ANNOUNCEMENT TO THE AUSTRALIAN SECURITIES EXCHANGE: 16 JUNE 2010

COALSPUR ACQUIRES STRATEGIC NEW COAL LEASES RESOURCE BASE INCREASES TO OVER 900M TONNES

Highlights:

- ***Coalspur has entered into an agreement to acquire new Coal leases which are contiguous to Coalspur's existing Hinton Coal Project***
- ***The acquisition will create the potential to develop one of the largest thermal coal mines in North America with 20km of continuous gently dipping strike length with access to an underutilised port and adjacent rail infrastructure***
- ***Coalspur's combined Coal Resource will now total over 900 million tonnes of low sulphur, high volatile bituminous, export quality thermal coal with over 810 million tonnes (90%) of the resource in the Measured and Indicated category***
- ***A significant amount of the combined Coal Resource begins near surface at sub-crop and dips gently at an average of approximately 7° which allows for an attractive low strip ratio with near term mine development***
- ***Pre-Feasibility Study ("PFS") to commence shortly to confirm potential for substantial development, mining and operational synergies as well as significant increases in production rates and mine life***
- ***The new leases are technically advanced and have been subject to a number of feasibility studies and have previously been awarded a Mine Permit***
- ***The acquisition will be funded from existing cash reserves and a Project Funding Facility provided by the Highland Park Group***

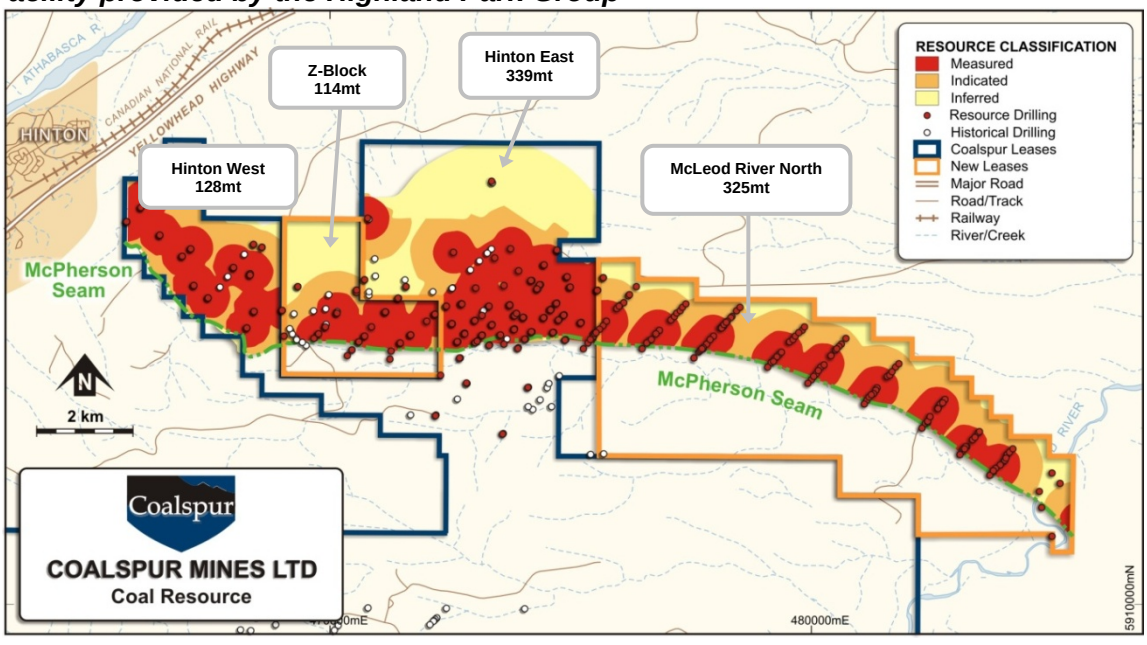

Figure 1: Coalspur Mines Coal Resources

Coalspur Mines Limited ABN 73 003 041 594
Level 9, BGC Centre, 28 The Esplanade, PERTH WA 6000
Telephone: (08) 9322 6322, Facsimile: (08) 9322 6558

