



ANNOUNCEMENT TO THE AUSTRALIAN SECURITIES EXCHANGE: 26 OCTOBER 2010

SETTLEMENT OF NEW COAL LEASES ACQUISITION

*The Board of Coalspur Mines Limited (“**Coalspur**” or “**Company**”) is pleased to advise that settlement of the acquisition of the six New Coal Leases (see ASX release dated 16 June 2010) has now been completed.*

As advised on 13 October 2010, Coalspur elected to proceed with early settlement to allow for accelerated exploration and development activities. Importantly a number of critical milestones are now expected to be completed before year end.

*A Pre-Feasibility Study (“**PFS**”) is currently being conducted on the expanded Project. Results are expected in the coming weeks and are likely to confirm the potential for a substantial mining development as well as significant increases in production rates and mine life when compared to the Scoping Study previously completed in February 2010.*

*The New Coal Leases are contiguous with the existing Vista Coal Project (“**Project**”) and will create the potential to develop one of the largest export thermal coal mines in North America with 20km of continuous gently dipping strike length and access to an underutilised port and adjacent rail infrastructure.*

Enquiries:

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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").

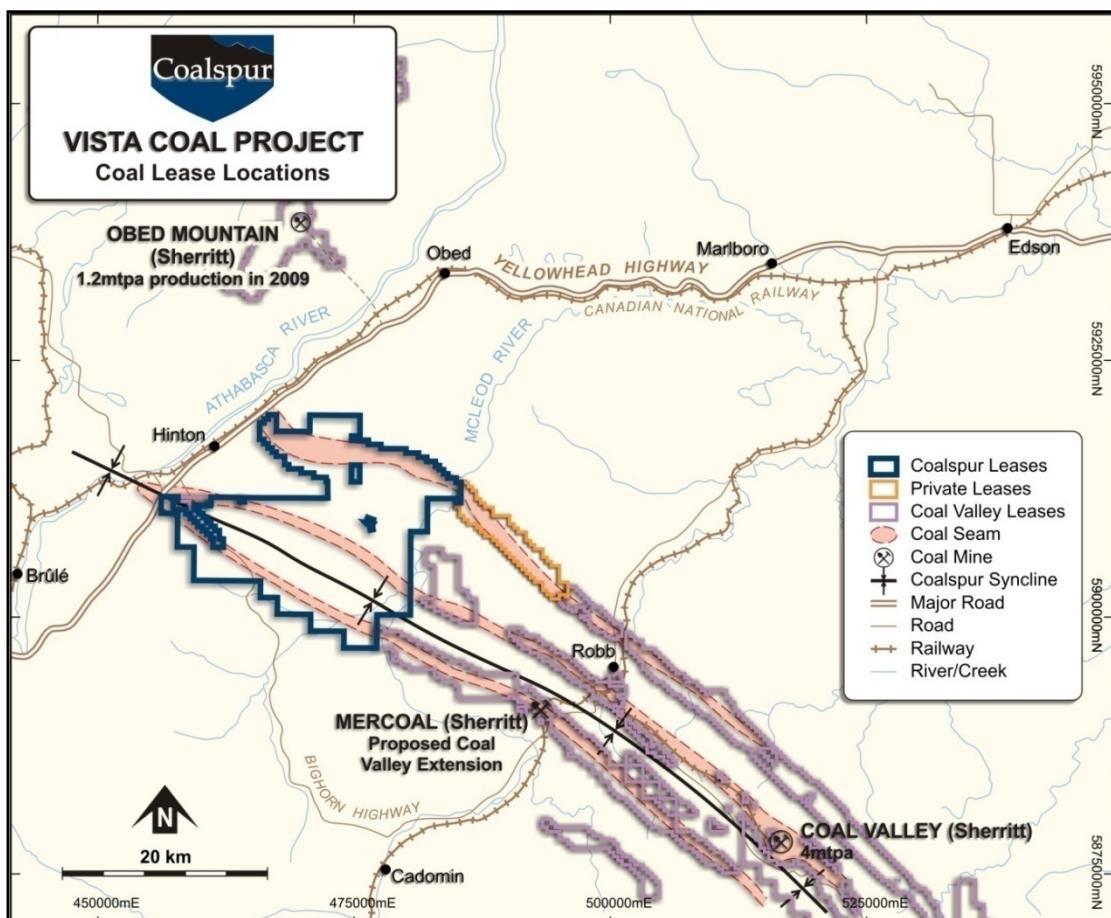


Figure 1: Vista Coal Leases

Competent Person Statements

The information in this report that relates to the Scoping Study 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 Mines Limited. 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 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code)'. Mr. Wusaty consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

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.