

NEWS RELEASE

24 February 2015

COALSPUR ANNOUNCES TRANSACTION

VANCOUVER, British Columbia: Coalspur Mines Limited ("Coalspur" or "Company") (ASX: CPL, TSX: CPT) is pleased to announce it has entered into a definitive agreement (Scheme Implementation Agreement, "SIA") for the proposed acquisition of Coalspur by KC Euroholdings S.à r.l. ("KCE") by way of an Australian scheme of arrangement ("Scheme"). Under the proposed Scheme, KCE will seek to acquire all of the outstanding shares of the Company (the "Transaction") offering a cash payment of \$0.023 per Coalspur share (the "Consideration"), subject to the fulfilment of the conditions set out in the SIA, some of which are described below. The total equity value of the Transaction is approximately \$15 million on a fully-diluted basis. All amounts are in Australian dollars unless noted otherwise.

The Consideration represents a 44% premium over the closing price of the Company's ordinary shares on the Australian Securities Exchange on 24 February and a 53% premium based on the volume weighted average price of the ordinary shares over the 60 days prior to this announcement.

KCE is the parent company of Kameron Collieries ULC, the owner of the Donkin coal mine in Nova Scotia, Canada and is an affiliate of the Cline Group LLC ("Cline"), a major coal producer in the United States. KCE will fund the acquisition from internal cash sources.

The Transaction with KCE represents the culmination of the strategic review process that was announced by Coalspur on June 23, 2014. The strategic review process, overseen by a Special Committee of the Board of Directors, had the express objective to attempt to maximize value for all stakeholders of Coalspur. During the past seven months Coalspur and its financial advisor, Deutsche Bank, have canvassed a significant number of strategic and financial parties worldwide with a view to achieving the full funding of the Vista project, the sale of all or a portion of the Company's assets, the outright sale of the Company or a merger or other third party transaction for refinancing and/or recapitalization of the Company. The competitive process resulted in the selection of KCE's proposal which has the unanimous support of the Coalspur Board.

"After running a comprehensive, global process, the Company is pleased to enter into this agreement with KCE. Despite the challenging environment for thermal coal exporters globally, and limited capital market access for single asset developers of thermal coal projects, we have managed to run a competitive process and secured a positive outcome for all stakeholders. The agreement with KCE is the best option for our shareholders in the context of the Company's upcoming obligation to repay its debts with EIG Global Energy Partners ("EIG") and Borrowdale Park S.A. ("Borrowdale"). Cline is an industry leader with the technical capability and financial capacity to bring Vista into production," said Gill Winckler, President and Chief Executive Officer of Coalspur.

"The acquisition of the high quality Vista asset in Alberta will combine well with our recent purchase of the Donkin mine in Nova Scotia and advances our strategy to service growing international markets through a low cost coal production platform" said Paul Vining, Chief Executive Officer of KCE. "We look forward to working with key stakeholders as we develop Vista and our other international businesses."

Coalspur Board and Major Shareholder Support

The Board has unanimously approved the Transaction and unanimously recommends that shareholders vote their shares in favour of the Scheme. The Scheme is supported by a unanimous recommendation of the Board

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and a commitment that all Coalspur Directors will vote any Shares they directly or indirectly own, control or represent in favour of the Scheme. Borrowdale Park, Coalspur's major shareholder, has confirmed to the Coalspur Board that it intends to vote the shares it directly or indirectly owns, controls or represents in favour of the Scheme; and has entered into a standstill agreement with KCE, pursuant to which it has agreed not to dispose of a parcel of Coalspur shares representing 19.9% of the total Coalspur shares outstanding prior to the Scheme becoming effective (unless the SIA is terminated). The Coalspur Board, Director and Borrowdale Park approvals, recommendations and commitments are granted in the absence of a superior proposal and, in the case of the Coalspur Board and Director approvals, recommendations and commitments, subject to the Independent Expert opining that the Scheme is in the best interests of Coalspur shareholders.

Transaction details

The Transaction is to be completed by way of a Scheme and will be subject to a number of conditions including the approval of 75% of the votes cast by Coalspur's shareholders and a simple majority of the number of shareholders present and voting at the Scheme meeting, which is expected to be held in mid-April 2015. It is intended that the Scheme Booklet and proxy materials will be mailed out to shareholders in mid-March 2015 following the customary regulatory and court review and approval. If the conditions to the Transaction are satisfied, including approval by Coalspur's shareholders and the court, the acquisition of the Company by KCE is expected to complete in early May 2015.

In addition to executing the SIA, KCE has also executed a definitive agreement to purchase EIG's senior, secured debt (at a discount to face value) and warrants for consideration comprising a partial cash settlement together with future payments contingent on future coal prices. Completion of that agreement is subject to limited conditions precedent and is not contingent upon completion of the Scheme.

The Scheme includes a number of conditions precedent including KCE completing the purchase of debts owed to EIG and Borrowdale by the Coalspur group. KCE has agreed in-principle terms with Borrowdale for the purchase of its sub-ordinated, secured debt which will be acquired for a royalty based on future production. In addition, KCE will engage in negotiations with Ridley Terminals Inc and CN Rail to amend key terms of the Company's current contracts with those entities. Resolution of those negotiations to the satisfaction of KCE is a condition precedent to completion of the Scheme.