*The Board of Coalspur Mines Limited ("**Coalspur**" or "**Company**") is pleased to announce that it has entered into an agreement for the acquisition of 6 coal leases held by a private Canadian corporation in Alberta, Canada ("**New Leases**").*

*The New Leases are contiguous with the existing Hinton Coal Project ("**HCP**") and contain a Coal Resource of 438 million tonnes with an associated Mine Permit. The New Leases are made up of two sections:*

- *McLeod River North leases, which include 5 Crown coal leases and are located to the east of Hinton East; and*
- *Z-Block lease, which is located in between Hinton East and Hinton West.*

Table 1: JORC Coal Resources

	Measured (Mt)	Indicated (Mt)	Measured & Indicated (Mt)	Inferred (Mt)	Measured, Indicated & Inferred (Mt)
New Leases - McLeod River North	183.1	129.0	312.1	12.6	324.7
New Leases - Z Block	51.8	27.1	78.9	34.8	113.7
Total New Leases Resource	**234.9**	**156.1**	**391.0**	**47.4**	**438.4**
Existing HCP Resource	298.4	123.2	421.6	45.7	467.3
Combined Coal Resource	**533.3**	**279.3**	**812.6**	**93.1**	**905.7**

Commenting on the acquisition, Mr Gene Wusaty, Managing Director and CEO, said "This transaction is a significant milestone as it gives us a combined property with all the fundamentals to become one of the largest export thermal coal mines in North America. The combination of a very large, gently dipping coal resource which extends for approximately 20km and the availability of port and rail infrastructure capacity make this a unique, world class project."

"Our scoping study completed earlier this year has already shown that the existing HCP can be mined with low operating costs. We will now commence a Pre-Feasibility Study to determine the substantial mining synergies, increased production rate and longer mine life which we anticipate can be achieved with the combined project."

*The commercial terms of the agreement provide for the payment of an upfront option fee of C$6.5 million with a further C$83.5 million payment on or before 15 November 2010, upon which it will secure 100% of the New Leases ("**Transaction**") The acquisition will be financed from existing cash reserves and a Project Funding Facility from the Highland Park Group ("**Highland Park**") – see Commercial Terms section for further information.*

The total acquisition cost represents a transaction multiple of C$0.205 (approximately A$0.235) per tonne of Coal Resource.

Enquiries:

***Gene Wusaty** – Managing Director & CEO* *T: +1 403 975 7901*

***Taso Arima** – Executive Director* *T: +61 8 9322 6322*

Project Highlights

Coalspur is pleased to report that it has entered into an option agreement to acquire one of the largest export quality thermal coal projects in Alberta, Canada. Upon completion, the consolidation of the leases in the Hinton region will propel Coalspur into the upper echelon of potential export thermal coal developers in North America targeting the supply of export quality thermal coal to the growing Asian markets in the short to medium term.

