



ASX ANNOUNCEMENT

November 3, 2010

INITIAL COAL RESOURCE OF 168.3MT DEFINED AT VISTA SOUTH TOTAL COAL RESOURCES INCREASED TO 1.07BT

Highlights:

- *Initial Coal Resource of 168.3Mt defined at the Vista South Project (“Vista South”)*
- *Increases total Measured & Indicated Resources of Coalspur to 905.9Mt which represents 84% of whole resource*
- *Resource defined from the first phase of the drilling program on Vista South which represents only 18% of the Vista South leases*
- *Coalspur is preparing a larger second phase of drilling commencing before year end to further define resources in the Vista South leases*
- *Vista South resources have the advantage of leveraging off coal mining, handling and processing infrastructure to be developed for Vista Coal Project*

PERTH, Western Australia: Coalspur Mines Limited (“Coalspur” or “Company”) (ASX: CPL, TSX: CPT) is pleased to announce that an initial Coal Resource of 168.3 million tonnes (“Mt”) has been defined on the North West portion of the Vista South leases (refer Figure 1). This increases the Company’s total Coal Resource to 1.07 billion tonnes (“Bt”) across both the Vista Coal Project (“Vista”) and Vista South located in Alberta, Canada.

Commenting on the resource upgrade the Company’s Managing Director and CEO, Mr Gene Wusaty, said “The Vista South Project area extends for over 25km on each of the northern and southern limb of the Entrance Syncline. Given its proximity to the flagship Vista Coal Project we will initially be focusing on the northern limb which we believe has the potential to host a significant coal resource. Any economic coal deposits defined on the northern limb can easily be leveraged off the infrastructure to be developed for the Vista Coal Project.”

“The first phase of drilling has given us a much improved understanding of the geological structure in the large areas evaluated and will help determine the targets for the second phase drilling program. Although our ongoing Pre-feasibility Study is focused on the Vista Coal Project we will restart drilling Vista South later this year and continue to advance our understanding of this area which can provide a significant upside to our current Vista Coal Project”.

Table 1: JORC Coal Resources

	Measured (Mt)	Indicated (Mt)	Measured & Indicated (Mt)	Inferred (Mt)	Measured, Indicated & Inferred (Mt)
Vista Coal Project	533.3	279.3	812.6	93.1	905.7
Vista South Coal Project	51.5	41.9	93.3	75.0	168.3
Total Coal Resource	584.7	321.2	905.9	168.1	1,074.0

