

October 3, 2008

WARATAH RECOMMENDS TAKE NO ACTION ON MINERALOGY BID

TSX Venture Exchange
Symbol: WCI

Brisbane, Australia and Vancouver, British Columbia, Canada - Waratah Coal Inc. ("Waratah" or the "Company") notes the announcement by Mineralogy Pty Ltd. ("Mineralogy") of Mineralogy's intention to acquire 50.1 percent of the Company's outstanding shares (on a fully diluted basis).

The Board of Directors of Waratah considers this to be an opportunistic bid that substantially undervalues the Company. At this point the Board recommends that shareholders take no action until it has had the opportunity to review the full details of a formal offer in accordance with its legal obligations. Until these details become available it will not make any further comment or speculate what the recommended course of action will be.

About Waratah

Waratah's strategy is to build shareholder value, through acquisition, exploration and development of coal projects in Australia. This strategy is being developed by a synthesis of Waratah's core skills in project evaluation, structured acquisition, exploration and project development and operations, an area where Waratah executives have significant experience. Seven coal projects have already been acquired, with more in application, and drilling programs well underway at Waratah's South Alpha project and Nymboida project. Recent drilling confirmed the presence of premium quality coking coal at the Nymboida Project and extensive coal seams in the Galilee Basin.

On behalf of the Board of Directors,

"Peter Lynch"

President, Chief Executive Officer and Director

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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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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.