

NEWS RELEASE

July 30, 2012

VISTA EXTENSION SCOPING STUDY CONFIRMS POTENTIAL FOR UNDERGROUND MINE

Highlights:

- *Scoping Study confirms the potential for an economic and technically feasible underground longwall mine at Vista Extension, the property which Coalspur acquired in April 2012 for C\$13 million.*
- *Scoping Study forecasts average production of 3.8Mtpa (6.3Mtpa ROM) marketable coal from potentially mineable resources of approximately 108Mt, and a long mine life of 28 years*
- *Vista Extension would become an integral part of the future mining plans at Vista, potentially enabling the enlarged complex to produce up to 15.8Mtpa (26.7Mtpa ROM)*
- *Low average operating costs of C\$58.2/t FOB Ridley over the life of the mine*
- *Low development costs of C\$346 million, reflecting cost savings due to the close proximity of the Vista infrastructure*
- *Average operating cashflows, before taxation, projected at C\$153 million per annum over the life of mine, for an after-tax NPV of C\$445 million (at an 8% discount rate)*
- *Coalspur well financed with over C\$55 million in cash and available credit*

CALGARY, Alberta: Coalspur Mines Limited (“Coalspur” or “Company”) (ASX: CPL, TSX: CPT) is pleased to announce the completion of a positive Scoping Study which confirms the potential for an economic and technically feasible underground longwall mine at the Company’s wholly owned Vista Extension property (“**Scoping Study**”). The Scoping Study is based on the recently completed Coal Resource estimate which comprised 173.7 million tonnes (“**Mt**”) in the Measured and Indicated Mineral Resource categories and 969.3Mt in the Inferred Mineral Resource category.

Coalspur retained Golder Associates Ltd. (“**Golder**”), formerly Marston Canada Ltd, to complete the Scoping Study, which defined a 28 year mine plan producing an average of 3.8 million tonnes per annum (“**Mtpa**”) of saleable coal from the processing of approximately 6.3Mtpa run of mine (“**ROM**”) coal.

The Scoping Study confirms the potential for strong economics on Vista Extension which has the capacity to generate operating cash flow of approximately C\$153 million per annum. Vista Extension will benefit from the infrastructure to be constructed for the Company’s adjacent flagship Vista Coal Project (“**Vista**”), thereby greatly reducing the upfront infrastructure requirements for Vista Extension. This infrastructure includes the coal handling and processing plant facilities. Coalspur will progress with additional exploration drilling and technical studies to validate the potential of Vista Extension.

Commenting on the Scoping Study, President and CEO Gill Winckler said: “The Vista Extension scoping study validates Coalspur’s strategic acquisition of these leases earlier this year and confirms the potential for another world class project in our portfolio. We believe that Vista Extension provides more development optionality for Coalspur and a platform for capital efficient production growth. We recognise the upside that Vista Extension potentially adds to Vista and plan to commence a pre-feasibility study in 2013 that will examine scenarios for the

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integration of the two projects. In the short term, we remain focused on securing funding and regulatory approvals for the Vista project.”

