

NEWS RELEASE

May 9, 2012

COALSPUR SUBSTANTIALLY INCREASES ITS COAL RESOURCES FOLLOWING RECENT VISTA EXTENSION ACQUISITION

Highlights:

- **Large initial resource defined at Vista Extension which includes:**
 - **174Mt Measured and Indicated Coal Resource**
 - **969Mt Inferred Coal Resource**
- **Increases Coalspur's total Measured & Indicated Resources by 15% to 1,323Mt and Inferred Resources by 181% to 1,505Mt**
- **Attractive acquisition cost of C\$0.07 per tonne of Measured and Indicated Coal Resources**
- **Future development at Vista Extension will leverage off secured port allocation and coal mining, handling and processing infrastructure to be developed on Vista**
- **Longwall scoping study on Vista Extension to explore future production growth optionality due for publication in the coming weeks**

CALGARY, Alberta: Coalspur Mines Limited ("Coalspur" or "Company") (ASX: CPL, TSX: CPT) is pleased to announce an initial Coal Resource estimate on the recently acquired¹ Vista Extension, comprising 173.7 million tonnes ("Mt") in the Measured and Indicated Mineral Resource categories and 969.3Mt in the Inferred Mineral Resource category. This significantly increases the Company's total Measured and Indicated Coal Resource by 15% to 1,322.9Mt and the Inferred Coal Resource by 181% to 1,505.2Mt across the Vista Coal Project ("Vista"), Vista South Coal Project ("Vista South") and Vista Extension.

Table 1: JORC / NI 43-101 Coal Resources

	Measured (Mt)	Indicated (Mt)	Measured & Indicated (Mt)	Inferred (Mt)
Vista Coal Project	686.0	369.9	1,055.9	460.9
Vista South Coal Project	51.5	41.9	93.3	75.0
Coalspur Total Resources – Pre Acquisition	737.5	411.8	1,149.2	535.9
Vista Extension	6.5	167.2	173.7	969.3
Coalspur Total Resources – Post Acquisition	744.0	579.0	1,322.9	1,505.2

Note: Vista Extension Coal Resource estimates effective May 8, 2012, Vista Coal Project Coal Resource estimates effective May 8, 2012 and Vista South Coal Project Coal Resource estimates effective December 15, 2010

Commenting on Coalspur's substantial resource increase, Mr Gene Wusaty, Managing Director and CEO, said "We are very excited about the Vista Extension which we believe has the potential to become a stand-alone underground mine. The Vista Extension offers the next phase of growth after Vista Phase 1 and Phase 2 and has the ability to leverage off the rail and port capacity that we have secured, and significantly increases the potential life of mine and rate of production for Coalspur.

¹ Refer news release April 30, 2012 "Coalspur Acquires Additional Strategic Coal Leases in Hinton Region" for a cash consideration of C\$13 million

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The acquisition cost of C\$0.07 per tonne of Measured and Indicated Coal Resources represents a very attractive purchase price and has enabled us to significantly increase our coal resources.

With the Vista Extension tenements being contiguous to Vista, we already have a good understanding of the four coal seams in the area and are in the final stages of completing a longwall scoping study on Vista Extension. We are planning an extensive drilling program which will commence during the second half of the year to further define the resource base, ahead of commencing a pre-feasibility study in early 2013 in order to fully evaluate this exciting potential growth opportunity.”

Extensive Drilling Program

Coalspur has budgeted C\$3.3 million for a comprehensive drilling program on Vista and Vista Extension which is scheduled to begin during the second of half of the year. The drilling program will consist of up to 26 rotary and 6 core drill holes. Data from the drilling program is expected to confirm Coalspur’s understanding of the geological structure and coal quality in the new area, enable initiation of comprehensive technical and economic studies, and upgrade the Coal Resource estimate.

