

November 27, 2008

## **WARATAH ANNOUNCES RULING REGARDING SHAREHOLDER RIGHTS PLAN AND ACKNOWLEDGES EXTENSION AND AMENDMENT OF MINERALOGY OFFER**

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**Brisbane, Australia and Vancouver, British Columbia, Canada** - The Board of Directors of Waratah Coal Inc. ("Waratah") (TSX-V/ASX: WCI) announced today that the British Columbia Securities Commission (the "BC Securities Commission") has issued a ruling dated November 26, 2008 disposing of the application by Mineralogy Pty Ltd. ("Mineralogy") to cease trade securities under Waratah's shareholder rights plan dated October 7, 2008 (the "Rights Plan") so Mineralogy's offer dated October 3, 2008, as amended and extended on October 24, 2008 and November 24, 2008 (the "Mineralogy Offer") could be completed on its expiry date.

Mineralogy and Waratah had agreed to a form of consent order in connection with the Mineralogy Offer, pursuant to which the Rights Plan would be cease traded, effective as of the expiry date of the Mineralogy Offer, unless Waratah has previously redeemed all rights issued under the Rights Plan or waived the application of the Rights Plan. The BC Securities Commission ruled that it needed to consider Mineralogy's application only if Waratah were refusing to neutralize the Rights Plan before the expiry of the Mineralogy Offer, which is not the case. Waratah is prepared either to render the Rights Plan ineffective before the expiry time of the Mineralogy Offer or, should it not do so, to accept an order that will have the same result. Accordingly, the BC Securities Commission ruled that there was no reason to consider Mineralogy's application.

Howard Stack, Chairman of Waratah's Special Committee, said, "This ruling allows the Special Committee to continue its process aimed at generating higher bids or more value-enhancing alternatives and it provides clarity with respect to the Rights Plan for Waratah shareholders." Waratah also today acknowledges that Mineralogy has amended its offer and extended the period during which its offer is open for acceptance until 11:59 p.m. (Toronto time) on December 5, 2008. Mineralogy's Notice of Extension and Variation dated November 24, 2008, includes disclosure stating that if Mineralogy acquires shares under its offer, it intends (but does not guarantee) to pursue a statutory right of compulsory acquisition or a business combination (each a "going-private transaction") in order to acquire all of the shares not tendered to the offer. Mineralogy has not increased its offer price of C\$1.41 per share.

Mineralogy's amendment does not change the Board's recommendation that shareholders should not tender their shares to the Mineralogy Offer, as set out in the Directors' Circular dated October 17, 2008 and subsequently reaffirmed in the Notice of Change dated October 30, 2008, both of which are available on Waratah's website at [www.waratahcoal.com](http://www.waratahcoal.com) and on SEDAR at [www.sedar.com](http://www.sedar.com).

Nicholas Mather, Chairman of Waratah's Board of Directors said, "The Board of Directors continues to have a number of concerns with the Mineralogy Offer that were identified in our Directors' Circular and Notice of Change, including that the consideration under the Mineralogy Offer is inadequate." Mr. Mather added that, "Despite the amendment, Mineralogy has indicated that there is no assurance that any going-private transaction will be completed, and that, in fact, Mineralogy has reserved the right, in its sole discretion, not to complete such a transaction."



Shareholders who have questions about the Mineralogy Offer (or who may have already tendered to the Mineralogy Offer and wish to withdraw their shares) may 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).

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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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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.