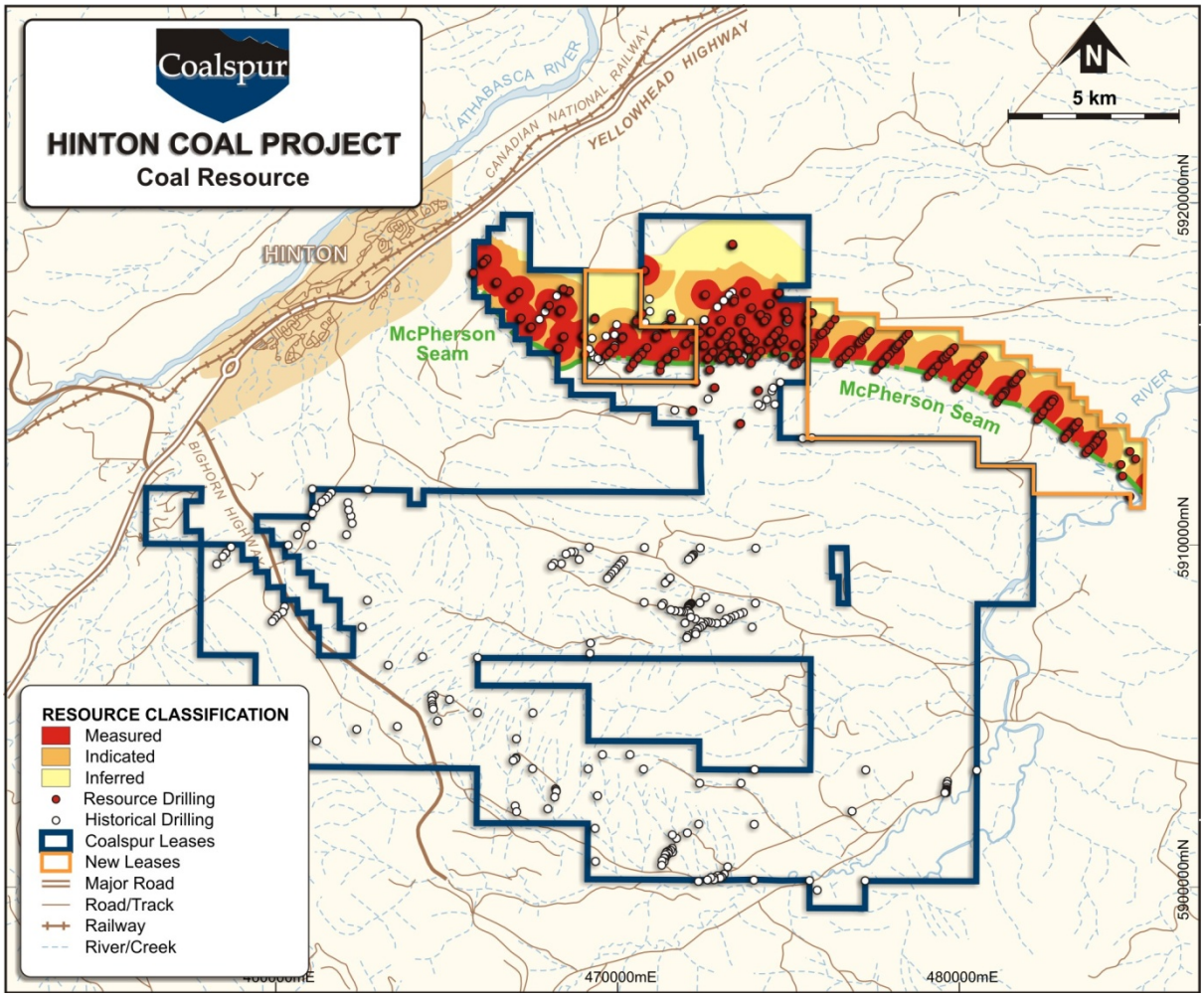

Figure 2: Combined Coal Resources

The Company will now focus future studies on maximising the development of the Coal Resource which will include but is not limited to investigating the following opportunities:

- Increasing the proposed ultimate production rate from the combined coal resources;
- Extending the proposed mine life to at least 20 years;
- Optimising the mining strip ratios by utilising the 20km strike length to provide for increased returns and quicker payback;
- Realising economies of scale in all facets of the development including mine planning, processing, handling, infrastructure and capital efficiency;
- Incorporating a dragline into the mine plan to drive the costs of the mine operations into the lowest quartile of first world exporters (draglines typically have the lowest unit cost of production out of all surface mine equipment configurations); and
- Utilise the existing Mine Permit to attempt to reduce the time to first production.

