



## NEWS RELEASE

February 17, 2011

# COMMENCEMENT OF SECOND PHASE DRILLING AT VISTA COAL PROJECT

### *Highlights:*

- *Commencement of second phase development drilling at the Vista Coal Project to further confirm coal quality and upgrade existing resource classifications*
- *Initiated drilling that focuses on defining the structural potential of the Vista coal sequence to support underground longwall mining to access potential additional coal reserves that are outside the current mine plan limits*
- *Investigating geotechnical aspects of the coal bearing sequence in the Coalspur Formation to confirm highwall stability assumptions for dragline and truck/shovel mining*
- *Installing piezometers for water measurement as part of the continuing program to advance technical studies for development planning and permitting*

---

**PERTH, Western Australia: Coalspur Mines Limited (“Coalspur” or “Company”) (ASX: CPL, TSX: CPT)** is pleased to announce that the second phase of development drilling at the Company’s flagship project, the Vista Coal Project (“**Vista**”) has now commenced.

In addition to undertaking further confirmatory drilling for the upcoming Bankable Feasibility Study (“**BFS**”), the program has been designed to investigate the underground longwall potential at Vista. The Company is also steadily progressing programs focused on the mine planning and permitting component of the Vista development and upcoming BFS.

Commenting on the importance of the drilling activity, Managing Director and CEO, Gene Wusaty said “We expect to get a substantial amount of critical information from this drilling program which has been designed to upgrade the existing resource classifications and provide further confirmation of the coal quality across the Project’s very large strike length, which exceeds 20 kilometres. Technical information from this program will greatly assist us when we formally commence the BFS.”

“Furthermore, the potential for additional reserves from underground longwall mining in Vista provides Coalspur with an exciting opportunity to increase the production capacity of the potential mine.”

## Vista Development Drilling

Coalspur's first phase development drilling program was completed in the December 2010 Quarter and was comprised of 20 rotary drill holes and 9 core drill holes. The analytical results from the 9 completed core holes are currently being interpreted and are expected to be announced to the market later this quarter.

The Company's second phase development drilling program includes 16 rotary drill holes and 10 core holes with completion expected later this quarter. The second phase rotary drill holes have been orientated to upgrade the existing resource classifications within Vista. The core holes from development drilling programs have been strategically placed to investigate and confirm coal quality characteristics across the eastern portion of Vista which spans a strike length of approximately 12km.

