

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

**WARATAH COAL INC. ANNOUNCES INCREASE TO BROKERED  
PRIVATE PLACEMENT**

July 26, 2007

TSX Venture Exchange  
Trading Symbol: WCI

Waratah Coal Inc. (“Waratah” or the “Company”) announces that it has increased the size of the private placement previously announced in the press release of the company dated July 23, 2007 to offer for sale an additional 1,000,000 units of the Company (“Units”), bringing the total number of Units to be offered for sale to 5,000,000 (the “Offering”). The Units will be offered for sale at a price of CAD \$1.60 per Unit for aggregate gross proceeds of up to CAD \$8,000,000. Each Unit consists of one common share of the Company (a “Share”) and one-half of one purchase warrant (each whole warrant a “Warrant”) of Waratah. Each Warrant will entitle the holder thereof to purchase one Share at an exercise price of \$2.25 per Share for a period of 18 months from the date of closing of the Offering. All terms and conditions previously announced in the press release of the Company dated July 23, 2007 remain the same.

**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. Drilling programs well underway at Waratah’s South Alpha and Nymboida projects. Recent drilling confirmed the presence of premium quality coking coal at the Nymboida Project and extensive coal seams in the Galilee Basin.

Waratah has approximately 33.5 million shares outstanding, C\$1.8 million in cash on hand 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](mailto:plynch@waratahcoal.com)

Henry Wright  
604 681 5755  
Email: [hwright@waratahcoal.com](mailto:hwright@waratahcoal.com)

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.