Coal Resource

The Coal Resource estimate on the New Leases has been based on considerable drilling and exploration activities previously undertaken by a prior holder of the New Leases in the 1970's, 1980's and 1990's. The report has been prepared by respected Canadian independent technical consultants, Moose Mountain Technical Services ("**MMTS**") and is reported in accordance with the JORC Code (2004) and National Instrument 43-101 ("**NI 43-101**").

Key points from work conducted by MMTS on the New Leases are as follows:

- The New Leases Coal Resource of 438.4Mt is comprised of Measured Resources of 234.9Mt, Indicated Resources of 156.1Mt, and Inferred Resources of 47.4Mt;
- The Coal Resource on the New Leases is defined from three coal zones that have a cumulative coal thickness of approximately 28m;
- The three coal zones which comprise the Coal Resource on the New Leases have a dip to the northeast ranging from 4^{o} - 15^{o}, which has resulted in the Coal Resource being defined within a 6.03:1 strip ratio pit.

Figure 3 presents the 20:1 incremental cut-off strip ratio pit used across the combined projects to define the resources according to JORC Code and NI 43-101 standards.

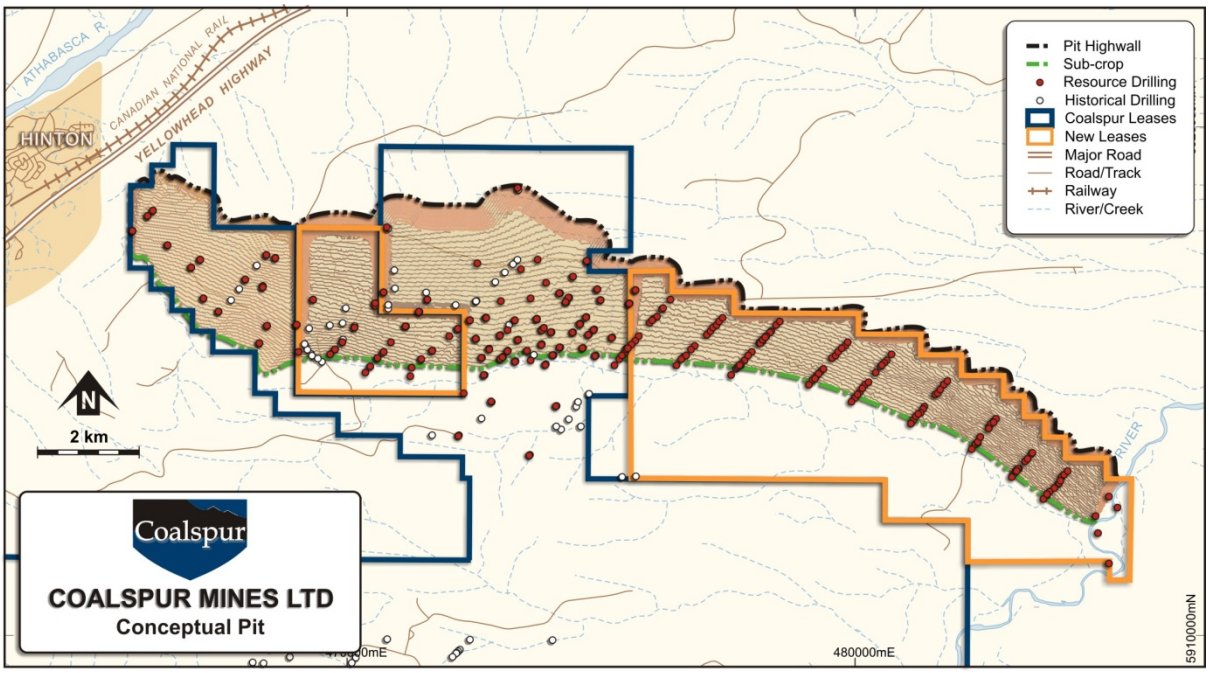

Figure 3: Coal Resources Cut-Off Pit Limits

The Coal Resource on the New Leases has been classified as Measured, Indicated and Inferred by MMTS based on the guidelines specified in the JORC Code (2004) and NI 43-101.