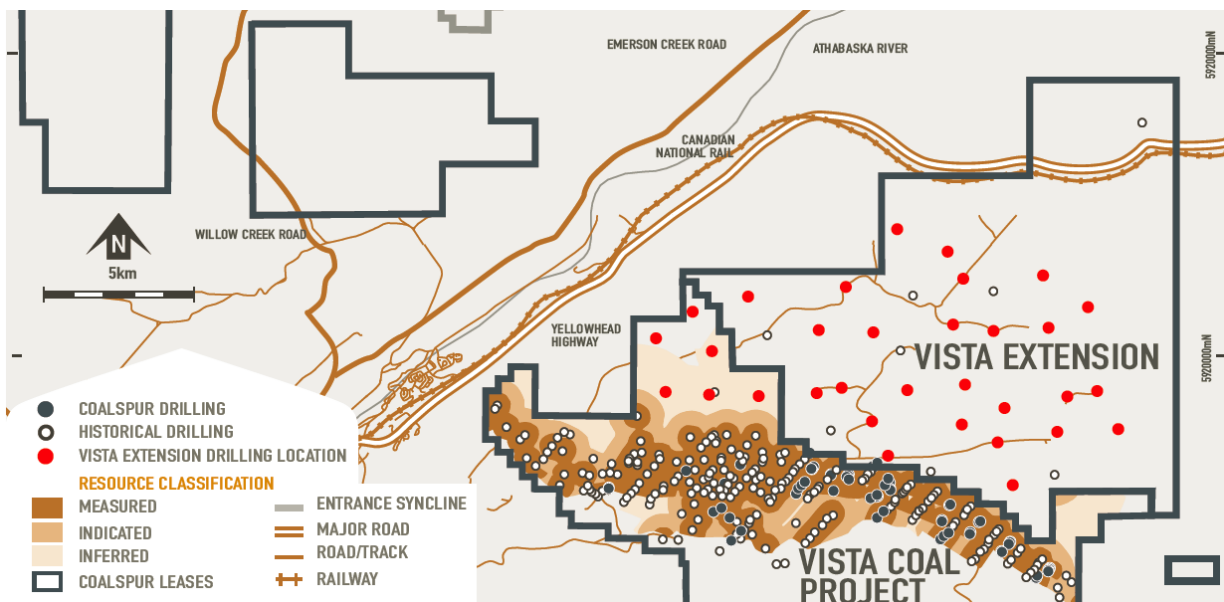


Figure 1: Vista and Vista Extension Planned Drill Hole Locations

Vista Extension Coal Resource Estimate

The Coal Resource estimate was undertaken by Golder Associates Ltd. (“**Golder**”), formerly Marston Canada Ltd., in accordance with the JORC Code (2004) and National Instrument 43-101. Golder has had a long association with coal properties in the Hinton region and is considered to be among the most respected coal experts in Western Canada. The Coal Resource estimate is based on data from 275 rotary and 93 core drill holes in the Vista and Vista Extension tenements.

Key points from the Coal Resource estimate are as follows:

- The Coal Resource is defined from five coal seams (Val d’Or, McLeod, McPherson, Silkstone, and Arbour) that have a cumulative coal thickness of approximately 30m;
- The five coal seams which comprise the Coal Resource are contiguous with Vista and have a dip to the northeast ranging from 4° – 15°, which has resulted in the Coal Resource being defined within a 14.2:1 strip ratio pit (modelled using a 20:1 incremental cut-off strip ratio);

- A minimum mineable seam thickness of 0.5m and a minimum removable parting thickness of 0.3m (partings less than 0.3m are included with the coal seam); and
- The Coal Resource estimate includes the Vista tenements and results in an increase of 25.0Mt in the Measured and Indicated Resource categories and 170.2Mt of in the Inferred Category on Vista.

