

9 December 2008

ASX Announcement

WARATAH MAILS NOTICE OF CHANGE RECOMMENDING SHAREHOLDERS ACCEPT MINERALOGY'S AMENDED OFFER

Brisbane, Australia and Vancouver, British Columbia, Canada - Waratah Coal Inc. ("Waratah") (TSX-V/ASX: WCI) has announced that it will mail its Notice of Change to its Directors' Circular today. In its Notice of Change, the Board of Directors of Waratah recommends that shareholders accept the amended offer ("Amended Offer") from Mineralogy Pty Ltd. ("Mineralogy") and tender their shares to the Amended Offer.

Under the Amended Offer, Mineralogy has increased the offer price to CDN\$1.60 per share and has extended the offer to remain open for acceptance until 11:59 p.m. (Vancouver time) on December 15, 2008. Merrill Lynch Canada Inc. ("Merrill Lynch"), Waratah's financial advisor, has provided an opinion that the consideration offered under the Amended Offer is fair from a financial point of view to shareholders, other than Mineralogy and its affiliates. The full text of Merrill Lynch's opinion is included in the Notice of Change as Appendix A.

As was announced on December 1, 2008, Waratah and Mineralogy have entered into a definitive agreement pursuant to which Waratah has agreed to support the Amended Offer.

As was also previously announced, certain directors and senior officers of Waratah (including their associates), holding shares and in-the-money options and in-the-money warrants that represent, in the aggregate, approximately 17% of Waratah's outstanding shares, on a fully-diluted basis, have entered into lock-up agreements with Mineralogy. Under such lock-up agreements, such directors and senior officers (including their associates) have agreed to tender the shares owned by them, or over which they exercise control or direction, and any shares acquired by them upon the exercise of options or warrants held by them, to the Amended Offer.

Availability of the Notice of Change to Directors' Circular

The Notice of Change contains the Board's recommendation, a discussion of its reasons for recommending that shareholders accept the Amended Offer and other information required under applicable Canadian securities law. Shareholders are urged to read the Notice of Change to the Directors' Circular in its entirety. Copies of the Notice of Change to the Directors' Circular will be mailed to shareholders and will be available on Waratah's website at www.waratahcoal.com and on SEDAR at www.sedar.com.

How to tender your shares to the Amended Offer

Waratah shareholders wishing to tender their shares to the Amended Offer are encouraged to contact Waratah's information agent, Laurel Hill Advisory Group, at 1-866-588-7127 (toll free in North America) or at 1-416-637-4661 (collect outside North America).

For more information:

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

Michael Joyner
Investor Relations - Canada
T: +1 416 368 3671
E-mail: mjoyner@waratahcoal.com

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

This press release does not constitute an offer to sell or a solicitation to buy any of the securities in the United States. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended ("the U.S. Securities Act") or any state securities law and may not be offered or sold in the United States or to U.S. Persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.

Cautionary language:

Except for the historical and present factual information contained herein, the matters set forth in this news release, including words such as "expects", "projects", "plans", "anticipates" and similar expressions, are forward-looking information that represents management of Waratah's internal projections, expectations or beliefs concerning, among other things, future operating results and various components thereof or the economic performance of Waratah. The projections, estimates and beliefs contained in such forward-looking statements necessarily involve known and unknown risks and uncertainties, which may cause Waratah's actual performance and financial results in future periods to differ materially from any projections of future performance or results expressed or implied by such forward-looking statements. These risks and uncertainties include, among other things, those described in Waratah's filings with the Canadian securities authorities. Accordingly, holders of Waratah shares and potential investors are cautioned that events or circumstances could cause results to differ materially from those predicted. Waratah disclaims any responsibility to update these forward-looking statements.