

NEWS RELEASE

December 20, 2012

COALSPUR SECURES US\$300 MILLION SENIOR DEBT COMMITMENT TO FUND MAJORITY OF INITIAL DEVELOPMENT CAPITAL AT VISTA COAL OFF-TAKE / MARKETING DISCUSSIONS TO COMPLETE FUNDING, EXPECTED TO BE FINALISED IN EARLY 2013**Highlights:**

- *Commitment received from EIG Global Energy Partners to provide a US\$300 million senior debt facility*
- *Advanced discussions underway with a number of trading parties to provide remaining required funding*
- *Financing arrangements will fully fund capital requirements to achieve first production at Vista*
- *Definitive financing agreements expected to be finalised in the first quarter of 2013*
- *Recently agreed binding rail terms with CN provide certainty around a substantial portion of FOB cash costs*
- *Vista remains on track for construction in 2013 and first production in 2015*

CALGARY, Alberta: Coalspur Mines Limited (“Coalspur”) (ASX: CPL, TSX: CPT) is pleased to announce that it has entered into a Commitment Letter with EIG Global Energy Partners (“EIG”) to provide Coalspur a US\$300 million senior secured debt facility (the “**Facility**”). Proceeds from the Facility will fund the majority of the development capital required to achieve first production at the Vista Coal Project (“**Vista**”). Advanced discussions are also underway with a number of strategic trading/off-take parties to secure additional funding for Vista and finalise coal marketing arrangements.

The Facility, combined with the anticipated additional funding, will provide Coalspur with the funds required to commence production at Vista, provide working capital and repay the outstanding loan facility with the Highland Park Group. Coalspur expects the funding and off-take agreements to be executed and effective by the end of the first quarter of 2013.

Commenting on the Facility, President and CEO, Gill Winckler said, "This is a significant milestone for Coalspur as it provides certainty of funding for the initial development capital of Vista and enables us to maintain our development timeline. Our ability to secure a significant portion of financing for Vista, at competitive terms in a difficult market, is a testament to the quality of our project. We believe we are in a unique position amongst coal development companies worldwide with our robust economics, fully committed and contracted port allocation, access to underutilised rail capacity and location in a stable jurisdiction.

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“We continue to build our team and we look forward to finalising the remaining coal-linked financing arrangements early in 2013 and continuing to deliver on our commitments as we move forward into construction in the second quarter of 2013.”

The Facility, which has been approved by EIG’s Investment Committee, is for a term of eight years with a cash coupon of 8% per annum and with principal capitalising at 3% per annum. Coalspur has the ability to cash-pay this additional 3% instead of having it capitalise. The Facility is subject to a number of conditions, including completion of confirmatory due diligence (regarding technical, tax and accounting, insurance and legal matters) and documentation being entered into. Documentation will include customary terms and conditions including as to fees, representations and warranties, covenants, events of default and any early repayment.

EIG will be granted 100 million warrants to purchase Coalspur shares, as noted below. The grant of the warrants is subject to necessary shareholder and regulatory approvals.

- 40 million warrants with an exercise price of A\$0.90 (unless the five day volume weighted average price (“**VWAP**”) prior to the financial close date is lower, in which case the exercise price will be the VWAP). These warrants expire 36 months from financial close;
- 30 million warrants with an exercise price of 125% of the five day VWAP prior to financial close. These warrants expire 96 months from financial close; and
- 30 million warrants with an exercise price of 150% of the five day VWAP prior to financial close. These warrants expire 96 months from financial close.

Project Update

The Company continues to advance the detailed engineering studies for Vista, the definitive transport agreement with CN, the requirements for the regulatory approval process and other activities that will ensure Coalspur is ready to commence construction in 2013.

Logistics and Operating Costs

On December 14, 2012 Coalspur announced that it had entered into a binding legal agreement with CN which outlined the key terms for a definitive rail transportation agreement. The agreement will have a seven year term, commencing in 2013. In terms of the contract CN will supply the equipment to transport coal from Vista to tidewater and there will be no “take or pay” exposure for Coalspur. The haulage rates and price escalation agreed with CN represent significant savings from the rates quoted in the Vista Feasibility Study.

As a result of the agreement with CN, Coalspur’s logistics’ costs, which include port handling charges at Ridley Terminals Inc. (“**Ridley Terminals**”) and haulage rates with CN, are now contractually defined until 2020. The agreements in place with CN and Ridley Terminals provide a high degree of certainty in Coalspur’s future operating costs as approximately 50% of Coalspur’s projected free on board (“**FOB**”) costs are represented by logistics.

The logistics costs for Vista will average C\$30.81 per tonne over the first five years of production and C\$31.40 per tonne at full production of 12.0 million tonnes per annum (“**Mtpa**”). These costs are respectively C\$1.88 per tonne and C\$2.29 per tonne lower than estimated in the Vista Feasibility Study.