Vista Extension Scoping Study

Coalspur believes Vista Extension could offer the Company's third phase of growth, leveraging off Vista's coal mining, handling and processing infrastructure and the rail and port capacity that has already been secured. A longwall scoping study is examining the following key areas and expected to be published in the coming weeks:

- Coal resource estimate and production scenarios
- Mine scheduling
- Coal handling and processing
- Operating and capital cost assessment
- Integration with development on Vista

For additional information, please contact:

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About Coalspur

Coalspur Mines Limited ("Coalspur" or "Company") is a coal exploration and development company with approximately 55,000 hectares of coal leases located within the Hinton region of Alberta, Canada. Coalspur's flagship coal project is the Vista Coal Project ("Vista") which has the potential to be the largest export thermal coal mine in Canada.

Vista covers approximately 10,000 hectares and provides a large scale, surface mineable, thermal coal project. Vista has the advantage of leveraging off of established first world infrastructure with CN Rail's main line located adjacent to Vista which is substantially underutilised and provides a rail line suitable for the transport of coal to deepwater ports on Canada's west coast. Coalspur has also secured a port allocation agreement with Ridley Terminals Inc. which is essential to the logistics supply chain necessary to export coal from Vista to the growing demand from the Asia Pacific Rim countries, including China, Japan, and Korea.

A feasibility study was completed on Vista in January 2012 and detailed engineering has subsequently commenced. The Vista mine plan defines a 28 year mine life with forecast annual production capacity of 12.0Mtpa. Marketable Coal Reserves on Vista are 313Mt from a Recoverable Coal Reserve of approximately 566Mt. Initial development costs for Vista are expected to be approximately C\$870 million with an additional approximately C\$370 million required to reach full capacity.

Coalspur has offices in Calgary and Hinton in Canada as well as in Australia. The Company is dual listed on the Toronto Stock Exchange ("TSX") under the symbol "CPT" and on the Australian Securities Exchange ("ASX") under the symbol "CPL".

Regulatory Disclosures

For further information regarding the Vista Coal Project and Vista South Coal Project, including a description of Coalspur's quality assurance program, quality control measures, the geology, samples collected and testing procedures in respect of the projects, please refer to the technical report on the Vista Coal Project titled "Coalspur Mines Limited: Feasibility Study of the Vista Coal Project, Hinton, Alberta" dated January 26, 2012 and the technical report on the Vista South Project titled "Resource Estimate for the Vista South Coal Property" dated December 15, 2010, which are compliant with National Instrument 43-101 – "Standards of Disclosure for Mineral Projects" ("NI 43-101") and are available for review on SEDAR at sedar.com.

Competent Person / Qualified Person Statements

The information in this news release that relates to Coal Resources on the Vista Coal Project and Vista Extension, mining engineering, Recoverable Coal Reserves, mining capital costs and mining operating costs is based on information compiled by Mr. Jim McQuaid, who is a Member of the Association of Professional Engineers, Geologists and Geophysicists of Alberta. Mr. McQuaid is a full-time employee of Golder Associates Ltd., who are consultants to Coalspur. Mr. McQuaid has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity he is undertaking to qualify as a "Competent Person" as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' ("JORC Code"), and a "Qualified Person" under NI 43-101. Mr. McQuaid has approved and consents to the inclusion of such information in this news release in the form and context in which it appears.

The information in this news release that relates to coal quality and process yield estimates to derive Marketable Coal Reserves is based on information compiled by Mr. Gordon Mudryk, who is a Member of the Association of Professional Engineers, Geologists and Geophysicists of Alberta. Mr. Mudryk is a full-time employee of Coalspur. Mr. Mudryk has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity he is undertaking to qualify as a "Competent Person" as defined in the 2004 Edition of the JORC Code, and a "Qualified Person" under NI 43-101. Mr. Mudryk has approved and consents to the inclusion of such information in this news release in the form and context in which it appears.

The information in this news release that relates to Coal Resources on Vista South is based on information compiled by Mr. John Innis, who is a Member of the Association of Professional Engineers, Geologists and Geophysicists of Alberta. Mr. Innis is a full-time employee of Coalspur. Mr. Innis has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity he is undertaking to qualify as a "Competent Person" as defined in the 2004 Edition of the JORC Code, and a "Qualified Person" under NI 43-101. Mr. Innis has approved and consents to the inclusion of such information in this news release in the form and context in which it appears.