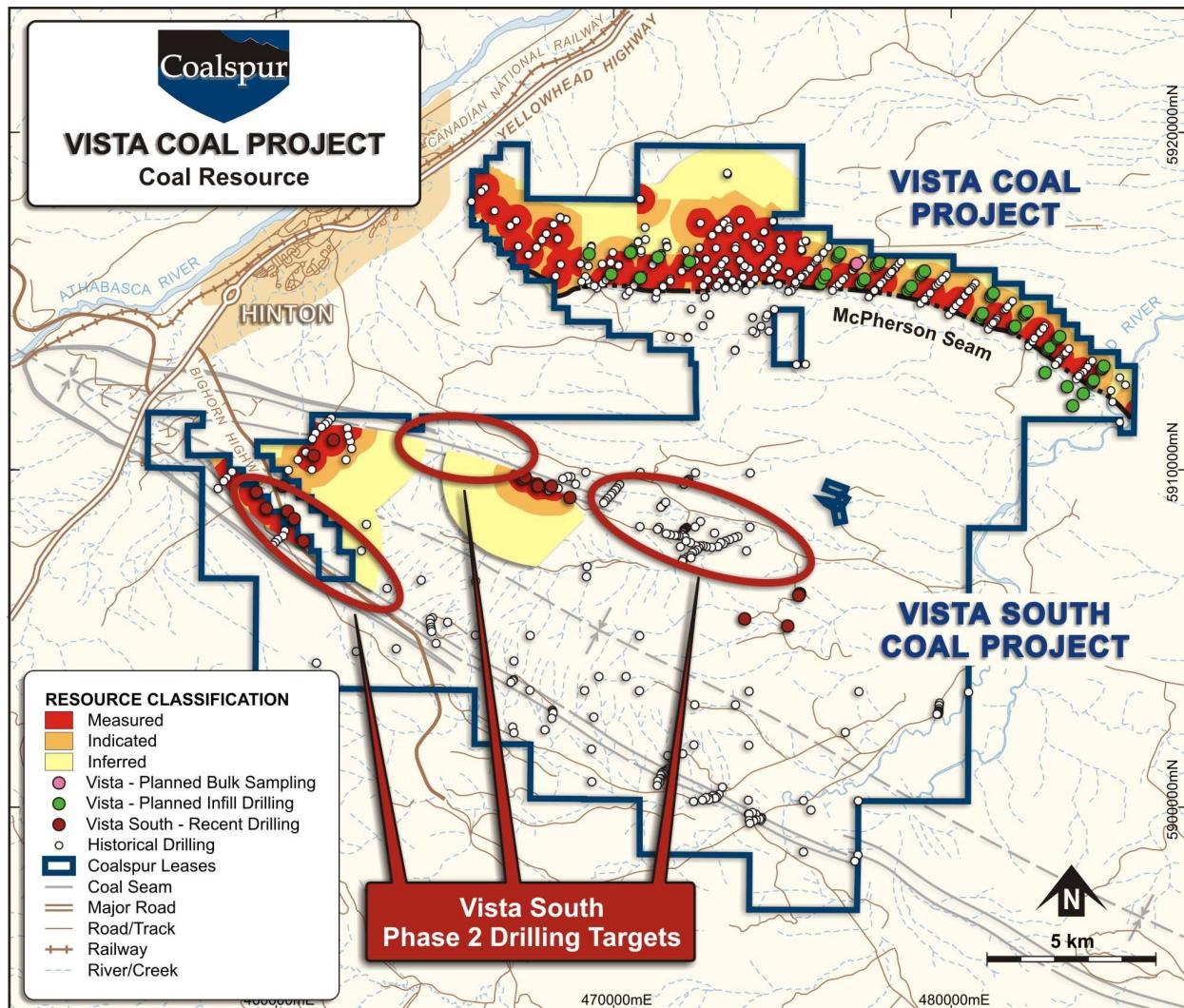


Figure 1: Vista South Coal Project Resources

The initial Vista South Coal Resource estimate has been based on the historical drilling data and recently completed Vista South drilling program. The drilling completed by the Company was the first phase drilling program and consisted of 19 rotary drill holes which were drilled primarily to locate and define seam structure. The second phase is planned to begin in November 2010 and will consist of 30 rotary and diamond drill holes. The Resource Estimate has been completed in accordance with the JORC Code (2004) and National Instrument 43-101 ("NI 43-101").

Vista South is located immediately to the southwest of the Vista Coal Project, which has a Measured and Indicated Coal Resource totalling over 812.6Mt of low sulphur, high volatile bituminous, export quality thermal coal (see Table 1). Vista South resources have 93.3Mt in the Measured and Indicated categories.

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Vista South Coal Resource Estimate

The preparation of the Coal Resource estimate was undertaken by MMTS in accordance with the JORC Code and NI 43-101. MMTS have had a long association with coal properties in the Hinton region and are considered to be among the most respected coal experts in Western Canada. MMTS has an extensive client base of major coal companies including Teck Cominco, Mitsui, Western Canadian and Anglo Pacific.

The Vista South Coal Resource estimate was based upon the most recent drilling program that was designed to enhance the geological and resource understanding of the Entrance Syncline coal structure, which occupies the major portion of the Vista South area. It involved drilling on the Nose Area on the northwest end of Vista South, and along the north limb of the syncline which has a strike length of approximately 24 kilometres.

