

NEWS RELEASE

December 14, 2011

MARKETABLE COAL RESERVES ON VISTA COAL PROJECT INCREASES BY 20% TO 313MT

Highlights:

- **Proven and Probable Marketable Coal Reserves on Vista increase 20% to 313Mt from 260Mt**
- **Recoverable Coal Reserves increase by 8% to 566Mt**
- **Increase in Marketable Coal Reserves attributable to a larger pit limit, clean coal yield improvement and a refined mining and coal recovery plan**
- **30 year mine life on Vista with forecasted annual production of 11.2Mtpa saleable coal and a life of mine clean coal strip ratio of 9.3 (down from 10.2 in the PFS)**
- **BFS on schedule for publication in early 2012 following completion at the end of 2011**

CALGARY, Alberta: Coalspur Mines Limited (“Coalspur” or “Company”) (ASX: CPL, TSX: CPT) is pleased to announce that the Marketable Coal Reserves of the Vista Coal Project (“Vista”) has increased to 313 million tonnes (“Mt”) as part of the ongoing Bankable Feasibility Study (“BFS”). This represents a 20% increase in the Marketable Coal Reserves over the 260Mt estimated in the Pre-Feasibility Study (“PFS”). The increased Marketable Coal Reserves are attributable to a larger pit limit, clean coal yield improvement and a refined mining and coal recovery plan. Following the completion of the updated reserve estimate the BFS is on schedule for completion at the end of December 2011 with publication in early 2012.

Table 1: JORC / NI 43-101 Compliant Coal Reserves			
	Bankable Feasibility Study	Pre-Feasibility Study	Increase
Recoverable Coal Reserve (Mt)			
Proven	503.7	415.4	88.3
Probable	61.8	106.3	(44.5)
Proven & Probable	565.5	521.7	43.8
Marketable Coal Reserve (Mt)			
Proven	280.0	208.4	71.6
Probable	33.3	51.6	(18.3)
Proven & Probable	313.4	260.1	53.3
Strip Ratio			
ROM Coal Strip Ratio	5.1	5.1	0
Clean Coal Strip Ratio	9.3	10.2	(0.9)

Note: Bankable Feasibility Study Coal Reserve estimates effective December 13, 2011 and Pre-Feasibility Study Coal Reserve estimates effective December 14, 2010

Commenting on the increased coal reserve estimate the Company’s Managing Director and CEO, Mr Gene Wusaty, said “A 20% reserve increase over the PFS combined with a lower strip ratio in the BFS verifies the size and quality of Vista and its status as a world-class, tier-one coal asset. The expanded production rate to 11.2Mtpa coupled with the increase in marketable reserves positions Vista to be a strategic source of high quality export thermal coal to the Asian Pacific economies for 30 years.”

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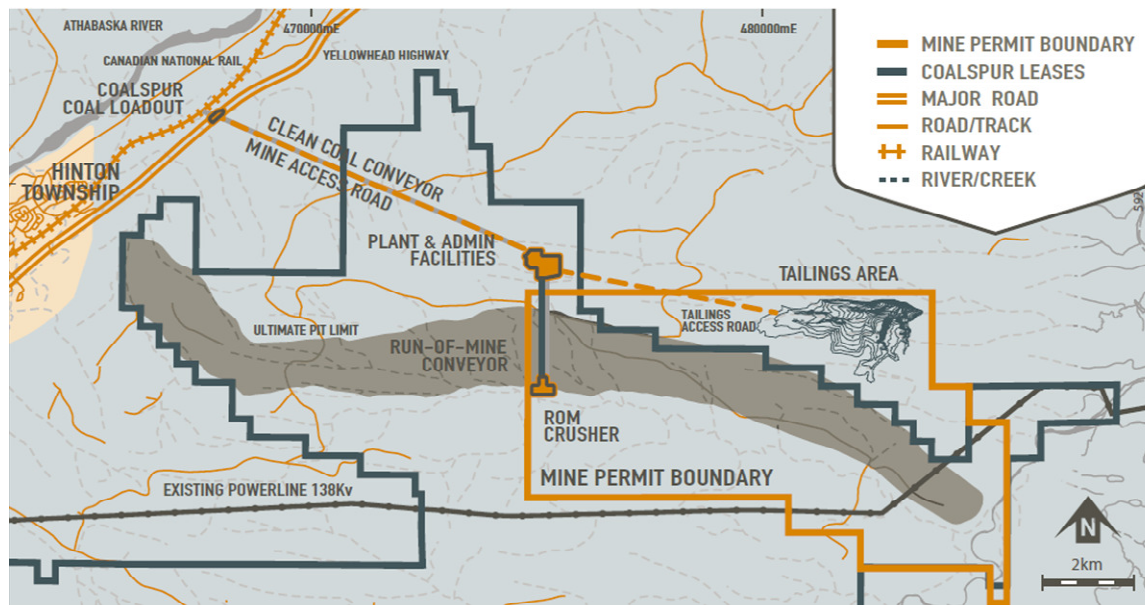