All other scientific and technical information in this Report is based on information compiled by Mr. Eugene Wusaty, who is a Member of the Association of Professional Engineers and Geoscientists of Alberta. Mr. Wusaty is a full-time employee of Coalspur. Mr. Wusaty has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a "Competent Person" as defined in the JORC Code, and a "Qualified Person" under NI 43-101. Mr. Wusaty has approved and consents to the inclusion of such information in this Report in the form and context in which it appears.

Forward Looking Statements

This news release contains 'forward-looking information' that is based on the Company's expectations, estimates and projections as of the date on which the statements were made. This forward-looking information includes, among other things, statements with respect to the potential of the Vista Extension, the planned drilling program and longwall scoping study, the development of Vista, the Company's feasibility study, the mine plan, time lines and completion dates, permits and approvals, business strategy, plans, development, objectives, performance, outlook, growth, cash flow, projections, targets and expectations, mineral reserves and resources, studies, results of exploration and related expenses. Generally, this forward-looking information can be identified by the use of forward-looking terminology such as 'will', 'expect', 'potential', 'outlook', 'anticipate', 'project', 'target', 'likely', 'believe', 'estimate', 'intend', 'may', 'would', 'could', 'should', 'scheduled', 'plan', 'forecast', "evolve" or variations of such terms and similar expressions. Persons reading this news release are cautioned that such statements are only predictions, and that the Company's actual future results or performance may be materially different.

Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the Company's actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking information. Such factors include, without limitation, inherent uncertainties and risks associated with mineral exploration; uncertainties related to the availability of future financing necessary to undertake activities on the Company's properties; uncertainties related to general economic conditions; uncertainties related to global financial conditions; risks related to the integration of businesses and assets acquired by the Company; risks associated with the Company having no history of earnings or production revenue; uncertainties related to the possible recalculation of, or reduction in, the Company's mineral reserves and resources; uncertainties related to the outcome of studies to be undertaken by the Company; uncertainties relating to fluctuations in coal price; the risk that the Company's title to its properties could be challenged; risks related to the Company's ability to attract and retain qualified personnel; uncertainties related to the requirement for ministerial approval for a change of control of the Company; risks relating to consultation with the public and aboriginal groups; uncertainties related to the competitiveness of the mineral resource industry; risks associated with the Company being subject to government regulation, including changes in regulation; risks associated with the Company being

subject to environmental laws and regulations, including a change in regulation; risks associated with the Company's need for governmental licenses, permits and approvals; uninsured risks and hazards; risks associated with fluctuations in foreign exchange rates; risks related to default by joint venture parties, contractors and agents; inherent risks associated with litigation; risks associated with potential conflicts of interest; risks related to effecting service of process on directors resident in foreign countries; uncertainties related to the Company's limited operating history; risks related to the Company's lack of a dividend history; risks relating to short term investments; and uncertainties related to fluctuations in the Company's share price. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended.

In making the forward-looking statements the Company has applied several material assumptions which may prove to be incorrect, including, but not limited to, (1) that all required third party approvals will be obtained for the development, construction and production of its properties, (2) there being no significant disruptions affecting operations, whether due to labour disruptions, supply disruptions, power disruptions, damage to equipment or otherwise; (3) permitting, development and expansion proceeding on a basis consistent with the Company's current expectations; (4) currency exchange rates being approximately consistent with current levels; (5) certain price assumptions for coal; (6) production forecasts meeting expectations; (7) the accuracy of the Company's current mineral resource and reserve estimates; (8) labour and materials costs increasing on a basis consistent with the Company's current expectations; (9) that any additional required financing will be available on reasonable terms; and (10) assumptions made and judgments used in engineering and geological interpretation.

There can be no assurance that forward looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward looking statements.

The Company disclaims any intent or obligation to update or revise any forward-looking statements whether as a result of new information, estimates or options, future events or results or otherwise, unless required to do so by law.