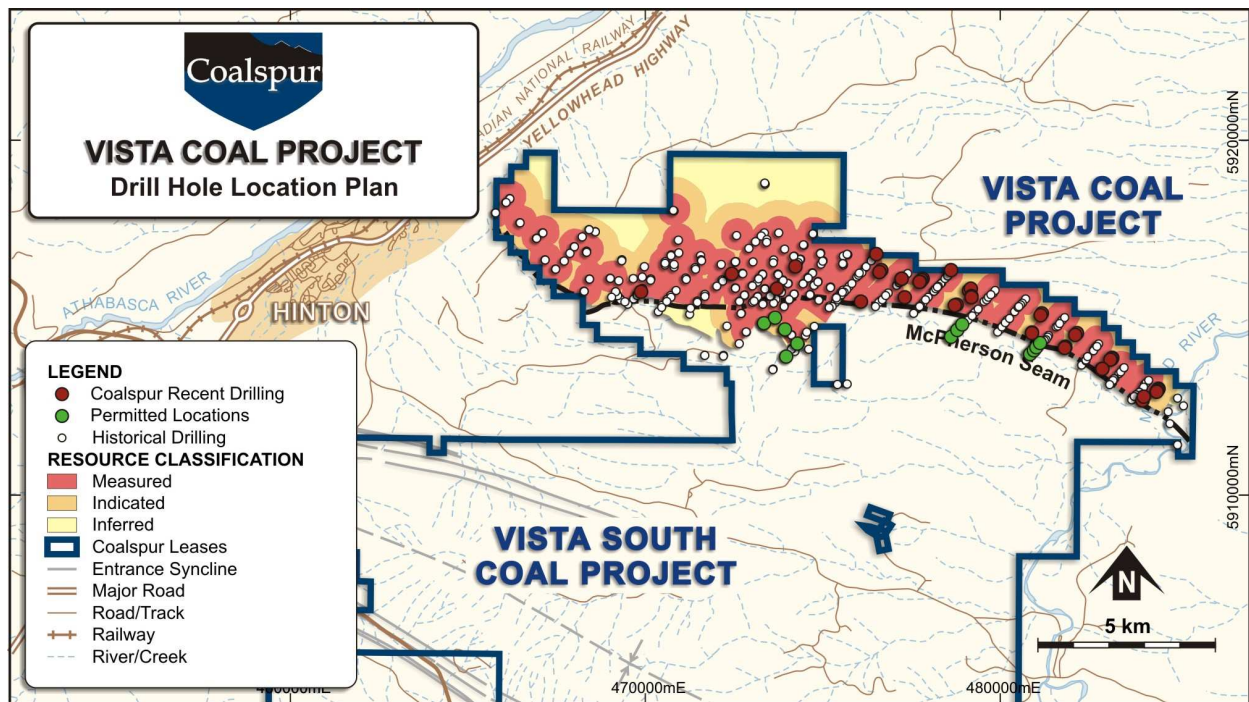


Figure 1: Vista Drill Hole Location Plan

## Vista Underground Drilling

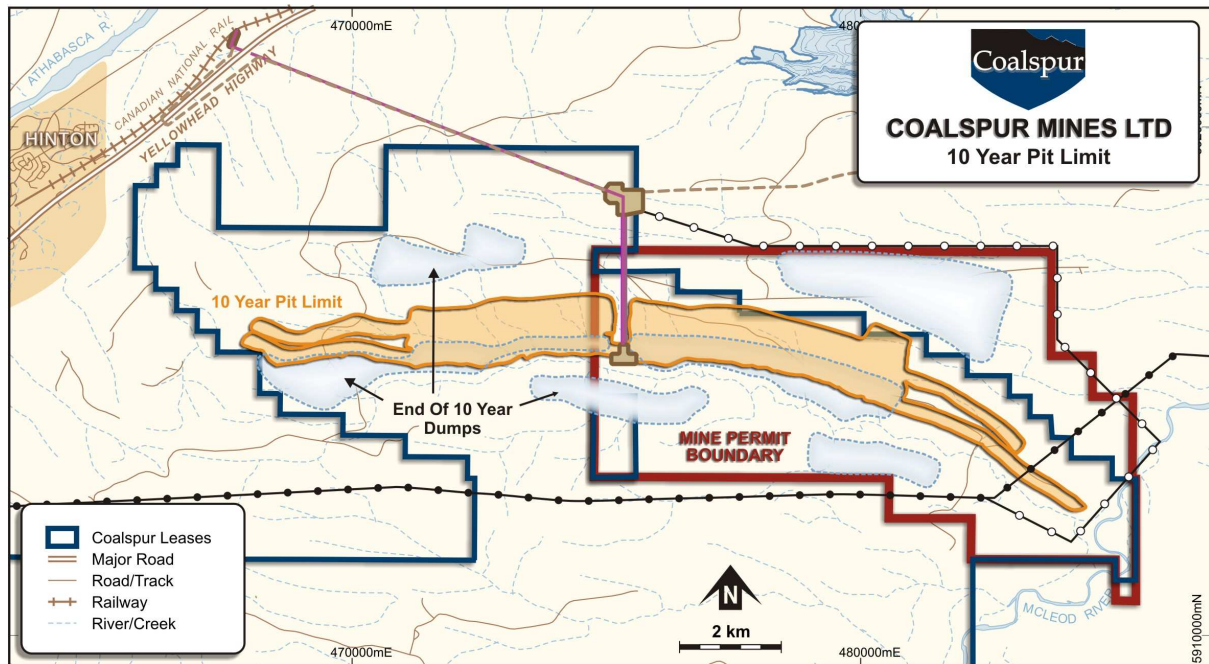
In 1984 Esso Resources completed a feasibility study that identified potential for underground mining. Based on that study the Company believes that the deeper areas of the over 20 kilometre strike length of gently dipping, multiple coal seams within Vista have the potential to be mined by conventional underground longwall mining methods. As a result two core holes will be drilled into the deeper portions of the coal formation and will be examined by mining consultants with the objective of assessing geotechnical capabilities to enable underground longwall mining and accessing potential additional coal reserves .

