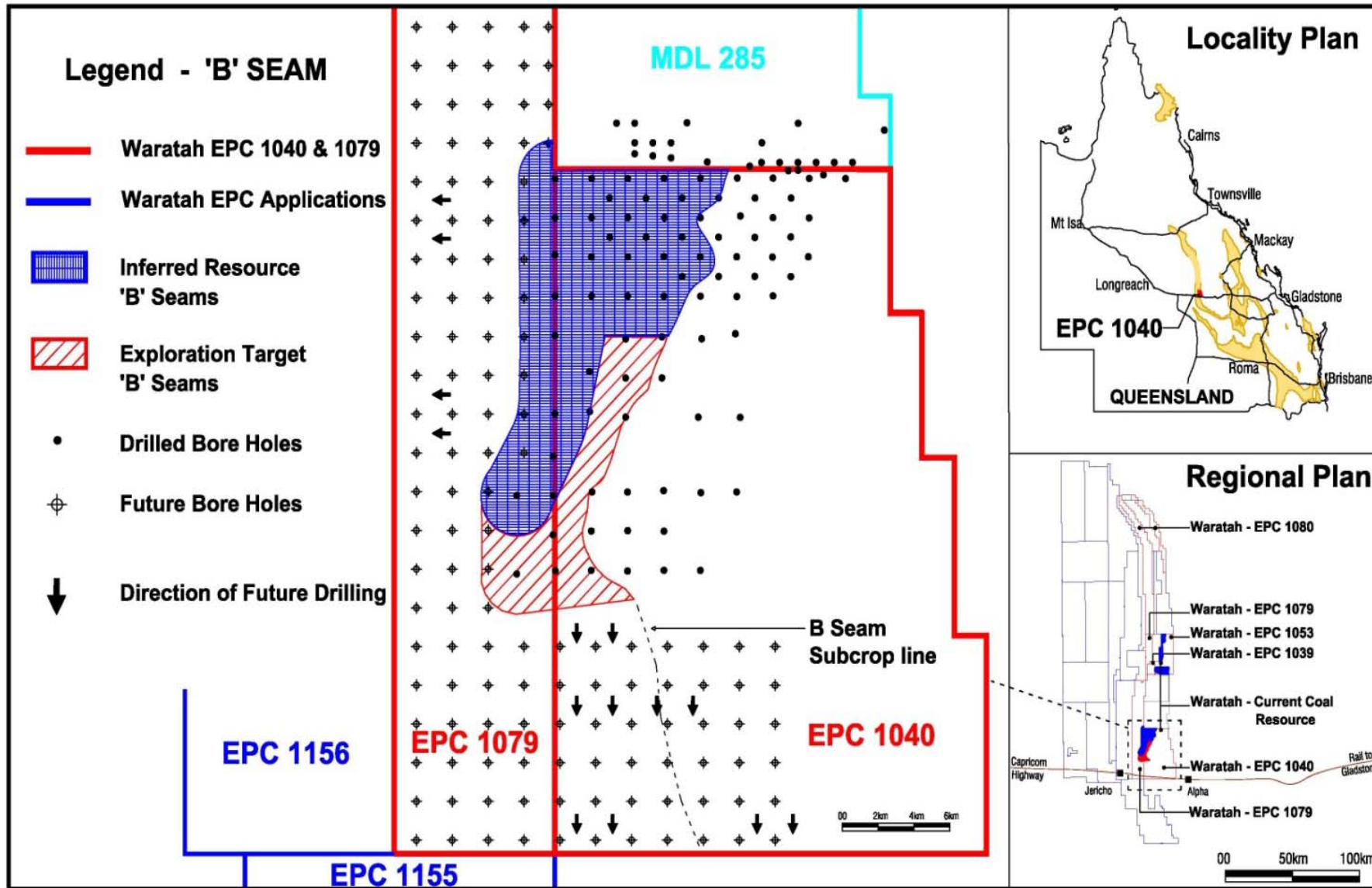


Figure 1: Location of B seam Inferred Resource and Exploration Target – South Alpha