Figure 1: Vista Coal Project Mine Infrastructure

Finalized Mine Plan and Production Schedule

With the completion of the updated reserve estimates, the mine plan and production schedule components of the BFS are complete. The final mine plan includes a 20.1Mtpa run-of-mine operation producing 11.2Mtpa of saleable thermal coal for 30 years. The saleable coal will be comprised of two separate coal products: Val d’Or and McPherson seams combined (88% of Marketable Reserves) and McLeod seam (12% of Marketable Reserves). The calorific value of the combined Val d’Or and McPherson seams ranges between 5,700-5,800 kcal/kg gross as received (“gar”) basis and the calorific value of the McLeod seam ranges between 5,350-5,450kcal/kg gar basis. The mine planning has resulted in an updated Marketable Coal Reserve of 313.4Mt defined from a 565.5Mt Recoverable Coal Reserve.

Table 2: Vista BFS Production and Reserve Summary						
Seam	Recoverable Coal Reserve (Mt)	Marketable Coal Reserve (Mt)	Saleable Tonnes (Mtpa)	% of Saleable Tonnes	Run of Mine Production (Mtpa)	Calorific Value (kcal/kg gar)
Val D’Or and McPherson	475.2	275.0	9.8	88%	16.9	5,700 - 5,800
McLeod	90.3	38.4	1.4	12%	3.2	5,350 - 5,450
All Seams Combined	565.5	313.4	11.2	100%	20.1	5,700 - 5,750

Note: Coal Reserve estimates effective December 13, 2011

With the completion of the mine plan, Coalspur and the various engineering firms involved in the preparation of the BFS are in the final stages of the BFS which includes optimization and an economic analysis of Vista. The BFS is on schedule for completion at the end of December 2011 and publication in early 2012.

