

**NEWS RELEASE**  
October 27, 2011

## **COALSPUR SECURES 14 YEAR PORT ALLOCATION FOR UP TO 8.5MTPA WITH RIDLEY TERMINALS**

### **Highlights:**

- *Coalspur concludes port agreement with Ridley Terminals for 6.0Mtpa throughput allocation at Prince Rupert, British Columbia, Canada*
- *Agreement includes option for additional 2.5Mtpa for a total of 8.5Mtpa*
- *14 year term commences in January 2015 with option for an additional 7 years*
- *Port allocation significantly de-risks development of Vista and secures port requirements for majority of production on Vista*

**PERTH, Western Australia: Coalspur Mines Limited (“Coalspur” or “Company”) (ASX: CPL, TSX: CPT)** is pleased to announce that it has reached an agreement with Ridley Terminals Inc. (“**Ridley Terminals**”) on terms for the shipment of export thermal coal from Coalspur’s Vista Coal Project (“**Vista**”). The agreement entitles Coalspur to up to 6.0 million tonnes per year (“**Mtpa**”) of port allocation with an option for an additional 2.5Mtpa and has been structured to reflect the expected production profile of Vista. The agreement has a 14-year term that commences in January 2015 and includes an option to extend the term for an additional seven years.

Commenting on the port agreement with Ridley Terminals, Gene Wusaty, Managing Director and CEO, said “We are exceptionally pleased to have concluded this landmark agreement. It represents a major milestone in the development of Vista as it secures port allocation for the majority of the expected production until 2035. The agreement provides Coalspur committed access to the thermal coal markets in Asia and significantly de-risks the development of Vista as it advances towards the construction phase.”

### **Ridley Terminals**

Ridley Terminals is a Canadian Federal Crown Corporation that is located in Prince Rupert, British Columbia. Ridley Terminals is the most northern deepwater port in North America and has the ability to handle capesize vessels up to 250,000 deadweight tonnage. Currently handling capacity is 12 million tonnes which is undergoing an expansion to 24 million tonnes. The facility is serviced by the Canadian National Railroad and is well positioned to handle coals from a variety of North American origins.

Bud Smith, Chairman of Ridley Terminals, said, “This agreement represents a win-win as it facilitates Coalspur’s strategy to become the largest export thermal coal producer in Canada and positions Ridley Terminals to become a major gateway for Canadian thermal coal to the global markets.”

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## About Coalspur

Coalspur Mines Limited ("Coalspur" or "Company") is a coal exploration and development company with over 33,200 hectares of coal exploration 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. A Pre-Feasibility Study was completed in December 2010 which defined an initial marketable coal reserve of over 260 million tonnes ("Mt") from a recoverable coal reserve of approximately 522Mt. As part of the ongoing BFS, the marketable and recoverable coal reserves are being re-evaluated and will incorporate the recently completed enhanced mine plan, increased clean coal yield and the optimization of mine infrastructure design.

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.

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

In addition the Company holds leases directly south of Vista named the Vista South Coal Project ("Vista South"). Vista South covers over 23,000 hectares extends for over 25km on each of the northern and southern limb of the Entrance Syncline which the company believes has the potential to host a significant coal resource.

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 insatiable 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](http://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 to Coal Reserves is based on information compiled by Mr. Robert Fong, who is a Member of the Association of Professional Engineers, Geologists and Geophysicists of Alberta. Mr. Fong is an associate of Moose Mountain Technical Services, who are consultants to Coalspur. Mr. Fong 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. Fong 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, 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.*