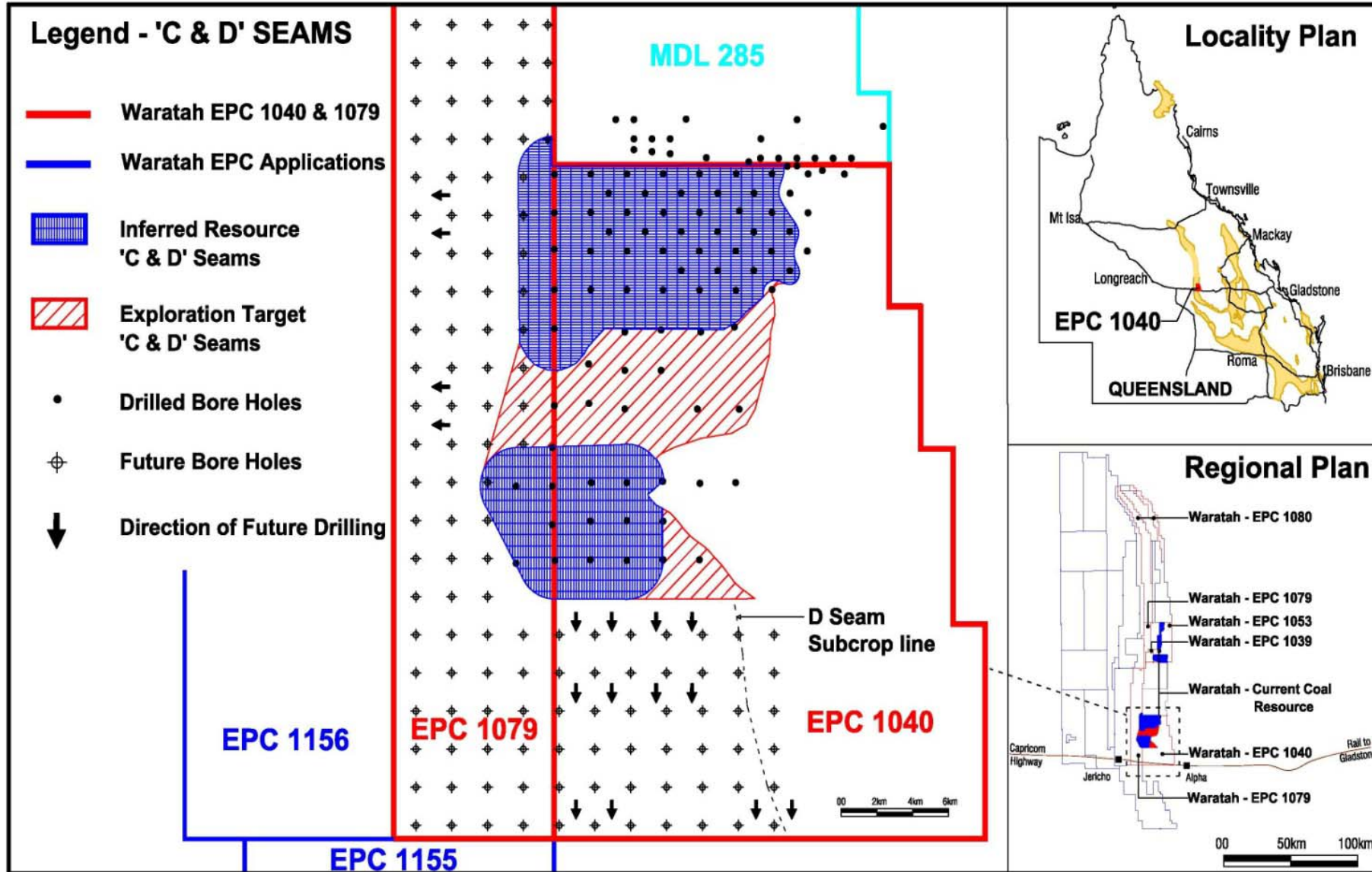


Figure 2: Location of C - D seam Inferred Resource and Exploration Target – South Alpha



Despite severe weather restrictions in the first quarter of 2008 Waratah has managed to drill 42 chip and partially cored holes at South Alpha. All holes have been geophysically logged. Coring has lagged due to the conditions but is now on track in the Exploration Target locations.

Drilling continues in both the South Alpha and North Alpha EPC's with 5 drill rigs currently in the field. A further 4 rigs will be deployed in the Galilee Basin by 3rd quarter 2008.