The Coal Resource estimate prepared by MMTS for the New Leases has been based on:

- A total of 137 rotary and diamond drill holes (totalling 9,476m) previously drilled by a prior holder of the New Leases, comprising 22 diamond drill holes (totalling 1,396m) and 115 rotary drill holes (totalling 8,350m);
- A 6.03:1 strip ratio pit (modelled using a 20:1 incremental cut-off strip ratio);
- A modelled pit using 45° walls and set up such that only coal within the New Leases is mined (and assuming that waste in the pit wall can be mined on neighbouring properties);
- A minimum mineable seam thickness of 0.5m. Canadian standards require a minimum mineable seam thickness of 0.45m and a number of operating mines in the region currently mine coal seams of less than 0.45m.
- A minimum removable parting thickness of 0.3m (partings less than 0.3m are included in the coal seam); and
- A range of specific gravity values from 1.53 to 1.61.

Coal Quality

MMTS have also undertaken an indicative assessment of coal quality based on historical core hole information completed by a prior holder of the New Leases which concluded that the Project's final clean product could have the following characteristics:

Table 2: Project Washed Clean Coal Quality

Coal Characteristic	**Gross As Received**	**Air Dried Basis**
Moisture	11.5%	4.5%
Ash Content	11.1%	11.9%
Volatile Matter	31.2%	33.7%
Fixed Carbon	46.2%	49.9%
Sulphur	0.3%	0.3%
Calorific Value	**5,758 kcal/kg**	**6,212 kcal/kg**

The above analysis on a gross as received basis assumes a stable moisture content of 11.5%. It is noted that further test work and engineering will be conducted during the feasibility studies to confirm these conclusions. Forecast yield (percentage recovery of coal following washing) is expected to be approximately 54% and coal with the above qualities is generally suitable for export to the Pacific Rim market. Washability studies are nearing completion and will provide additional results.

Commercial Terms

Acquisition of New Leases

Coalspur Mines (Operations) Limited ("**Coalspur Operations**"), an indirect wholly owned subsidiary of Coalspur Mines Limited, has entered into an option agreement to purchase the New Leases with a private Canadian corporation ("**Vendo**r"), which grants Coalspur Operations the right to acquire the following Crown coal leases:

No.	Lease	Approximate Area (Ha)
1.	1307070587	768
2.	1307070588	992
3.	1308050904	64
4.	1308050905	112
5.	1399080001	1,104
6.	1307060429	768
Total		**3,808**

Pursuant to the Agreement, the consideration payable to the Vendor is as follows:

1. Upon execution - C$6.5 million;

2. At completion – C$83.5 million.

Completion is to occur no later than 15 business days after Coalspur Operations provides a written notice to the Vendor of the exercise its option. Coalpsur Operations has until 25 October 2010 to provide the written notice to the Vendor. Title to the New Leases is transferred to Coalspur Operations at completion.

The Agreement also provides for the transfer (to the extent that it is possible) of the associated Mine Permit to Coalspur Operations.

The Agreement allows Coalspur Operations to undertake exploration drilling activities on the New Leases prior to completion of the acquisition.

The Agreement includes typical warranties and indemnities for coal lease acquisitions in Alberta, Canada, including limited warranties as to title and environmental issues. Coalspur has provided a guarantee as the ultimate parent entity of Coalspur Operations.

