



MINERALOGY PTY LTD. and WARATAH COAL INC.

MINERALOGY TAKES UP WARATAH SHARES AND EXTENDS OFFER ACCEPTANCE DATE

Brisbane, Australia and Vancouver, Canada (December 18, 2008) – Mineralogy Pty Ltd. (“**Mineralogy**”) and Waratah Coal Inc. (“**Waratah**”, TSX-V/ASX: WCI) announce that Mineralogy, through its wholly-owned subsidiary Mineralogy Canada Acquisition Corp., has taken up approximately 44,873,856 common shares of Waratah (the “**Shares**”), representing roughly 73.2% of the issued and outstanding Shares, under its offer (the “**Offer**”) to acquire all of the Shares of Waratah for C\$1.60 per Share. Together with Shares previously purchased, Mineralogy and its affiliates now own approximately 55,628,356 Shares, representing roughly 90.7% of the issued and outstanding Shares.

“We are very pleased that so many shareholders have seen the value in our offer and elected to tender their shares,” said Professor Clive Palmer, Mineralogy’s founder and Executive Chairman, “Now we plan to bring our experience to bear to help Waratah realise its full potential.”

Peter Lynch, President and Chief Executive Officer of Waratah, echoed these sentiments saying, “Waratah’s management team and I are really looking forward to working with Professor Palmer and the Mineralogy team to build a stronger Waratah Coal.”

Immediately after taking up shares, Mineralogy amended the Offer by extending the deadline for acceptance to 5:00 p.m. (Vancouver time) on January 5, 2009. A notice of extension and variation will be mailed to Waratah’s shareholders and will be available on www.sedar.com.

After the expiry of the Offer, Mineralogy intends to enter into one or more transactions to enable it or one of its affiliates to acquire all of the Shares not deposited pursuant to the Offer for the same consideration as provided under the Offer.

Pursuant to the support agreement entered into by Mineralogy and Waratah on December 1, 2008, Waratah has waived its shareholder rights plan in respect of the Offer, and has caused the vesting and expiry date of all options to purchase Shares to be accelerated. Accordingly, all options were either exercised or expired immediately prior to the initial expiry time of the Offer, which was 11:59 p.m. (Vancouver time) on December 15, 2008.

If you are a Waratah shareholder and have any questions regarding how to tender your shares, please contact the information agent for the Offer, Georgeson Shareholder Communications, who can be reached from North America (toll free) by calling 1-866-676-3031 or from outside North America by calling collect to 1-212-440-9800. If you are a holder of CDIs that trade on the Australian Securities Exchange and have any questions regarding how to tender the shares represented by your CDIs, Georgeson’s Australian office can be reached from within Australia (toll free) by calling 1-300-254-802 or from outside Australia by calling collect to 61-3-9938-4329.

About Mineralogy

Mineralogy is a privately-held Australian resource company controlled by Professor Clive Palmer that is engaged in the exploration for and development of mineral resources. Mineralogy has extensive experience in implementing large-scale resource development projects in Australia. For more information about Mineralogy, visit the company’s website at www.mineralogy.com.au.

For further information, please contact Professor Clive Palmer at +61 4090 44489 or send inquires to mineralogy@mineralogy.com.au.

Forward Looking Information

This news release may contain forward looking statements, being statements which are not historical facts, including, without limitation, statements regarding the proposed acquisition of Waratah common shares by Mineralogy and discussion of future plans and objectives. There can be no assurance that such statements will prove accurate. Such statements are necessarily based on a number of estimates and assumptions that are subject to numerous risks and uncertainties that could cause actual results and future events to differ materially from those anticipated or projected. Mineralogy and Waratah disclaim any intention or obligations to revise or update such statements.