The focus of drilling in South Alpha will be as follows:

- 2 rigs will be deployed to infill the main resource area sufficiently to allow it to be upgraded to Reserve Status as part of the current Prefeasibility Study
- 1 drill rig will complete coring in the Exploration Target area in order to raise it to Inferred Resource status
- A further 2 rigs will test the current resource extension to the south along strike and to the west down dip

In North Alpha rigs will be utilised as follows:

- 2 rigs will infill the gap between the two known Inferred Resources
- 2 rigs will advance down dip into EPC 1039 and EPC 1080

Waratah's 100%-owned Galilee licenses and applications now cover more than 15,000 km², extending over 240km along strike to the north and south adjacent to the historical resource as well as adjacent and down dip, to the west.

EPC 1040 and EPC 1079 are just two of twenty EPCs and EPC applications held by Waratah Coal in the Galilee Basin.

Waratah Coal is currently conducting a prefeasibility study for a very large scale export thermal coal project and this expansion of Inferred Resources and Exploration Targets will provide further impetus for this process.

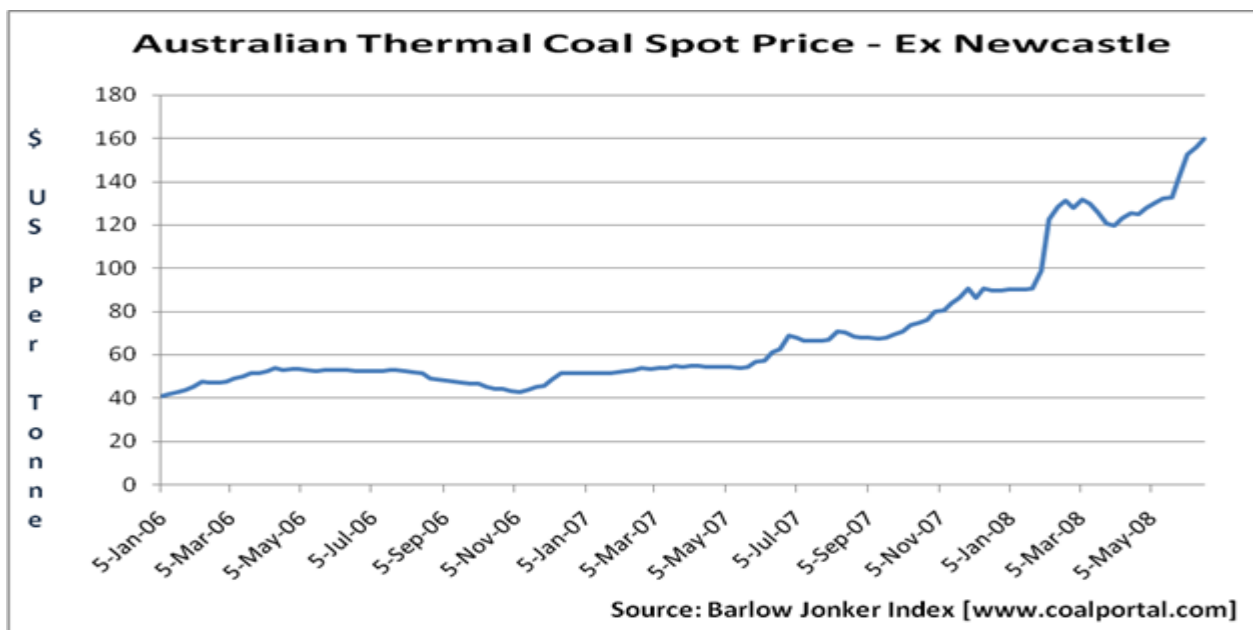


Figure 3: Latest Barlow Jonker Index for thermal coal (\$US per tonne)

Coincidentally thermal coal prices continue to firm with the Barlow Jonkers Thermal Coal Index reaching US\$159.60 last week.

The Qualified Person for this resource determination is Mr David Campbell, Fellow of the AusIMM and Vice President - Exploration, Waratah Coal. Geological modelling and initial resource estimation was conducted by Mr Andrew McLaughlin, Member of the AusIMM and Senior Geologist, Waratah Coal.

Geological Overview

For more information on the Galilee Basin Coal Project, please visit the Waratah Coal website www.waratahcoal.com

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

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