The SIA contains customary deal protection mechanisms such as no shop and no talk provisions, matching and notification rights in the event of a competing proposal and a mutual reimbursement fee payable by KCE or the Company in specified circumstances.

A copy of the SIA is available on the Company's website, the ASX website and www.sedar.com.

Indicative timetable

The indicative timetable for implementation of the Scheme is anticipated to be as follows:

Event	Target Dates <i>(subject to change)</i>
1st Court hearing to approve Scheme Booklet	Mid March
Scheme Booklet sent to Coalspur shareholders	Mid March
Scheme meeting	Mid April
2nd Court hearing to approve Scheme	Late April
Scheme becomes effective	Late April
Coalspur shareholders receive Consideration	Early May

Impairment

As a result of entering into the SIA, Coalspur is expecting to recognise a non-cash impairment charge in its 2014 full year accounts. The impairment charge is subject to finalisation of Coalspur's full year accounts, which are expected to be released before 30 March 2015.

Advisors

Coalspur is being advised by Deutsche Bank and its legal counsel are Hardy Bowen Lawyers (Australia) and McCarthy Tétrault LLP (Canada).

About Coalspur

Coalspur is a coal development company with approximately 55,000 hectares of coal leases located within the Hinton region of Alberta, Canada. Coalspur's flagship project is Vista, which covers approximately 10,000 hectares and provides a large scale, surface mineable, thermal coal development. Vista is located adjacent to CN Rail's main line, which is suitable for the transport of coal to deepwater ports on Canada's west coast. Coalspur has secured a port allocation agreement with Ridley Terminals, which is essential to the logistics supply chain necessary to export coal from Vista to the growing thermal coal demand from countries in the Asia Pacific region. The Transaction is the outcome of the strategic review process announced by Coalspur on 23 June 2014.

About KCE

KCE is a Cline affiliate put in place in 2014 to acquire, develop and operate coal mines in international (non-U.S.) markets. In August 2014, Kameron Collieries ULC, a subsidiary of KCE expanded into Canada by acquiring Glencore's 75% interest in the Donkin coal mine in Nova Scotia. Subsequently in December 2014 Kameron Collieries ULC increased its ownership of the Donkin coal mine to 100% by acquiring Morien Resources Corp.'s 25% shareholding.

Cline is a private coal company founded by Chris Cline. Its focus is on developing highly productive mining operations and it has a track record spanning 35 years. Cline's subsidiaries and affiliates control over four billion tons of reserves in the Illinois coal basin and Canada. Cline's subsidiaries and affiliates own approximately 86% of Foresight Energy LP (NYSE: "FELP") a U.S. thermal coal producer that currently operates four mining complexes consisting of four longwall mines and one room and pillar mine. FELP is the most productive and one of the lowest cost coal companies in the U.S. with 2014 EBITDA of US\$404 million.

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No regulatory authority has approved or disapproved of the information contained in this release.

This release contains forward-looking information concerning Coalspur, including information regarding Coalspur's plans for concluding the strategic review process that was announced on 23 June 2014 and plans for the acquisition of Coalspur by way of an Australian scheme of arrangement ("Scheme"). All statements in this release, other than statements of historical facts, that address events or developments that Coalspur expects to occur, are statements of forward-looking information. Although Coalspur believes that such forward-looking information is based on reasonable assumptions, such information is not a guarantee of future performance and actual results or developments may differ materially from the forward-looking information. Material factors or assumptions used by Coalspur to develop forward-looking information include the following: (a) the conditions to the Scheme will be fulfilled, including those relating to reaching agreement with EIG Global Energy Partners, Borrowdale Park S.A. and Ridley Terminals Inc; (b) coal price and currency exchange rate assumptions; (c) regulatory approvals, permits and licences for the development, construction and operation of Vista will be obtained, amended and maintained on a basis consistent with Coalspur's current expectations; (d) accuracy of mineral resource and reserve estimates; (e) Coalspur's title to mineral and surface rights will be maintained; and (f) Coalspur's secured creditors will continue to be supportive of the strategic process. Factors that could cause actual results to differ materially from forward-looking information include: (i) uncertainties relating to the fulfilment of the conditions precedent to the Scheme; (ii) conditions for drawdown and other requirements under existing credit facilities, including the acceleration of debt due to events of default; (iii) fluctuations in coal prices and currency exchange rates; (iv) uncertainties regarding the receipt, maintenance, amendment and conditions of regulatory approvals, permits and licences required for the development, construction and operation of Vista; (v) take or pay commitments with Ridley Terminals; (vi) uncertainties in Coalspur's mineral resource or reserve estimates; (vii) uncertainties related to aboriginal claims and overlapping mineral or surface rights; and (viii) uncertainties related to general economic, market and business conditions. For more information on Coalspur, investors should review Coalspur's continuous disclosure filings that are available at www.sedar.com and www.asx.com.au.