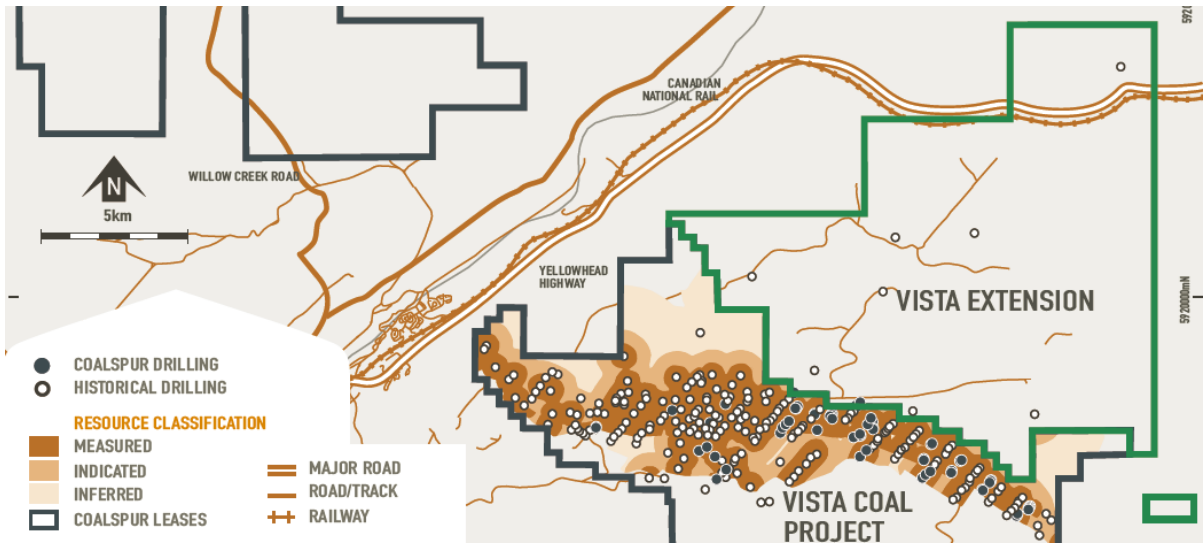


Figure 1: Vista Extension

Phased Approach to Development

Coalspur is adopting a phased approach to the development of its properties to ensure an efficient regulatory approval process and a minimisation of upfront capital requirements. The first project, Vista, is scheduled to be developed in two phases, namely Phase 1 which will produce 5.0Mtpa and Phase 2 which will produce an incremental 7.0Mtpa. The capital cost for Phase 1, which has already received a Mine Permit and Processing Plant Approval, is C\$870 million. Additional capital of C\$373 million is required for Phase 2 which will increase production to full capacity of 12.0Mtpa. The table below illustrates the funding strategy for Vista and Vista Extension.

Table 1: Coalspur Phased Development Summary					
	Development	Saleable Production Capacity (Mtpa)	Cumulative Production Capacity (Mtpa)	Capital Cost to Production (\$M)	Source of Funding for Capital Costs
Phase 1	Vista	5.0	5.0	C\$870	Strategic Investment Partner(s), Debt
Phase 2	Vista	7.0	12.0	C\$373	Free Cash Flow From Phase 1
Phase 3	Vista Extension	3.8	15.8	C\$346	Free Cash Flow from Phase 1 and Phase 2

Coalspur is undertaking initiatives in relation to funding the capital required to develop Vista. These initiatives include evaluating the utilization of contractors for the construction phase and initial years of mining which will reduce the upfront capital costs of mobile equipment. Coalspur is also progressing project financing discussions with potential off-take partners which may reduce the funding requirements and provide long term marketing arrangements for the Vista coal.

Scoping Study Parameters

The Scoping Study was completed using the follow parameters:

Table 2: Scoping Study Parameters	
Mine Life	28 Years
C\$:US\$ Exchange Rate	1:1
Average Clean Coal Production Rate	3.85Mtpa
Average Run-of-Mine Production Rate	6.35Mtpa
Initial Capital Costs (C\$M)	\$346
Average Annual Sustaining Capital (C\$M)	\$37
Average Realization (C\$/tonne)	\$102.60
Average Operating Costs (C\$/tonne, FOB Ridley)	\$58.20

The key considerations in the Scoping Study were mine scheduling, throughput rate, coal handling and processing, operating and capital cost assessment and integration with development on Vista. The mine life of Vista Extension is 28 years at an average clean coal production rate of 3.8Mtpa from a ROM production of 6.3Mtpa.

The Scoping Study is a preliminary investigation of a development scenario for Vista Extension which contains a number of economic and technical assumptions. These assumptions include Inferred Mineral Resources which are considered too geologically speculative to have the economic considerations applied to them that would enable them to be categorized as Mineral Reserves. Certain assumptions have been made during the creation of the Scoping Study, including estimates on capital costs, operating costs, geological conditions and mine productivity. There is no certainty that the Scoping Study will be realized.

Capital Costs

Initial capital costs are estimated at C\$346 million. These costs, which are itemized below, include mining equipment, infrastructure and working capital requirements.

Table 3: Initial Capital Costs	
Item	C\$ million
Mining Equipment	159.9
Mining Infrastructure	177.4
Working Capital	8.3
Total Initial Capital Costs	345.7

During the LOM, average annual sustaining capital is estimated to be C\$37 million. The sustaining capital will be funded with cash flow generated from Vista Extension.