Eight vertical rotary holes were drilled in the Nose Area to infill the pre-existing pattern of 27 holes drilled in 1981 and 1992. All of these intersected the McPherson seam at varying depth, defining a structure with a 16° dip from the north and between 8° and 11° dip from the southwest.

Between five and seven kilometres along the northern limb of the syncline, six rotary holes were drilled in the Common Limb area, defining three cross-sections, all intersecting the McPherson seam. These were inclined holes, drilled at 65° from horizontal in a northeasterly direction. They augmented 15 core and rotary holes from 1981 and 1982. The McPherson seam was delineated rising at a 35° angle to the northeast, between 220 and 90 m below surface, and is projected to come to surface a short distance further to the northeast.

Thirteen kilometres from the Nose Area, further along the north limb of the syncline, the drilling of five holes in the Gregg River area intersected a package of thin coal seams that has been interpreted to lie above the Val d'Or. These holes were not included in the resource calculations. This area will be one of the targets of additional drilling to be undertaken as part of the Phase 2 drilling.

Key points from work conducted by MMTS on Vista South are as follows:

- The total Coal Resource of 168.3 Mt is comprised of Measured Resources of 51.4 Mt, Indicated Resources of 41.9 Mt, and Inferred Resources of 75.0 Mt;
- The Coal Resource at Vista South is defined from three coal seams that have a cumulative coal thickness of approximately 17.0 m; and
- A 12.3:1 strip ratio pit.

The Coal Resource at Vista South 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 Vista South has been based on:

- A total of 46 diamond drill holes (totalling 6,430 m) previously drilled by Denison and Manalta Coal in the 1980's and the Company's recently completed drilling program which incorporated 14 drill holes (totalling 2,786 m);
- A modelled pit using 45° walls and a 20:1 cut-off strip ratio; and
- A range of specific gravity values from 1.38 to 1.60.

Coal Quality

The coal seams of the Vista South resource are expected to have similar coal quality characteristics to the Vista Coal Project (refer Table 2). Core drilling is planned as part of the Phase 2 drilling to verify the coal quality characteristics in the Vista South leases.

Table 2: Vista Coal Project Clean Coal Quality

Coal Characteristic	Basis	Specification
Moisture	gar	12.0%
Moisture	ad	7.0%
Ash Content	gar	10.5%
Total Sulphur	gar	0.28%
Calorific Value	gar	5,800 kcal/kg

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 dual is listed on the Toronto Stock Exchange ("TSX") under the symbol "CPT" and on the Australian Securities Exchange ("ASX") under the symbol "CPL".

