

Mineralogy announces partial take-over bid for Waratah Coal Inc.

8:00 AM ET, October 3, 2008

BRISBANE, Australia, Oct. 3, 2008 (Canada NewsWire via COMTEX) -- Mineralogy Pty Ltd. ("Mineralogy"), a privately-held company based in Brisbane, Australia, is pleased to announce that it is offering to purchase, for \$1.41 per common share in cash, that number of common shares of Waratah Coal Inc. ([WCI](#)) that constitutes, when added to the Waratah common shares beneficially owned by Mineralogy or any of its affiliates, 50.1% of the Waratah shares outstanding (on a fully-diluted basis).



The Offer

Mineralogy strongly supports Waratah's goal of developing the Galilee Basin Coal Project, a large thermal coal mine in central Queensland, Australia, and believes that this represents an excellent opportunity to develop a significant coal resource; however, Mineralogy also believes that the scope of this project, including the development of both the mine and the significant infrastructure required to transport the coal to the central Queensland coast for export, is beyond Waratah's experience and resources. On September 5, 2008, Waratah announced by press release that the Australian Federal Minister for Environment had rejected Waratah's proposal to establish a rail line and coal port in the Shoalwater Bay military training area to be used in connection with the Galilee Basin Coal Project.

The offer represents a premium of approximately 9.4% over the volume-weighted average closing price of Waratah's shares on the TSX Venture Exchange between September 5, 2008 and October 2, 2008, the last trading day prior to Mineralogy's announcement of the offer.

Mineralogy has extensive experience in successfully developing large-scale resource projects in Australia, including a demonstrated record of successfully obtaining the many government approvals and permits required to complete such projects. Mineralogy also has a proven ability to finance the development of large-scale resource projects, including through joint venture projects with large public companies. Mineralogy believes that, with its resources and experience in developing large-scale resource projects, it would be able to assist Waratah in obtaining the regulatory approvals and financing it requires to develop the Galilee Basin Coal Project. Mineralogy is currently a significant Waratah shareholder, holding 10,734,200 Waratah common shares, being approximately 19% of Waratah's outstanding common shares (approximately 14% on a full-diluted basis).

"We are very excited by the idea of purchasing a majority ownership position in Waratah and helping it advance the development of the Galilee Basin Coal Project", said Vimal Sharma, Mineralogy's Chief Executive Officer. Mr. Sharma added, "We believe that the offer presents an attractive opportunity for shareholders to realize a portion or all of their investment in Waratah and, for shareholders who want to participate in Waratah's future, to retain an interest in Waratah alongside a majority shareholder with the resources and ability to help Waratah effectively develop the Galilee Basin Coal Project."

The offer is open for acceptance until 5:00 p.m. (Toronto time) on November 7, 2008, unless extended or withdrawn.

The offer will be subject to a number of conditions, including that the shares tendered to the offer will, when added to the Waratah shares owned by Mineralogy and its affiliates, constitute 50.1% of the Waratah shares outstanding (on a fully-diluted basis). Other conditions include the absence of any adverse material changes to Waratah. Mineralogy will fund the offer using existing cash resources.

Additional Details of the Offer

Full details regarding the offer will be included in the formal offer and take-over bid circular to be mailed to Waratah's shareholders in accordance with applicable securities laws. Mineralogy has requested a list of shareholders from Waratah and expects to mail the offer and take-over bid circular to Waratah's shareholders as soon as practical following receipt of the Waratah shareholder list. Copies of the offer, take-over bid circular and related documents will also be available on through the internet at www.sedar.com.

Blake, Cassels & Graydon LLP is acting as legal counsel to Mineralogy.

About Mineralogy

Mineralogy is a privately-held Australian resource company controlled by Professor Clive Palmer that is engaged in the exploration and development of mineral resources. Mineralogy has extensive experience in implementing large-scale resource development projects in Australia. For more information about Mineralogy, visit the company's website at www.mineralogy.com.au.

Forward Looking Information

This news release may contain forward looking statements, being statements which are not historical facts, including, without limitation, statements regarding the proposed acquisition of Waratah common shares by Mineralogy and discussion of future plans and objectives. There can be no assurance that such statements will prove accurate. Such statements are necessarily based on a number of estimates and assumptions that are subject to numerous risks and uncertainties that could cause actual results and future events to differ materially from those anticipated or projected. Mineralogy disclaims any intention or obligations to revise or update such statements. The following factors, among others, could cause actual results or developments to differ materially from the results or developments expressed or implied by forward looking statements: Mineralogy cannot determine the number of Waratah shareholders who may accept Mineralogy's offer; Mineralogy may not succeed in acquiring 50.1% of the outstanding Mineralogy shares (on a fully-diluted basis); Mineralogy may not be successful in assisting Waratah to obtain, and Waratah may not obtain, the regulatory approvals and financing required to develop the Galilee Basin Coal Project; Waratah may not be successful in developing the Galilee Basin Coal Project.

SOURCE: Mineralogy Pty Ltd.

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