Project Funding Facility

Coalspur has entered into a binding Funding Agreement with Highland Park S.A. The Funding Agreement provides a facility of A$65 million for Coalspur to use in funding the acquisition of the New Leases on the following key terms and conditions:

1. Fund amount of up to A$65 million;
2. Interest is payable every 180 days and is based on the Bank Bill Swap Rate ("BBSY") plus 5%;
3. Facility type – secured;
4. Facility draw down before 31 December 2010 and repayable within 2 years from draw down;

5. Coalspur may repay the facility earlier at its discretion;
6. Amount of the draw down of the facility is at Coalspur's discretion, subject to certain standard conditions being met, including:
   a) necessary shareholder approvals (including as outlined in item 7 below);
   b) execution of formal security and other transaction documents;
7. Subject to shareholder approval before 31 August 2010, a facility fee of 15 million unlisted options (exercisable at $0.80 within 3 years from the date of issue) is required to be issued by Coalspur. If shareholder approval is not obtained by the required date, then a cash fee of $250,000 plus 50% on the intrinsic value of the options, is payable.

Grant of Incentive Options

The Company also intends to grant, subject to shareholder approval, 2.0 million incentive options, each exercisable at $0.80 within 3 years from the date of issue, to Mark Pearce, a Director of the Company.

Competent Person Statement

The information in this report 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 which 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 (The JORC Code). Mr. Morris consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

Table 3: Drill Hole Details and Cumulative Coal Thickness					
Drillhole	**UTM-N**	**UTM-E**	**Elevation**	**Length**	**Cum. Thickness**
ML81-2	5915279.5	477643.84	1,180.9	35.5	2.8
ML81-3	5915303.5	477662.44	1,178.9	48.8	1.3
ML81-4	5915315.5	477673.24	1,178.6	49.0	2.1
MN92-01	5916759.5	470725.44	1,196.1	152.1	10.34
MN92-02	5916614.5	471567.24	1,185.0	134.4	13.19
MN92-03C	5916098.5	471140.04	1,219.2	48.8	16.28
MN92-04C	5916223.5	472402.14	1,214.6	56.0	11.97
MN92-05	5915483.5	470605.24	1,228.5	32.0	6.17
MN92-06	5916499.5	470540.74	1,227.7	127.1	12.1
MN92-06C	5916554.5	470548.54	1,215.9	61.0	3.01
MN92-07C	5915630.5	471674.34	1,199.8	64.7	8.33
MN92-08	5916039.5	472163.04	1,219.4	121.9	16
MN92-09C	5916065.5	470148.34	1,237.4	46.5	14.19
MN92-10	5915449.5	471460.94	1,200.3	42.7	4.55
MN92-12	5915321.5	470463.14	1,220.6	42.7	0.65
MN92-13	5915636.5	469765.04	1,247.6	30.5	5.49
MN92-14C	5916391.5	471396.34	1,218.3	48.8	4.45
MN92-15C	5915607.5	470709.14	1,230.7	49.5	6.6
MN92-16	5916619.5	469329.64	1,260.0	109.7	2.39
MR80-01	5916434.5	476168.74	1,221.3	73.0	11.13
MR80-10	5915163.5	479232.34	1,189.0	58.0	8.65
MR80-11	5915216.5	479284.44	1,186.3	67.0	8.21
MR80-12	5915602.5	479615.94	1,205.7	58.0	11.56
MR80-13C	5915661.5	479685.94	1,203.0	68.0	12.99
MR80-14	5915523.5	479575.44	1,203.7	41.0	6.9
MR80-15	5915441.5	480574.44	1,164.2	87.0	12.33
MR80-16	5915382.5	480511.24	1,185.5	57.8	11.98
MR80-17C	5914816.5	480054.44	1,159.7	42.6	5.99
MR80-18	5914948.5	480148.24	1,168.3	73.0	7.84
MR80-02	5916234.5	475999.74	1,230.8	42.5	9.85
MR80-20	5914190.5	482617.94	1,159.8	50.0	11.33
MR80-21	5914103.5	482568.54	1,156.0	127.0	9.46
MR80-22	5913922.5	482399.44	1,146.0	63.5	18.33
MR80-23	5913823.5	482344.44	1,140.7	28.0	5.66
MR80-24	5915116.5	479190.14	1,194.5	49.5	7.54
MR80-25C	5914211.5	482653.54	1,151.6	56.0	12.48
MR80-27	5913598.5	483396.44	1,184.8	78.0	12.18
MR80-28	5913257.5	483093.74	1,154.0	32.0	5.59
MR80-29	5913325.5	483160.04	1,163.8	67.0	6.96
MR80-30C	5913084.5	483979.84	1,174.4	41.0	8.38
MR80-31	5913139.5	484007.44	1,169.6	68.0	10.46