## Piezometer Drilling

In conjunction with the rotary drill hole program, Coalspur's environmental consultants have selected some of the completed drill sites to install piezometer monitors. The piezometer monitors will measure hydrogeological conditions and will be used to confirm historical information regarding groundwater quality and quantity which are part of the ongoing technical studies required for development planning and regulatory approvals.

## Mine Design

The 2010 drilling program for Vista includes geotechnical core holes at two points along the projected ultimate highwall for open pit mining. The collected core from these two holes will be geotechnically logged and sampled for strength testing to confirm design criteria for pit highwalls.



**Figure 2: Vista Coal Project Mining Area Year 10**

For additional information, please contact:

**Gene Wusaty**

Managing Director and CEO

Telephone: +1 403 975 7901

## About Coalspur

Coalspur Mines Ltd ("Coalspur" or "Company") is a coal exploration and development company with over 32,000 hectares of coal exploration leases located within the Hinton region of Alberta, Canada. Coalspur's flagship coal project is the Vista Coal Project which has the potential to be one of the largest export thermal coal mines in North America.

The Vista Coal Project covers approximately 8,700 hectares and contains over 20km of continuous gently dipping strike length and a Measured and Indicated Coal Resource base of over 800 million tonnes of low sulphur, high volatile bituminous, export quality thermal coal. The Company's recently completed Pre-Feasibility Study ("PFS") defined an initial marketable reserve of over 260 million tonnes on the Vista Coal Project which makes it one of the largest undeveloped export orientated thermal coal projects in North America.

JORC / NI 43-101 Coal Reserves						
	Recoverable Coal Reserve			Marketable Coal Reserve		
	Proven (Mt)	Probable (Mt)	Proven & Probable (Mt)	Proven (Mt)	Probable (Mt)	Proven & Probable (Mt)
Export Product	349.2	79.5	428.7	185.9	42.7	228.7
Domestic Product	66.2	26.8	93.0	22.5	8.9	31.4
<b>Coalspur Total Reserves</b>	<b>415.4</b>	<b>106.3</b>	<b>521.7</b>	<b>208.4</b>	<b>51.6</b>	<b>260.1</b>

The PFS defined a 31 year mine life producing approximately 9.0 million tonnes per annum ("Mtpa") of saleable coal from the processing of approximately 18.0Mtpa of run of mine ("ROM") coal. Initial development costs for the Vista Coal Project are expected to be ~C\$580 million. The Vista Coal Project is able to leverage off already established first world infrastructure, with CN rail facilities located adjacent to the Project that are substantially underutilised and provide a rail track suitable for the transport of coal to deepwater ports with excess capacity that already service the growing demand from the Asian Pacific Rim countries, including China, Japan and Korea.