Operating Costs

The life of mine (“**LOM**”) average estimated operating cost of Vista Extension is C\$58.20 per clean coal tonne FOB Ridley, which does not include taxes and royalties. Operating supplies and maintenance costs are higher in the developing years of the mine. As the longwalls are established these costs decrease and remain steady for the life of the mine. The LOM operating costs are summarized in Table 4.

Table 4: LOM Cash Operating Cost Summary	
Item	C\$/t
<u>Direct Mine Costs (\$/tonne ROM)</u>	
Labour & Benefits	4.86
Operating Supplies	1.89
Maintenance	2.86
Utilities	1.31
G&A	0.70
Other	0.30
Subtotal \$/tonne ROM	11.93
\$/tonne Clean	19.69
<u>Indirect Mine Costs (\$/tonne ROM)</u>	
Belting Coal	0.50
Coal Processing	2.42
Subtotal \$/tonne ROM	2.92
\$/tonne Clean	4.82
Subtotal \$/tonne ROM	14.85
\$/tonne Clean	24.51
<u>Other Cash Costs (\$/tonne Clean)</u>	
Rail & Port	33.69
Total Cash Cost \$/tonne Clean	58.20

Operating supplies, maintenance, utilities, general and administrative and other costs were estimated using recent data from several mines with similar equipment. The utility cost was estimated based on the cost of energy of C\$0.095/KW-hr, and an estimate of the power usage of the mine. The G&A cost included a 5% Federal sales tax and an assumed G&A cost of C\$1.00/clean tonne. The other cost was C\$0.50/clean tonne, which was a factor used to represent miscellaneous expenses.

Coal Resources

The Scoping Study is based on the geological model used for the Vista Extension Coal Resource estimate recently completed by the Company. Estimates of coal resources for the Vista Project were unaffected by this Scoping Study. The Coal Resource estimate, which is based on drilling and exploration activities undertaken on Vista and Vista Extension, was prepared by respected Canadian independent technical consultants and is reported in accordance with the JORC Code (2004) and National Instrument 43-101 (“NI 43-101”).

Table 5: 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	210.6	259.9	470.5	604.5
Vista Extension	6.5	167.2	173.7	969.3
Coalspur Total Resources	903.1	797.0	1,700.1	2,034.7

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 May 22, 2010.

Coal Quality

Golder has completed an indicative assessment of coal quality of the two plies proposed for underground mining based on historical core hole information which concluded that a clean product could have the following characteristics:

Table 6: Vista Extension Coal Quality Summary

Seam	ROM Values					Washed Quality Values	
	Recovered Mass (Mt)	Moisture (%)	Density (g/cm ³)	Sulfur (%)	Volatile Matter (ppm)	Ash (wt. %)	Calorific Value (kcal/kg)
Val d'Or	119.9	10.75	1.57	0.16	26.86	10.38	5,792
McPherson	57.9	10.44	1.61	0.16	23.31	12.02	5,714
Total	177.8	10.65	1.59	0.16	25.71	10.91	5,787

The above analysis is on a gross as received basis and assumes a constant washed quality value equal to that found on Vista. Golder assumed the clean coal yield to be 61.5%. Further drilling and coal quality test work will be conducted during 2013 to confirm these conclusions.

Mining

The mine plan developed by Golder was limited to 600m of overburden, and assumes production from two seams, the Val d'Or V3U and the McPherson P2-P3 seam. The mine will produce an estimated 108Mt of saleable coal from 178Mt of ROM coal over 28 years. To minimize stress interaction between the seams and damage to the upper seam, the Val d'Or seam is planned to be mined first with production from the lower McPherson seam beginning in year five. Seam thickness in the Val d'Or ranges between 3.5m to 5.0m (average of 4.4m). The McPherson P2 seam ranges in thickness from 1.0m to 2.5m (average of 1.9m) and the McPherson P3 seam ranges from 1.0m to 2.0m (average of 1.8m). The parting between the P2 and P3 plies is proposed to be extracted with the plies.

The mine plan was limited to areas where the geological model projected the seam dips to be less than 10°. Longwall mining operations can operate at greater dips but incur increased operating costs for development and production, as well as increased complexity in managing the mine face.

Average mine manpower estimates are 221 (53 salaried and 168 hourly) which includes mine operations, mine maintenance, technical and senior management staff. Two sets of mining equipment are assumed for the mining operations: one for the Val d'Or seam and the other for the McPherson seam.

