



ANNOUNCEMENT TO THE AUSTRALIAN SECURITIES EXCHANGE: 1 SEPTEMBER 2010

DRILLING PROGRAM NOW COMMENCED

Coalspur Mines Limited ("Coalspur" or "Company") is pleased to announce that it has commenced a drilling program on the Vista South Coal Project ("VSP").

Commenting on the importance of this ongoing exploration activity, Gene Wusaty, Managing Director and CEO, said: "A substantial amount of historical drilling has already been conducted on the VSP in the 1970's and 1980's. The new VSP drilling program will provide targeted additional geological structure data that will assist us in developing an initial resource estimates for this property."

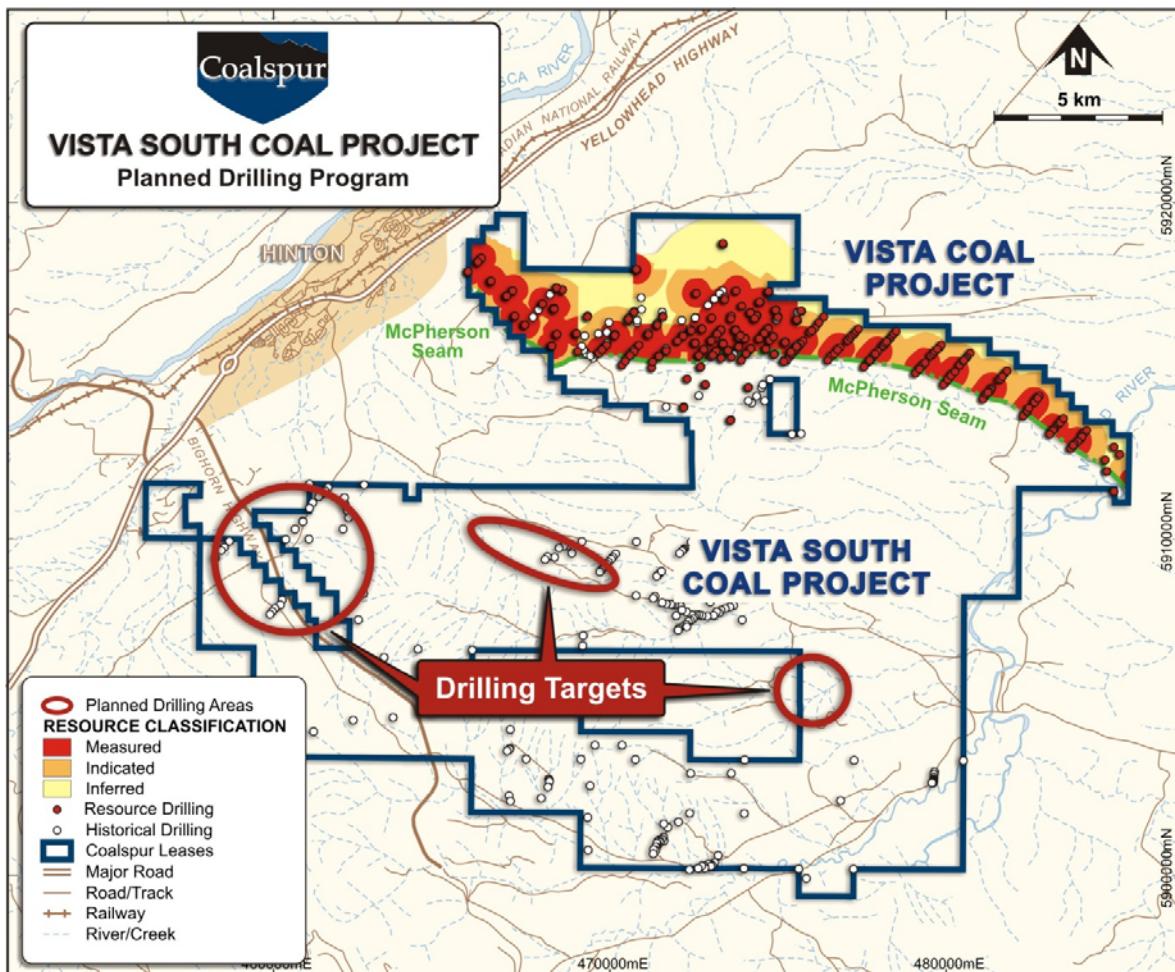


Figure 1: Vista South Coal Project Drilling Indicative Locations

VSP Drilling Program

The VSP is located immediately to the south of the Vista Coal Project, which has a Coal Resource of 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 (see Table 1).

The drilling program is designed to enhance the geological and resource understanding of the Entrance Syncline coal structure, which occupies the major portion of the VSP area. It involves drilling on the nose area on the northwest end of the property, and along the north limb of the syncline which has a very long strike length of approximately 24 kms.

The recently started program includes 20 rotary drillholes targeting three specific areas. Results from this program are expected to be available in the December 2010 quarter and will be combined with the results from the drilling conducted on the VSP in the 1970s and 1980s.

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Managing Director & CEO

About Coalspur

Coalspur is a coal exploration and development company with offices in Calgary and Hinton, Alberta, Canada and Perth, Western Australia. The Company has significant coal properties in the Coal Branch Region of west-central Alberta, which are currently the subject of a Pre-Feasibility Study 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" and is pursuing a dual listing on the Toronto Stock Exchange ("TSX").

Table 1: Coal Resource – Vista Coal Project

Resource Classification	Million Tonnes	%
Measured	533.3	59%
Indicated	279.3	31%
Measured and Indicated	812.6	90%
Inferred	93.1	10%
Total Measured, Indicated and Inferred	905.7	100%

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.