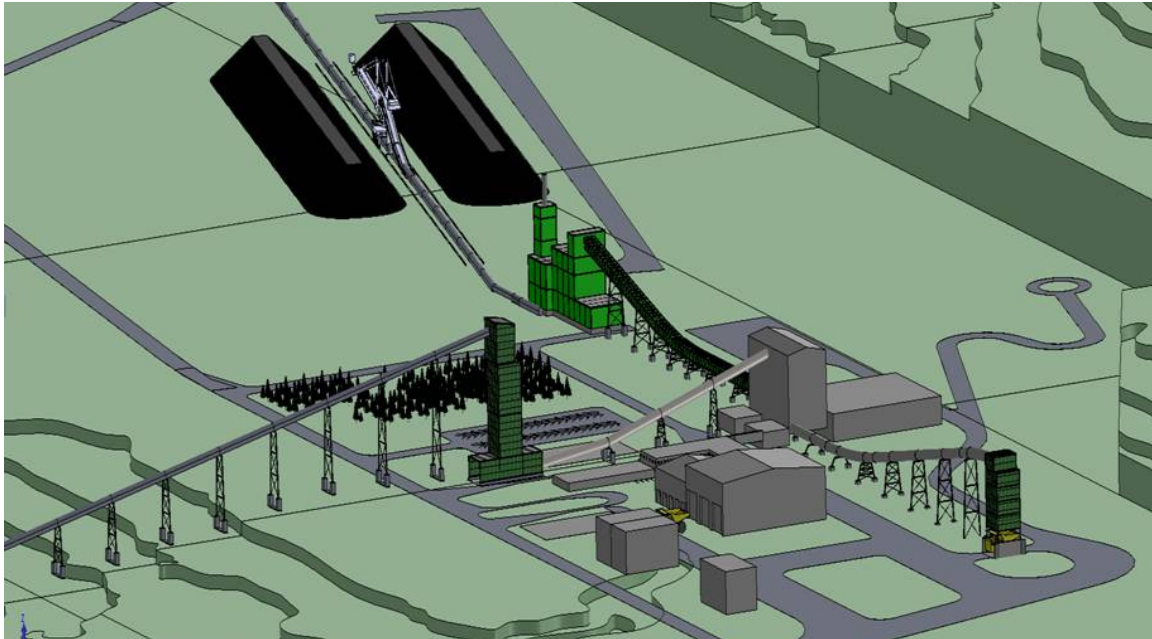


Figure 2: Vista Coal Project Processing Plant and Infrastructure Layout

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About Coalspur

Coalspur Mines Limited ("Coalspur" or "Company") is a coal exploration and development company with approximately 40,600 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 contains over 20km of continuous gently dipping strike length and a Measured and Indicated Coal Resource base of 985 million tonnes of low sulphur, high volatile bituminous, export quality thermal coal. Vista is able to leverage off already established first world infrastructure, with CN Rail facilities located adjacent to Vista that are substantially underutilised and provide a rail track suitable for the transport of coal to deepwater ports that already service the growing demand from the Asian Pacific Rim countries, including China, Japan and Korea.

The Company is currently undertaking a Bankable Feasibility Study ("BFS") on Vista which will become the blueprint for the largest export thermal coal mine in Canada. The BFS has defined mine plan with forecast annual production of 11.2 million tonnes per annum ("Mtpa") with a long mine life of 30 years. Marketable Coal Reserves on Vista are approximately 313 million tonnes ("Mt") from a recoverable coal reserve of approximately 566Mt.

JORC / NI 43-101 Compliant Coal Reserves						
Coal Seam	Recoverable Coal Reserve			Marketable Coal Reserve		
	Proven (Mt)	Probable (Mt)	Proven & Probable (Mt)	Proven (Mt)	Probable (Mt)	Proven & Probable (Mt)
Val D'Or and McPherson	429.3	45.9	475.2	248.5	26.5	275.0
McLeod	74.4	16.0	90.3	31.5	6.9	38.4
Coalspur Total Reserves	503.7	61.8	565.5	280.0	33.3	313.4

Note: Coal Reserve estimates effective December 13, 2011

The BFS is being completed by a group of internationally recognized engineering firms and is progressing on schedule for publication in early 2012 following completion at the end of 2011. The BFS is the final technical study before construction commences at Vista and is focused on an enhanced mine plan, operating and capital cost assessments and infrastructure, transport and logistics arrangements.

JORC / NI 43-101 Coal Resources				
	Measured (Mt)	Indicated (Mt)	Measured & Indicated (Mt)	Inferred (Mt)
Vista Coal Project	658.7	326.7	985.4	304.6
Vista South Coal Project	51.5	41.9	93.3	75.0
Coalspur Total Resource	710.2	368.6	1,078.7	379.6

Note: Vista Coal Project Coal Resource estimates effective June 14, 2011 and Vista South Coal Project Coal Resource estimates effective December 15, 2010

In addition the Company holds leases directly south of Vista in the Vista South Coal Project ("Vista South"). Vista South covers approximately 23,300 hectares extends for over 25km which the company believes has the potential to host a significant coal resource. Coalspur also owns approximately 7,300 hectares of coal leases approximately 10km northwest of Vista which lies on same geological trend as Vista and the Company believes contains significant coal mineralization.

Coalspur has offices in Calgary and Hinton in Canada as well as in Australia. The Company's goal is to develop a major new thermal export coal region in Alberta to meet growing energy demands worldwide and in particular of the Asia Pacific market. 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 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 "Vista Coal Project Prefeasibility Study" dated January 25, 2011 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 is based on information compiled by Mr. Robert J. Morris, who is a Member of the Association of Professional Engineers, Geologists and Geophysicists of Alberta. Mr. Morris is a full-time employee of Moose Mountain Technical Services, who are consultants to Coalspur. Mr. Morris 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. Morris 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 the Bankable Feasibility Study on the Vista Coal Project is based on information compiled by Mr. Murray Lytle, who is a Member of the Association of Professional Engineers, Geologists and Geophysicists of Alberta. Mr. Lytle is a full-time employee of Snowden Mining Industry Consultants Inc., who are consultants to Coalspur. Mr. Lytle 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. Lytle 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 Recoverable Coal Reserves 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 Marston Canada 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 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 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.

All other scientific and technical information in this news release 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 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, the Company's Pre-Feasibility Study and Bankable 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 'expect', 'potential', 'outlook', 'anticipate', 'project', 'target', 'likely', 'believe', 'estimate', 'intend', 'may', 'would', 'could', 'should', 'scheduled', 'will', '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.