Coal Processing Plant

Vista Extension has the ability to leverage off of the infrastructure to be constructed on Vista due to its close proximity. The initial development capital for the coal processing plant on Vista Extension is estimated at C\$98 million. This cost represents the construction and installation of a third processing and drying module for the coal preparation, drying and materials handling facilities that will be required at the Vista facility to process the ROM coal from Vista Extension.

Freight and Export

Coal from Vista Extension could be railed to a number of ports on the west coast of Canada. For the purposes of the Scoping Study it was assumed that tonnages will be railed to Ridley Terminals Inc. ("Ridley Terminals") in Prince Rupert, British Columbia where they would be loaded onto vessels up to cape size class for export to customers. Coalspur has signed a Memorandum of Understanding with CN to rail coal from Vista to Ridley Terminals, where the Company has agreement for up to 13.5Mtpa of throughput allocation for up to 21 years. Options for the export of Vista Extension coal will be examined during the pre-feasibility study.

Scoping Study Economics

Vista Extension has the potential for strong economics with the capacity to generate operating cashflow of approximately C\$153 million per annum. A summary of the economics is set out in Table 7.

Revenue for the Scoping Study is based on Newcastle, Australia ICE global COAL future price for 2016 for a 6,300 kcal/kg gross as received FOB of C\$111.70. This price was adjusted to Coalspur's estimated gross as received average calorific value of 5,787 kcal/kg (C\$102.60).

Table 7: Scoping Study Economic Summary	
Factor	Result
Discount Rate	8%
Average Annual Production (ROM)	6.35Mtpa
Average Annual Production (Saleable)	3.85Mtpa
Initial Capital Costs (C\$M)	\$346
Average Annual Sustaining Capital (C\$M)	\$37
Average Realization FOB Ridley (C\$/tonne)	\$102.60
NPV (C\$M)	\$445
IRR (%)	18.9%
Sensitivities	
NPV @ C\$95.71/t FOB Realization	\$295
NPV @ C\$109.49/t FOB Realization	\$591
NPV @ +10% Operating Costs	\$409
NPV @ -10% Operating Costs	\$479
NPV @ +10% Capital Costs	\$411
NPV @ -10% Operating Costs	\$487

Next Steps on Vista Extension

Coalspur will continue to progress its technical and economic evaluation of Vista Extension however the priority for Coalspur in the short term will be to progress the regulatory, detailed engineering and project financing activities on Vista. The Company will undertake further drilling on Vista Extension in early 2013 which will provide enhanced coal quality data and further representation of the variability of the potential mining conditions in the area. Following the drilling program the Company will commence a pre-feasibility study on Vista Extension and a JORC Code (2004) NI 43-101 compliant technical report.

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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 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, which defined a two phased approach to project development. Detailed engineering has commenced and is scheduled for completion in early 2013. Phase 1 envisages production of 5.0Mtpa at a capital cost of approximately C\$870 million. Phase 2 will increase production by a further 7.0Mtpa and will utilize free cash flow from Phase 1 to fund the estimated additional development costs of approximately C\$373 million. 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.

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 Extension, 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 titled "Coalspur Mines Limited: Updated Resource Estimate for the Vista Coal Project" dated June 21, 2012. For further information regarding the 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 project, please refer to the technical report titled "Resource Estimate for the Vista South Coal Property" dated June 25, 2012. The technical reports for the Vista Coal Project, the Vista South Coal Project, and Vista Extension 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 report that relates to mining capital costs, mining operating costs, and economic financial analysis is based on information compiled by Mr. Lynn Partington, who is a Member of the Association of Professional Engineers and Geoscientists of Alberta. Mr. Partington is a full-time employee of Golder Associates Inc., who are consultants to Coalspur. Mr. Partington 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. Partington 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 the Vista Coal Project and Vista Extension, mining engineering, Recoverable Coal Reserves, process capital costs and associated infrastructure, and all other scientific and technical information in this Report is based on information compiled by Mr. David Leslie, who is a Member of the Association of Professional Engineers and Geoscientists of Alberta. Mr. Leslie is a full-time employee of Coalspur. Mr. Leslie 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. Leslie 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.

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 development of Vista and Vista Extension, the Company's feasibility study, the mine plan, drilling programs, 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.