MR80-32C	5912812.5	483721.14	1,142.8	27.0	5.39
MR80-34	5912853.5	483767.44	1,125.7	50.0	6.1
MR80-35C	5915081.5	479159.44	1,182.5	30.0	5.72
MR80-36	5911605.5	485535.44	1,096.8	72.0	7.21
MR80-37	5912157.5	485768.44	1,059.5	100.0	11.24
MR80-38	5911452.5	485473.44	1,086.2	72.0	5.09
MR80-39	5911977.5	485672.94	1,098.7	54.0	11.21
MR80-3C	5916296.5	476061.84	1,230.8	42.5	9.06
MR80-04	5915592.5	475442.84	1,183.0	45.0	5.15
MR80-05	5915638.5	475473.94	1,181.7	42.0	5.47
MR80-06	5915367.5	477717.64	1,181.7	32.0	3.13
MR80-07	5915443.5	477784.44	1,176.1	49.5	5.5
MR80-08	5915911.5	478221.14	1,228.7	45.5	12.21
MR80-09	5916015.5	478305.64	1,212.7	77.0	10.67
MR81-01	5916459.5	476200.54	1,248.1	90.0	16.75
MR81-10	5915834.5	478143.94	1,233.4	30.0	8.4
MR81-100	5915823.5	475639.24	1,195.5	89.0	9.48
MR81-101	5915913.5	475716.04	1,186.8	104.4	9.67
MR81-102	5915505.5	476597.54	1,189.7	23.0	4.3
MR81-103	5915538.5	476644.84	1,186.3	33.0	5.59
MR81-104	5915651.5	476731.54	1,177.4	45.0	5.9
MR81-105	5915710.5	476803.84	1,196.7	51.7	7.35
MR81-107	5915327.5	477679.14	1,183.7	16.0	1.2
MR81-108	5915523.5	477862.04	1,194.5	51.0	3.3
MR81-109	5915605.5	477931.04	1,184.9	85.3	8.39
MR81-110	5915275.5	479334.94	1,172.5	79.0	8.95
MR81-111	5914763.5	479998.24	1,170.9	51.0	6.15
MR81-112	5914883.5	480100.54	1,180.5	66.4	8.4
MR81-113	5915005.5	480201.84	1,159.3	88.0	8.66
MR81-114	5914332.5	481140.84	1,163.4	36.0	6.53
MR81-115	5914382.5	481195.54	1,153.7	46.0	6.16
MR81-116	5914419.5	481238.84	1,144.5	44.7	5.55
MR81-117	5914476.5	481290.94	1,163.6	76.5	9.1
MR81-118	5914529.5	481316.34	1,153.3	77.0	9
MR81-119	5913831.5	482349.34	1,134.4	54.5	6.24
MR81-11C	5915873.5	478179.64	1,233.5	35.9	12.3
MR81-12	5915978.5	478277.84	1,217.1	61.0	13.65
MR81-120	5913938.5	482413.94	1,141.3	81.0	9.54
MR81-122	5913256.5	483112.04	1,149.9	50.2	6.5
MR81-123	5913312.5	483134.24	1,169.2	122.3	10.31
MR81-124	5912933.5	483848.44	1,134.9	95.4	8.97
MR81-125	5911335.5	485451.64	1,112.9	30.5	3.25
MR81-126	5911393.5	485485.44	1,101.1	34.5	6.59
MR81-127	5911549.5	485513.04	1,107.9	62.0	6.93
MR81-128	5911718.5	485528.14	1,080.1	98.5	8.6

