

FOR IMMEDIATE RELEASE

Pala Increases Stake in Coalcorp

TORONTO, October 6, 2008 – Pala Investments Holdings Limited (“Pala”) today announced that it has entered into a binding agreement to acquire ownership of 34,584,109 common shares (the “Shares”) of Coalcorp Mining Inc. (“Coalcorp”) [TSX: CCJ], representing approximately 19.99% of the total number of common shares currently issued and outstanding of Coalcorp. Including these shares, Pala’s total ownership on completion of the acquisition increases to 76,195,833 shares, representing approximately 44% of the issued and outstanding common shares of Coalcorp.

“Pala has been a cornerstone shareholder in several public companies and we anticipate supporting Coalcorp in the same capacity,” said Jan Castro, Managing Director of Pala Investments AG, advisor to Pala. “We see significant potential in Coalcorp’s assets and we look forward to working with the company to create value for all of Coalcorp’s shareholders.”

Pala is located at 12 Castle Street, St Helier, Jersey JE2 3RT. Pala has sole beneficial ownership of, or control or direction over, all of the Coalcorp shares identified in this news release. The acquisition has been agreed and will occur privately at a price in cash per Share of C\$1.53065. Pala intends to utilize its increased stake to influence the business decision-making of Coalcorp and intends to seek to place nominees on the board of directors of Coalcorp. Pala may acquire or dispose of any of its shares in Coalcorp as market conditions warrant, but subject to applicable regulatory restrictions. Pala has not entered into any agreements with respect to the acquisition, holdings, disposition or voting of any securities of Coalcorp, other than for a customary purchase and sale agreement with the vendor. Pala is relying on the exemption contained in section 100.1 of the *Securities Act* (Ontario) to complete the purchase and sale of the Shares on the basis that it has agreed to purchase from a single vendor and at price within the applicable regulatory limit.

About Pala

Pala Investments Holdings Limited is a US\$1.2 billion multi-strategy investment company with a particular focus on mining and natural resource companies in both developed and emerging markets. Pala Investments' exclusive investment advisor, Pala Investments AG, is a Switzerland-based team with extensive experience within the mining and natural resource sectors. Pala Investments seeks to assist companies in which they have long-term shareholdings by providing strategic advice and innovative financing solutions.

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Certain statements in the press release are forward-looking statements and are prospective in nature, including statements with respect to Pala's future intentions regarding the Shares. Forward-looking statements are not based on historical facts, but rather on current expectations and projections about future events, and are therefore subject to risks and uncertainties which could cause actual results to differ materially from the future results expressed or implied by the forward-looking statements. These statements generally can be identified by the use of forward-looking words such as "may", "should", "will", "could", "intend", "estimate", "plan", "anticipate", "expect", "believe" or "continue", or the negative thereof or similar variations. Such statements are qualified in their entirety by the inherent risks and uncertainties surrounding future expectations. Such forward-looking statements should therefore be construed in light of such factors, and Pala is not under any obligation, and expressly disclaims any intention or obligation, to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.