The finalised terms with CN reduce the projected total FOB operating costs for Vista to C\$56.98 per tonne in the first five years of production. The FOB costs are projected to be C\$59.55 per tonne in the first ten years of production and C\$66.40 per tonne over the life of the mine.

Vista Project and Engineering

Detailed engineering studies for Vista are ongoing and the Company is preparing for civil earthworks and mine pre-development work to commence in the second quarter of 2013. The initial bid packages for the load out area, rail siding grading and drainage, access roads, plant site grading, surface water management and haul roads have been issued to pre-qualified contractors. Firm bids for this work are expected in early 2013. The bids will be evaluated and contracts will be awarded in time to mobilise equipment ahead of the final approvals to start construction.

Selection of process equipment, including crushing, wash plant and load out facilities, to handle up to 3.0 Mtpa is substantially complete. Letters of Intent or purchase orders have been issued to the selected vendors to receive engineering drawings for the detailed design of the process plant. This will allow the plant structural and foundation design to be completed in early 2013. The detailed engineering completed to date confirms that the current capital cost estimate continues to track the budget.

The decision regarding the use of a mining contractor for the initial years of operation will be made in early 2013 as the final bid submissions are received from contractors and the financing arrangements for Vista are finalised.

Regulatory and Key Stakeholder Update

The Company remains on track with its regulatory approval process and continues to engage with the Energy and Resources Conservation Board (“**ERCB**”) in this regard. As part of this process, final supplementary information requests (“**SIRs**”) were received from the ERCB in November and formal written responses have recently been submitted.

Coalspur is seeking approval to commence forest harvesting in designated construction areas in the first quarter of 2013. Completion of logging in these areas will support Vista’s construction schedule.

Coalspur continues to engage with all key stakeholders and has recently received formal public support from the Town of Hinton. The Company also continues to engage with Aboriginal groups, and in this regard, an agreement has been reached with one of the main groups setting out the terms for the ongoing cooperation and collaboration between the parties.

Coalspur continues to deliver on its targets and remains on schedule with its financing, project and all other activities necessary to commence construction on Vista by mid-2013, following the receipt of requisite approvals.

About EIG

EIG is a leading institutional investor in the global energy sector, with US\$10.3 billion under management as of September 30, 2012. EIG specialises in private investments in energy, resources and related infrastructure and was formerly the Energy & Infrastructure Group of Trust Company of the West. During its 30-year history, EIG has invested over \$14 billion in the sector through more than 290 projects or companies in 33 countries on six continents. EIG’s clients include many of the leading pension plans, insurance companies, endowments, foundations and sovereign wealth funds in the United States, Asia and Europe. EIG is headquartered in Washington, DC, with offices in Houston, London, Sydney, Hong Kong, Seoul and Rio de Janeiro.

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About Coalspur

Coalspur Mines Limited ("Coalspur" or "Company") is a coal exploration and development company with approximately 55,000 hectares of coal leases located within the Hinton region of Alberta, Canada. Coalspur's flagship coal project is the Vista Coal Project ("Vista") which has the potential to be the largest export thermal coal mine in Canada.

Vista covers approximately 10,000 hectares and provides a large scale, surface mineable, thermal coal project. Vista has the advantage of leveraging off established first world infrastructure with CN Rail's main line, located adjacent to Vista, which is substantially underutilised and provides a rail line suitable for the transport of coal to deepwater ports on Canada's west coast. Coalspur has also secured a port allocation agreement with Ridley Terminals Inc., which is essential to the logistics supply chain necessary to export coal from Vista to the growing demand from the Asia Pacific Rim countries, including China, Japan and Korea.

JORC / NI 43-101 Coal Resources				
	Measured (Mt)	Indicated (Mt)	Measured & Indicated (Mt)	Inferred (Mt)
Vista Coal Project	686.0	369.9	1,055.9	460.9
Vista South Coal Project	210.6	259.9	470.5	604.5
Vista Extension	6.5	167.2	173.7	969.3
Coalspur Total Resources	903.1	797.0	1,700.1	2,034.7

Note: Vista Extension Coal Resource estimates effective May 8, 2012, Vista Coal Project Coal Resource estimates effective May 8, 2012 and Vista South Coal Project Coal Resource estimates effective May 22, 2010.

Vista is designed to reach a maximum clean coal production rate of 12.0 Mtpa, has a long mine life of 29 years and will be developed over two phases. Phase 1 will be developed in two discrete stages: the first stage will produce 3.0 Mtpa of clean coal at a capital cost of approximately C\$527 million and the second will provide for a further 2.0 Mtpa of production. Phase 2 will add an additional 7.0 Mtpa to take Vista to its maximum design capacity of 12.0 Mtpa by 2019. Marketable Coal Reserves on Vista are 313 Mt from a Recoverable Coal Reserve of approximately 566 Mt.

