

October 21, 2008

WARATAH PROVIDES UPDATE ON SHAREHOLDER RIGHTS PLAN

Brisbane, Australia and Vancouver, British Columbia, Canada - Waratah Coal Inc. ("Waratah" or the "Company") (TSX-V: WCI) announced today that the TSX Venture Exchange (TSX-V) has determined to defer its review of Waratah's recently adopted shareholder rights plan until such time as the TSX-V is satisfied that the applicable securities commission(s) will not intervene pursuant to National Policy 62-202 of the Canadian Securities Administrators.

The shareholder rights plan remains effective in accordance with its terms.

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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 Coal's internal projections, expectations or beliefs concerning, among other things, future operating results and various components thereof or the economic performance of Waratah Coal. The projections, estimates and beliefs contained in such forward-looking statements necessarily involve known and unknown risks and uncertainties, which may cause Waratah Coal'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 Coal's filings with the Canadian securities authorities. Accordingly, holders of Waratah Coal shares and potential investors are cautioned that events or circumstances could cause results to differ materially from those predicted. Waratah Coal disclaims any responsibility to update these forward-looking statements.

