

## NEWS RELEASE

May 19, 2011

### ADDITIONAL DRILLING IN VISTA SOUTH CONFIRMS FURTHER MINERALIZATION OUTSIDE EXISTING RESOURCE MODEL

#### Highlights:

- *Drill results on Vista South confirms additional mineralization beyond the existing resource model*
- *Results from additional 10 rotary holes and one core hole indicate significant cumulative coal intercepts of up to 28m in the northern limb of the Entrance Syncline*
- *Information from the recent drilling will be utilized to further assess coal quality and update the existing Coal Resource estimate on Vista South*
- *Additional drilling on Vista South will focus on testing for extensions of the coal structure in the northern limb of the Entrance Syncline*

**PERTH, Western Australia:** Coalspur Mines Limited (“Coalspur” or “Company”) (ASX: CPL, TSX: CPT) is pleased to announce that it has recently completed additional drilling on the Vista South Coal Project (“**Vista South**”) which has confirmed further mineralization outside the current resource model. The results from the recent drilling will be utilized to increase the understanding of the geological structure and coal quality and update the existing Coal Resource estimate on Vista South.

The recent drilling on Vista South focused on the central portion of the Entrance Syncline (see Figure 1) and established additional significant coal intercepts beyond the existing resource model. Select intercepts include:

Vista South Drill Intersections	
Drillhole	Cumulative Thickness (m)
CPG10-37	28
CPG10-47	24
CPG10-77	21
CPG10-78	24
CPG10-78C	19

*Note: Cumulative thicknesses represent estimated true thicknesses*

Commenting on the ongoing exploration activity in Vista South, Gene Wusaty, Managing Director and CEO, said: “We are very pleased with how the ongoing exploratory drilling has progressed at Vista South. Each stage of the drilling program has provided additional positive indications that Vista South hosts significant coal resources and we look forward to the results from further exploration activities. We expect the results of additional resource modeling in mid-2011 and anticipate an increase in the estimated Coal Resources on Vista South.”

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The recent drilling commenced in March 2011 and comprised of 10 rotary holes and one core hole. The core hole intersected the Val d'Or seam and the core sample has been shipped to ALS Laboratory Group in Vancouver, BC for quality testing. The drillhole results from the recent drilling will be sent to Moose Mountain Technical Services who will complete an updated JORC (2004) and NI 43-101 compliant Coal Resource estimate on Vista South. The Company expects to receive the coal quality results and the updated Coal Resource estimate progressively by mid-2011.

Analysis of the drilling results has indicated that through fault repetition the thickness of the McPherson seam is up to 28m in certain parts of the northern limb of the Entrance Syncline. The Company is currently analyzing the drilling results to increase its understanding of the geological structure and the surface mining potential on Vista South.

The Company plans to conduct additional drilling on Vista South in the coming months, which will incorporate the increased geological understanding from the recent drilling activity. The additional drilling will consist of approximately 15 to 20 drill holes which will further define the geological structure and test for extensions of the coal structure along the northern limb of the Entrance Syncline (see Figure 1).