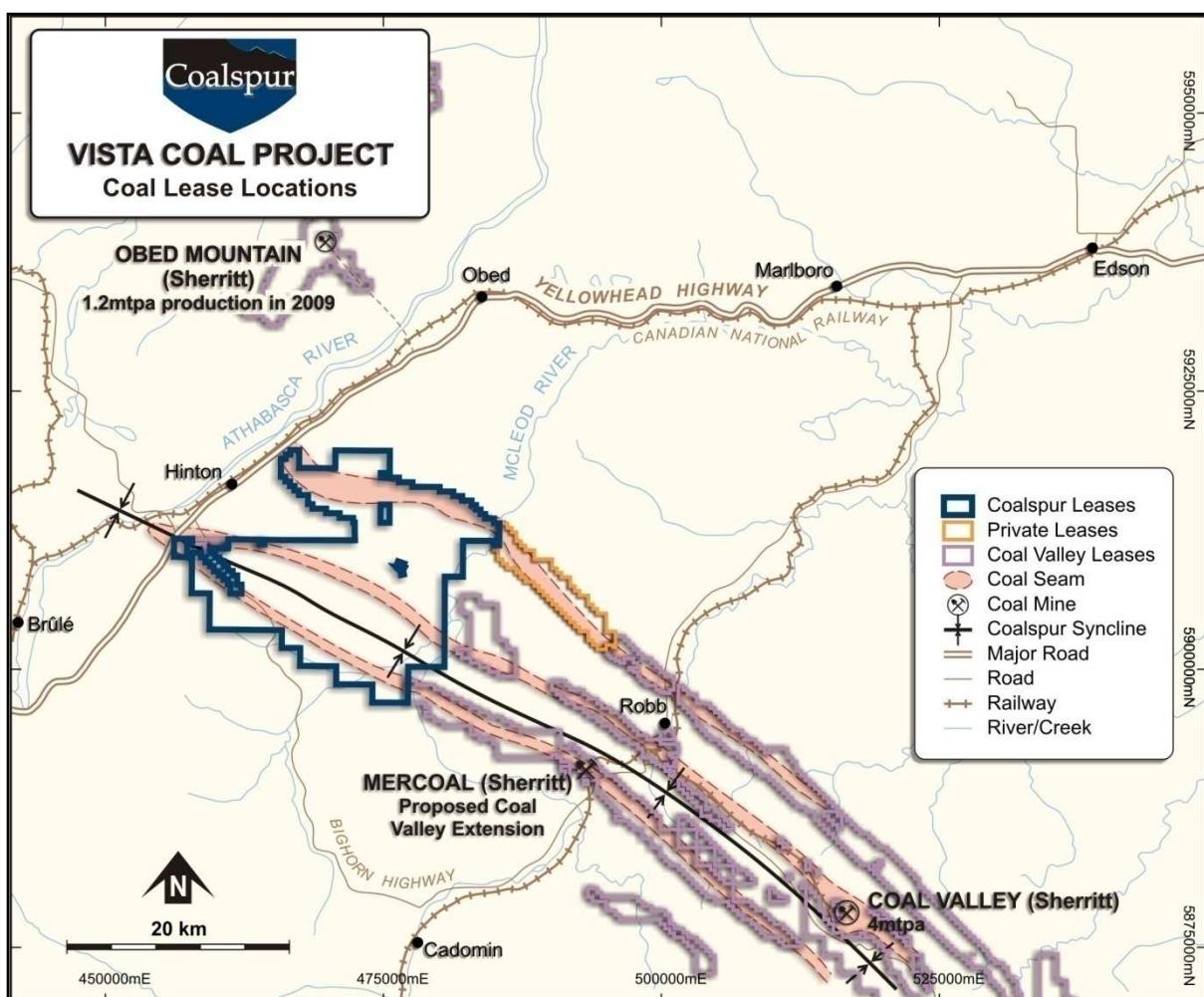


Figure 2: Coalspur Coal Leases

Competent Person Statements

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
CPN 10-01	5909284	459364	1,154	160.7	11.00
CPN 10-02	5908796	459658	1,177	109.5	9.95
CPN 10-04	5909452	460149	1,141	266.7	11.05
CPN 10-05	5908714	460293	1,173	108.8	6.60
CPN 10-07	5908487	460484	1,193	207.2	11.05
CPN 10-08	5907831	460763	1,232	62.3	8.75
CPN 10-09	5910361	461067	1,153	253.8	13.13
CPN 10-10	5910827	461648	1,206	228.9	12.95
CPN 10-21	5909667	467266	1,396	204.9	19.80
CPN 10-22	5909719	467327	1,387	146.6	13.05
CPN 10-23	5909515	467702	1,393	175.4	12.85
CPN 10-23B	5909458	467711	1,402	231.0	21.90
CPN 10-24B	5909455	468109	1,394	201.3	27.85
CPN 10-26	5909118	468654	1,415	170.1	5.80
CPG 10-43	5906268	475461	1,315	138.3	6.70
CPG 10-44	5906247	475444	1,317	139.2	7.00
CPG 10-45	5906216	475438	1,317	144.1	9.35
CPG 10-46	5905306	475111	1,305	148.7	1.15