MR81-13	5916120.5	478393.44	1,220.6	96.0	15.45
MR81-14	5916200.5	478463.74	1,181.3	104.0	10.65
MR81-15	5915725.5	479748.44	1,189.9	69.0	4.6
MR81-16	5915792.5	479813.54	1,176.3	95.6	13.7
MR81-17	5915324.5	480454.34	1,200.3	46.3	12.35
MR81-17C	5915330.5	480466.34	1,198.9	46.3	15.02
MR81-18	5915542.5	480657.44	1,152.1	118.8	13.4
MR81-19	5914798.5	481560.94	1,181.8	50.0	7.95
MR81-02	5916624.5	476333.84	1,254.3	82.0	1.1
MR81-20C	5914872.5	481615.24	1,168.9	54.0	12.48
MR81-21	5914951.5	481698.14	1,148.7	86.1	13.94
MR81-22	5915031.5	481758.44	1,126.4	126.4	15.67
MR81-23	5914117.5	482574.04	1,158.1	42.0	4.54
MR81-24	5914240.5	482662.14	1,146.6	84.0	12.73
MR81-25	5914299.5	482713.84	1,123.6	104.8	12.72
MR81-26C	5913511.5	483335.44	1,205.4	52.0	13.64
MR81-27C	5913627.5	483434.14	1,175.9	55.3	2.4
MR81-28	5913035.5	483939.14	1,180.8	41.0	6.38
MR81-29	5913201.5	484049.54	1,154.2	100.2	13.84
MR81-03	5916221.5	475982.34	1,226.8	30.0	8.9
MR81-30	5913261.5	484116.04	1,132.9	113.8	13.02
MR81-31	5911920.5	485644.14	1,102.4	40.5	7.75
MR81-32	5912044.5	485721.44	1,091.5	72.0	14.97
MR81-33	5912091.5	485750.34	1,078.8	86.0	13.8
MR81-05	5916002.5	477112.34	1,229.2	40.0	7.68
MR81-06	5916073.5	477166.84	1,236.6	54.0	13.5
MR81-7C	5916123.5	477231.74	1,232.2	55.2	15.65
MR81-08	5916185.5	477277.04	1,223.5	100.0	14.5
MR81-09	5916254.5	477352.04	1,231.3	122.0	14.81
MR81-97	5915537.5	475387.64	1,184.6	30.7	4.17
MR81-98C	5915675.5	475508.84	1,180.5	52.8	4.35
MR81-99	5915746.5	475572.94	1,174.1	53.9	6.36
MR82-11	5916648.5	473584.44	1,209.9	203.0	17.02
MR82-14	5916233.5	473724.44	1,158.3	150.0	7.72
MR82-19	5915648.5	472794.44	1,192.4	161.0	6.71
MR82-31	5917217.5	473414.44	1,146.9	300.0	20.26
MR82-35	5915623.5	473514.44	1,175.0	89.0	4.65
MR82-36	5916228.5	473289.44	1,212.6	163.0	12.9
MT81-1	5915794.5	478107.24	1,229.8	16.5	4.95
MT81-2	5915809.5	478120.74	1,231.6	22.5	6.7
MT81-3	5915820.5	478130.34	1,230.0	22.5	5.85
MT81-4	5915845.5	478153.24	1,235.2	36.5	12.57
MT81-5	5915853.5	478164.44	1,235.6	30.0	14.83
MT81-6	5915885.5	478189.74	1,234.5	36.7	13.75
MT81-7	5915896.5	478199.44	1,233.6	40.5	12.9

MT81-8	5915783.5	478099.44	1,227.8	30.5	1.28
TPL81-1	5915334.5	477688.84	1,181.7	28.5	2.2
TPL81-2	5915340.5	477695.54	1,186.6	23.0	3.92
TPL81-3	5915348.5	477702.44	1,187.1	29.5	6.2