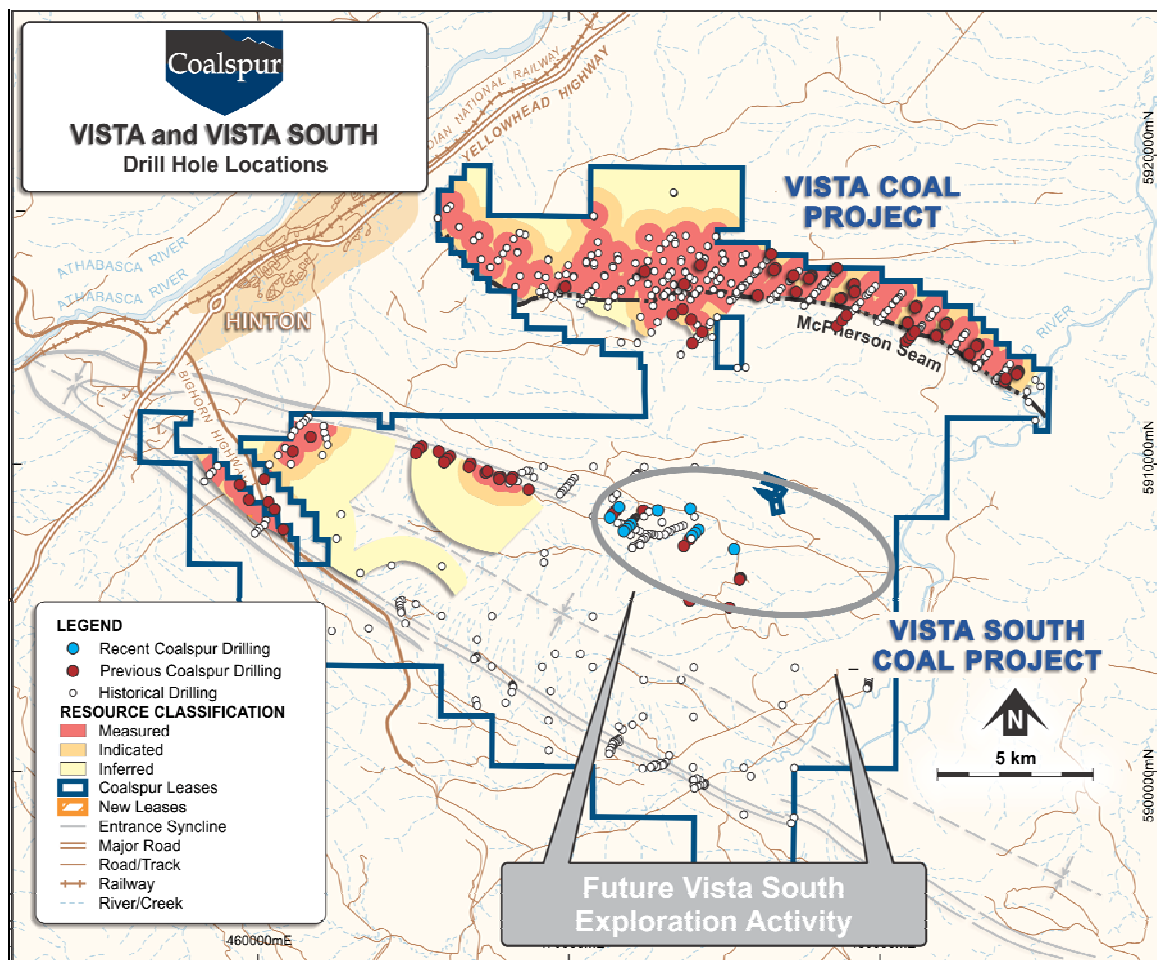


Figure 1: Vista South Drilling Locations

Vista South currently hosts a Measured & Indicated Coal Resource of 93.3 million tonnes ("Mt") and an initial Inferred Coal Resource of 75.0Mt. The current Coal Resource estimate is based on the Company's initial drilling program which occurred in 2010 and was confined to the North West portion of the project area. The updated Coal Resource estimate, which is expected in mid-2011, will incorporate data from drilling activity that has occurred since the initial resource estimate which was announced in November 2010.



*Figure 2: Vista South Core Sample from the Val d'Or Seam*

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**Table 1: Vista South Drill Hole Details and Cumulative Coal Thickness**

Drillhole	UTM-N	UTM-E	Elevation	Length	Cumulative Thickness
CPG10-37	5907215	473616	1,351	213	28
CPG10-47	5907576	473915	1,300	213	24
CPG10-49	5907685	474013	1,297	213	0
CPG10-51	5907857	474161	1,292	213	0
CPG10-62	5907246	475313	1,284	305	2
CPG10-69	5908476	472833	1,308	213	13
CPG10-70	5908539	473863	1,305	305	0
CPG10-77	5907856	471836	1,393	201	21
CPG10-78	5907929	471899	1,397	213	24
CPG10-78C	5907909	471878	1,398	118	19
CPG10-79	5907998	471955	1,387	213	9

*Note: Cumulative thicknesses represent estimated true thicknesses*



## About Coalspur

Coalspur Mines Limited ("Coalspur" or "Company") is a coal exploration and development company with over 32,000 hectares of coal exploration leases located within the Hinton region of Alberta, Canada. Coalspur's flagship coal project is the Vista Coal Project which has the potential to be one of the largest export thermal coal mines in North America.