JORC / NI 43-101 Compliant Coal Reserves						
Coal Seam	Recoverable Coal Reserve			Marketable Coal Reserve		
	Proven (Mt)	Probable (Mt)	Proven & Probable (Mt)	Proven (Mt)	Probable (Mt)	Proven & Probable (Mt)
Val d'Or and McPherson	429.3	45.9	475.2	248.5	26.5	275.0
McLeod	74.4	16.0	90.3	31.5	6.9	38.4
Coalspur Total Reserves	503.7	61.8	565.5	280.0	33.3	313.4

Note: Coal Reserve estimates effective December 13, 2011

Coalspur has offices in Calgary and Hinton in Canada as well as in Australia. 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 Vista Coal Project and Vista Extension, including a description of Coalspur's quality assurance program, quality control measures, the geology, samples collected and testing procedures in respect of the projects, please refer to the technical report titled "Coalspur Mines Limited: Updated Resource Estimate for the Vista Coal Project" dated September 12, 2012. For further information regarding the Vista South Coal 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 titled "Resource Estimate for the Vista South Coal Property" dated June 25, 2012. The technical reports for the Vista Coal Project, the Vista South Coal Project, and Vista Extension are compliant with National Instrument 43-101 – "Standards of Disclosure for Mineral Projects" ("NI 43-101") and are available for review on SEDAR at sedar.com.

Competent Person / Qualified Person Statements

The information in this news release that relates to Coal Resources on the Vista Coal Project and Vista Extension, mining engineering, Recoverable Coal Reserves, capital costs, mining operating costs, and economic financial analysis, process capital costs and associated infrastructure, and all other scientific and technical information in this Report is based on information compiled by Mr. David Leslie, who is a Member of the Association of Professional Engineers and Geoscientists of Alberta. Mr. Leslie is a full-time employee of Coalspur. Mr. Leslie 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. Leslie has approved and 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 coal quality and process yield estimates to derive Marketable Coal Reserves is based on information compiled by Mr. Gordon Mudryk, who is a Member of the Association of Professional Engineers, Geologists and Geophysicists of Alberta. Mr. Mudryk is a full-time employee of Coalspur. Mr. Mudryk 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. Mudryk has approved and 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 Coal Resources on Vista South is based on information compiled by Mr. John Innis, who is a Member of the Association of Professional Engineers, Geologists and Geophysicists of Alberta. Mr. Innis is a full-time employee of Coalspur. Mr. Innis 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. Innis has approved and 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 statements concerning Coalspur, including statements regarding the Facility and use of the Facility, the issuance of warrants, additional funding for Vista, coal marketing arrangements, engineering studies, regulatory approvals, Coalspur's plans for its mineral projects, development and construction plans and timing, development and operating costs, production, exploration and development activities, and other matters. These statements relate to analyses and other information that is based on forecasts of future results, estimates of amounts not yet determinable and assumptions of management. Actual results could differ materially from the conclusions, forecasts and projections contained in these forward-looking statements. Statements concerning Mineral Resource Estimates may also be deemed to constitute "forward-looking statements" to the extent that they involve estimates of the mineralization that will be encountered if a given property is developed.

Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words or phrases such as "expects", "is expected", "anticipates", "plans", "projects", "estimates", "assumes", "intends", "strategy", "goals", "objectives", "potential" or variations thereof or stating that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved, or the negative of any of these terms and similar expressions) are not statements of historical fact and may be forward-looking statements. Forward-looking statements are subject to a variety of known and unknown risks, uncertainties and other factors that could cause actual events or results to materially differ from those reflected in the forward-looking statements, including those referred to in the Company's Annual Information under the heading "Description of the Business - Risk Factors", and elsewhere.

Coalspur's forward-looking statements are based on the beliefs, expectations and opinions of management as of the date hereof and which Coalspur believes are reasonable in the circumstances, but no assurance can be given that these expectations will prove to be correct. In making the forward-looking statements the Company has applied several material assumptions which may prove to be incorrect, including, but not limited to: (1) that all required approvals will be obtained for the Facility and the development, construction and production of its properties; (2) that a definitive agreement will be entered into with respect to the Facility and that additional financing will be available on reasonable terms; (3) there being no significant disruptions affecting operations, whether due to labour

disruptions, supply disruptions, power disruptions, damage to equipment or otherwise; (4) permitting, development and expansion proceeding on a basis consistent with the Company's current expectations; (5) currency exchange rates being approximately consistent with current levels; (6) certain price assumptions for coal; (7) production forecasts meeting expectations; (8) the accuracy of the Company's current mineral resource and reserve estimates; (9) labour and materials costs increasing on a basis consistent with the Company's current expectations; and (10) assumptions made and judgments used in engineering and geological interpretation.

Coalspur disclaims any intention or obligation to update or revise forward-looking statements if circumstances or management's beliefs, expectations or opinions should change, except as required by law. For the reasons set forth above, undue reliance should not be placed on forward-looking statements.