



ANNOUNCEMENT TO THE AUSTRALIAN SECURITIES EXCHANGE: 14 JANUARY 2010

CORE DRILLING AND COAL QUALITY TESTING PROGRAMS TO COMMENCE ON HINTON COAL PROJECT

Coalspur Mines Limited (“Coalspur” or “Company”) is pleased to advise that it is undertaking a significant two phase drilling and coal testing program for both the Hinton East and West properties. The Alberta government has granted approval for the first phase of the program comprising 10 core drill holes which will start in the coming weeks.

Upon completion of the 10 core drill holes a quality and washability testing will commence the results of which will form part of the upcoming pre-feasibility study. The drilling will be located within the Hinton Project mine plan boundaries of the current scoping study.

In addition, Coalspur has retained Mr. Bob Leach, a leading coal metallurgist based in Brisbane, Australia. Mr. Leach will coordinate the washability testing program and provide direction in upcoming washplant design studies. Mr. Leach has a long and distinguished career working for many of the world’s largest coal companies.

Mr. Gene Wusaty, Managing Director & CEO, described the importance of this initial exploration activity: “This program will provide representative samples for quality analysis of the coal seams across the Hinton Project and will verify the coal data from the Esso Minerals Feasibility Study. Washability testing under the direction of Bob Leach will also be conducted on the samples to provide additional data to refine the development of a process design specification for the project’s coal wash plant”.

The washability and quality data, when combined with the significant amount of existing information, will enable Coalspur to develop more comprehensive product specifications for its ongoing marketing activities and will form an important step in the ongoing development of the Hinton Coal Project”.

The Company has applied for and been granted a Coal Exploration Approval from Alberta Sustainable Resource Development which coordinates input from the various Alberta government agencies required as part of the approval process.

Drill rig mobilization and site work will commence on 1 February 2010. The core drilling will take approximately one month to complete. The lab and washability testing results are scheduled to be available in the June 2010 quarter.

A second phase infill 25 rotary drillhole exploration program is planned for the Canadian summer 2010 in the Hinton Project mine plan area targeting additional areas in the Hinton East and West Resource reports.

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About Coalspur

Coalspur Mines Limited is a coal exploration and development company with offices in Perth, Australia and Calgary, Alberta, Canada. The company has significant coal properties in the Coal Branch Region of west-central Alberta which it is currently evaluating with a goal to develop a major new thermal export coal mine to meet growing energy demands worldwide. The Company is listed on the Australian Securities Exchange ("ASX") under the symbol "CPL".

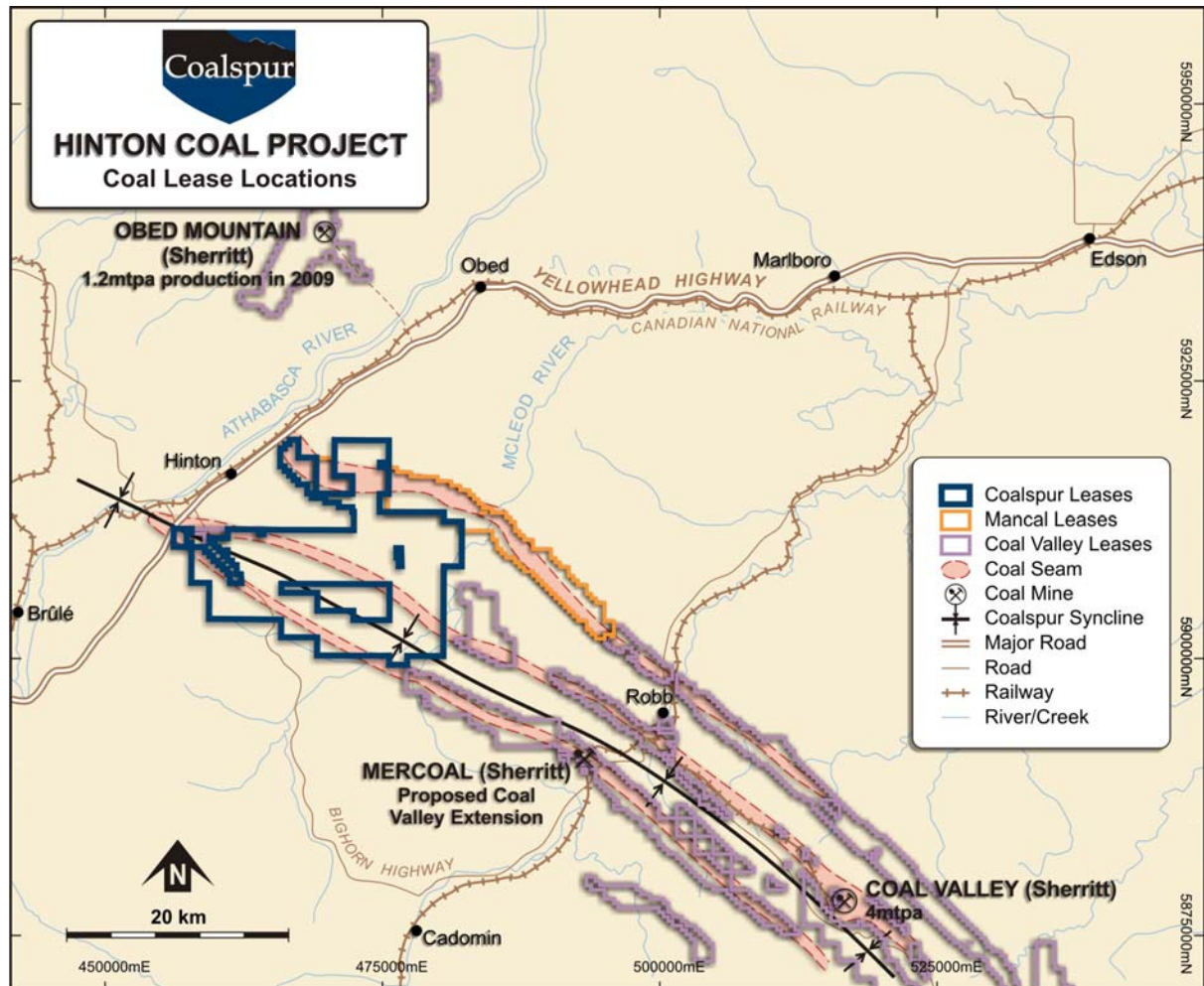


Figure 1: Hinton Coal Project Coal Leases