The Vista Coal Project covers approximately 8,700 hectares and contains over 20km of continuous gently dipping strike length and a Measured and Indicated Coal Resource base of over 800 million tonnes of low sulphur, high volatile bituminous, export quality thermal coal. The Company is currently undertaking a Bankable Feasibility Study on the Vista Coal Project, following a Pre-Feasibility Study ("PFS") completed in December 2010 that defined an initial marketable reserve of over 260 million tonnes on the Vista Coal Project which makes it one of the largest undeveloped export orientated thermal coal projects in North America.

<b>JORC / NI 43-101 Coal Reserves</b>						
	<b>Recoverable Coal Reserve</b>			<b>Marketable Coal Reserve</b>		
	<b>Proven (Mt)</b>	<b>Probable (Mt)</b>	<b>Proven &amp; Probable (Mt)</b>	<b>Proven (Mt)</b>	<b>Probable (Mt)</b>	<b>Proven &amp; Probable (Mt)</b>
Export Product	349.2	79.5	<b>428.7</b>	185.9	42.7	<b>228.7</b>
Domestic Product	66.2	26.8	<b>93.0</b>	22.5	8.9	<b>31.4</b>
<b>Coalspur Total Reserves</b>	<b>415.4</b>	<b>106.3</b>	<b>521.7</b>	<b>208.4</b>	<b>51.6</b>	<b>260.1</b>

The PFS defined a 31 year mine life producing approximately 9.0 million tonnes per annum ("Mtpa") of saleable coal from the processing of approximately 18.0Mtpa of run of mine ("ROM") coal. Initial development costs for the Vista Coal Project are expected to be ~C\$580 million. The Vista Coal Project is able to leverage off already established first world infrastructure, with CN rail facilities located adjacent to the Project that are substantially underutilised and provide a rail track suitable for the transport of coal to deepwater ports with excess capacity that already service the growing demand from the Asian Pacific Rim countries, including China, Japan and Korea.

<b>JORC / NI 43-101 Coal Resources</b>				
	<b>Measured (Mt)</b>	<b>Indicated (Mt)</b>	<b>Measured &amp; Indicated (Mt)</b>	<b>Inferred (Mt)</b>
Vista Coal Project	588.9	331.6	<b>920.5</b>	282.3
Vista South Coal Project	51.5	41.9	<b>93.3</b>	75.0
<b>Coalspur Total Resource</b>	<b>640.4</b>	<b>373.5</b>	<b>1,013.8</b>	<b>357.3</b>

In addition the Company holds leases directly south of the Vista Coal Project named Vista South. The Vista South Project area 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. First phase drilling in the area together with existing historical information has allowed the Company to define an initial Measured and Indicated Coal Resource of 93 million tonnes. Further drilling and potential resource upgrades are scheduled during 2011 on Vista South.

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 F. Engler, who is a Member of the Association of Professional Engineers, Geologists and Geophysicists of Alberta. Mr. Engler is a full-time employee of Moose Mountain Technical Services, who are consultants to Coalspur. Mr. Engler 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. Engler 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 consents to the inclusion of such information in this news release in the form and context in which it appears.

All other Exploration Results and 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 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 Company's permits and approvals, business strategy, plans, development, objectives, performance, outlook, growth, cash flow, projections, targets and expectations, mineral reserves and resources, scoping, pre-feasibility, feasibility and other 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" 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. Forward-looking information is developed based on assumptions about such risks, uncertainties and other factors set out herein, including but not limited to the risk factors set out in the Company's Annual Information Form. This list is not exhaustive of the factors that may affect our forward-looking information. These and other factors should be considered carefully and readers should not place undue reliance on such forward-looking information.

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.