

5 September, 2008

Waratah Coal responds to the Federal Minister for Environment determination on Shoalwater Bay Rail & Port

Waratah Coal Inc (**Waratah**) advises that the Federal Minister for Environment Peter Garrett this afternoon has acted under Environment Protection and Biodiversity Act (**EPBC Act**) to reject Waratah's proposal to establish a rail line and coal port in the Shoalwater Bay military training area on the basis that the Minister has purported to rule that the proposal is unacceptable.

Having received the recognition of the Queensland Government for its proposal, Waratah is extremely disappointed with the decision by the Environment Minister Peter Garrett today to declare Waratah's Galilee Basin Project as unacceptable under the EPBC Act. On 15th July 2008 the Queensland Government declared the project to be a project of State Significance. This proposal, at current contract prices would have potentially generated over A\$10B of export revenue and over A\$900M royalties per year for the State of Queensland.

Waratah considers that the Minister for Environment has exceeded his authority in dealing with Waratah's proposal in the manner he has and believes the decision is wrong in law, and not in the National interest. Waratah does not believe that the proposal has been properly considered or its impacts properly assessed. Waratah considers that its proposal should have been afforded the opportunity of scrutiny under a properly directed and formatted Environmental Impact Study and its economic significance properly assessed.

Waratah intends to proceed with an immediate challenge to the Minister's decision in the Federal Court of Australia.

For further information:

Peter Lynch
President & CEO
T: +61 (0) 7 3303 0692
E-mail: plynch@waratahcoal.com

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

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