

WARATAH COAL INC.
LEVEL 5, 60 EDWARD STREET
BRISBANE QLD 4000 AUSTRALIA

Not for Distribution to U.S. Newswire Services or for Dissemination in the United States

Waratah Closes \$8 million Brokered Private Placement

August 9, 2007

TSX Venture Exchange
Trading Symbol: WCI

Waratah Coal Inc. (“Waratah” or the “Company”) is pleased to announce that it has closed the brokered private placement previously announced on July 23, 2007, and as increased on July 26, 2007, issuing 5,000,000 units of the Company (the “Units”) at a price of \$1.60 per Unit raising aggregate gross proceeds of \$8,000,000 (the “Offering”).

Each Unit comprises one common share and one-half of one transferable common share purchase warrant (each whole such purchase warrant, a “Warrant”). Each Warrant is exercisable into one additional common share of the Company at an exercise price of \$2.25 per common share until February 9, 2009.

The Offering was brokered by Jennings Capital Inc. (the “Agent”). The Agent has received a cash commission of 6.0% of the gross proceeds of the Offering. The Agent was also issued 300,000 broker’s warrants (the “Broker’s Warrants”). Each Broker’s Warrant entitles the holder to acquire one additional common share of the Company at an exercise price of \$1.60 per common share until February 9, 2009.

All of the securities issued under the private placement are subject to a four-month hold period expiring on December 10, 2007.

The gross proceeds raised from the issuance of the Units will be used for exploration and development expenditures for the Company’s Galilee Basin Project and Waratah’s other coal projects in Australia and for working capital purposes.

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.

Waratah has 38.6 million shares outstanding, has approximately C\$9.8 million in cash and no debt.

On behalf of the Board of Directors,

“Peter Lynch”
President, Chief Executive Officer and Director

For further information please contact:
Peter Lynch
Telephone: +61 7 3303 0692
Email: plynch@waratahcoal.com

Henry Wright
604 681 5755
Email: hwright@waratahcoal.com

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

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.

This news release does not constitute an offer to sell or a solicitation of an offer 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 laws and may not be offered or sold within 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.