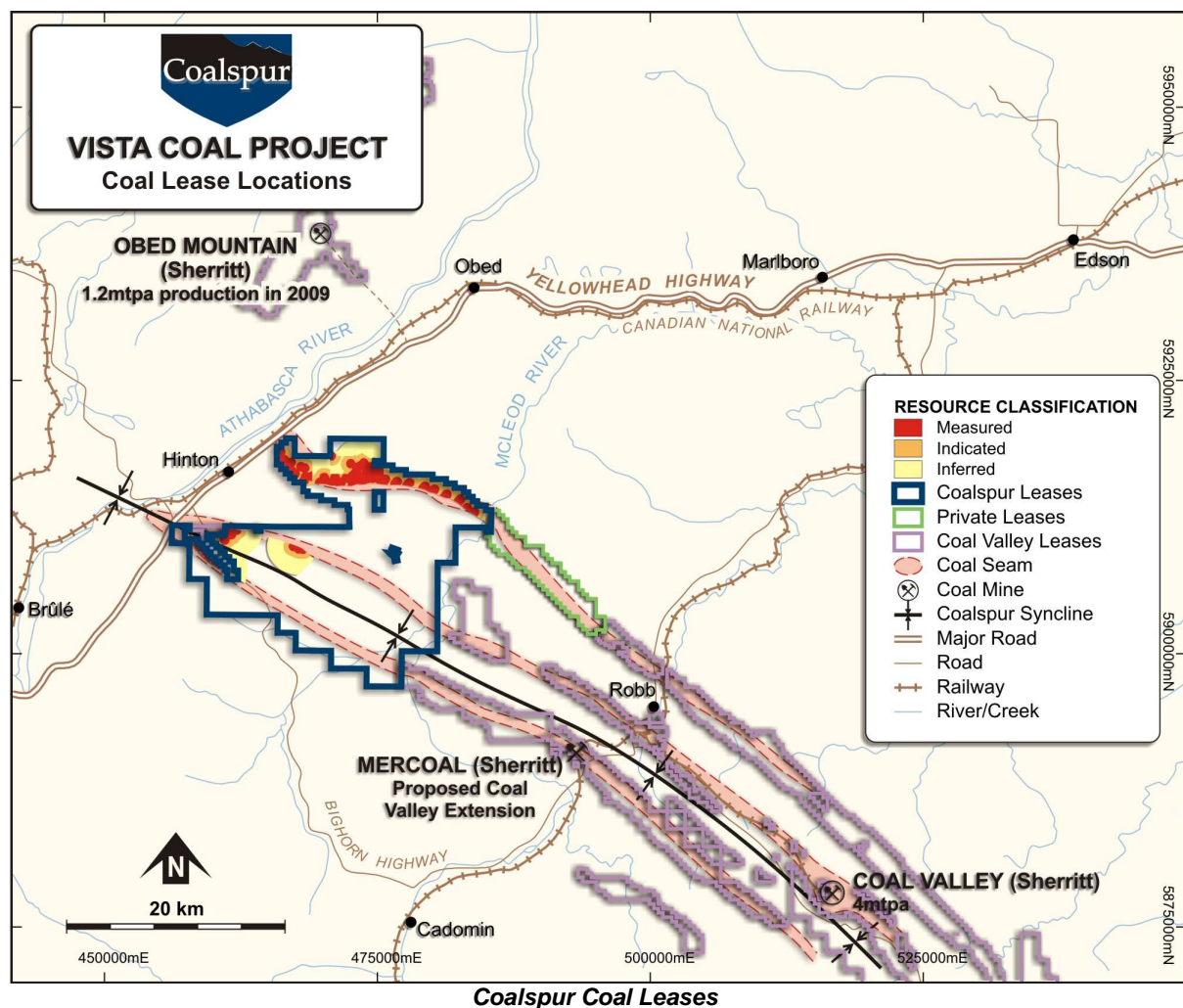
*Proposed Plant Site*



<b>JORC / NI 43-101 Coal Resources</b>				
	<b>Measured</b>	<b>Indicated</b>	<b>Measured &amp; Indicated</b>	<b>Inferred</b>
	<b>(Mt)</b>	<b>(Mt)</b>	<b>(Mt)</b>	<b>(Mt)</b>
Vista Coal Project	588.9	331.6	<b>920.5</b>	282.3
Vista South Coal Project	51.5	41.9	<b>93.3</b>	75.0
<b>Coalspur Total Resource</b>	<b>640.4</b>	<b>373.5</b>	<b>1,013.8</b>	<b>357.3</b>

In addition the Company holds leases directly south of the Vista Coal Project named Vista South. The Vista South Project area covers over 23,000 hectares extends for over 25km on each of the northern and southern limb of the Entrance Syncline which the company believes has the potential to host a significant coal resource. First phase drilling in the area together with existing historical information has allowed the Company to define an initial Measured and Indicated Coal Resource of 93 million tonnes. Further drilling and potential resource upgrades are scheduled during 2011 on Vista South.

Coalspur has offices in Calgary and Hinton in Canada as well as in Australia. The Company's goal is to develop a major new thermal export coal region in Alberta to meet growing energy demands worldwide and in particular of the insatiable Asia Pacific market. The Company is dual listed on the Toronto Stock Exchange ("TSX") under the symbol "CPT" and on the Australian Securities Exchange ("ASX") under the symbol "CPL".



## **Regulatory Disclosures**

For further information regarding the Project, including a description of Coalspur's quality assurance program, quality control measures, the geology, samples collected and testing procedures in respect of the Project please refer to the technical report on the Project titled "Vista Coal Project Prefeasibility Study" (the "**Technical Report**") which is compliant with National Instrument 43-101 – "Standards of Disclosure for Mineral Projects" ("**NI 43-101**") and is available for review on SEDAR at [sedar.com](http://sedar.com).

## **Competent Person / Qualified Person Statements**

The information in this news release 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 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' ("**JORC Code**"), and a "Qualified Person" under NI 43-101. Mr. Morris consents to the inclusion of such information in this news release in the form and context in which it appears.

The information in this news release that relates to mining engineering and Recoverable Coal Reserves is based on information compiled by Mr. Robert Fong, who is a Member of the Association of Professional Engineers, Geologists and Geophysicists of Alberta. Mr. Fong is an associate of Moose Mountain Technical Services, who are consultants to Coalspur. Mr. Fong has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity he is undertaking to qualify as a "Competent Person" as defined in the 2004 Edition of the JORC Code, and a "Qualified Person" under NI 43-101. Mr. Fong consents to the inclusion of such information in this news release in the form and context in which it appears.

All scientific and technical information in this news release 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. 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 JORC Code, and a "Qualified Person" under NI 43-101. Mr. Wusaty consents to the inclusion of such information in this news release in the form and context in which it appears.

## **Forward Looking Statements**

This news release contains 'forward-looking information' that is based on the Company's expectations, estimates and projections as of the date on which the statements were made. This forward-looking information includes, among other things, statements with respect to the Company's business strategy, plans, development, objectives, performance, outlook, growth, cash flow, projections, targets and expectations, mineral reserves and resources, scoping, pre-feasibility and other studies, results of exploration and related expenses. Generally, this forward-looking information can be identified by the use of forward-looking terminology such as 'expect', 'potential', 'outlook', 'anticipate', 'project', 'target', 'likely', 'believe', 'estimate', 'intend', 'may', 'would', 'could', 'should', 'scheduled', 'will', 'plan', 'forecast', "evolve" and similar expressions. Persons reading this news release are cautioned that such statements are only predictions, and that the Company's actual future results or performance may be materially different.

Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the Company's actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking information. Forward-looking information is developed based on assumptions about such risks, uncertainties and other factors set out herein, including but not limited to the risk factors set out in the Company's Annual Information Form. This list is not exhaustive of the factors that may affect our forward-looking information. These and other factors should be considered carefully and readers should not place undue reliance on such forward-looking information.

The Company disclaims any intent or obligation to update or revise any forward-looking statements whether as a result of new information, estimates or options, future events or results or otherwise, unless required to do so by law.