

Coalspur Mines Limited and CN Rail Agree on Key Terms

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Alberta, Canada (ABN Newswire) - [Coalspur Mines Limited](#) (ASX:CPL) (TSE:CPT) is pleased to announce that it has agreed on binding key terms for the definitive commercial transportation agreement with the Canadian National Railway Company ('CN') (TSE:CNR) (NYSE:CNI). The Key Terms agreed with CN for Coalspur's Vista Coal Project ('Vista') now complete the logistics costs for Vista.

Coalspur and CN have agreed on an innovative seven year commercial contract that forms the foundation for a collaborative coal supply chain for Vista. At full production of twelve million tonnes per annum ('Mtpa'), the agreement with CN will enable Coalspur to achieve savings in total logistics costs from the Vista Feasibility Study released in January 2012.

Coalspur President and CEO, Gill Winckler said, 'Securing these key terms of the rail agreement with CN is an important milestone for us, providing certainty around our logistics costs and confirming the strong business relationship that we are building with CN. The agreed terms effectively recognise the scale of the Vista operation and will reduce our projected total FOB operating cost to deliver savings of approximately C\$20 million per annum over the first five years of production as compared to the Vista Feasibility Study.'

Vista's cost risk profile has now been substantially reduced as we have locked in approximately 50% of Vista's estimated FOB cash cost. Coalspur now projects total FOB costs to be approximately C\$57 per tonne in the first five years of production and below C\$60 per tonne in the first ten years of production, which will ensure we are able to weather the cyclical nature of thermal coal markets.'

Commenting on the agreement reached with Coalspur, Jean-Jacques Ruest, CN Executive Vice-President and Chief Marketing Officer, said, 'CN is pleased to have reached this agreement with Coalspur, which helps advance the Vista project. Our comprehensive supply chain approach to managing the flow of coal from mines to west coast terminals improves transparency of the process and improves coal logistics and customer service. We expect Coalspur will also benefit from this end-to-end view of our coal supply chain when production commences in 2015.'

The Key Terms provide Coalspur with up to 12.0 Mtpa of rail allocation and are structured to reflect the production profile of Vista. Key Terms agreed include rates, term and price escalations for the first five years of production, commencing in 2015. Similar with most Western Canadian coal producers, CN plans on supplying equipment to carry Coalspur's coal to tidewater. The definitive agreement is expected to be executed in the first quarter of 2013.

For Coalspur Resources and Reserves, please visit:
<http://media.abnnewswire.net/media/en/docs/ASX-CPL-618563.pdf>

About Coalspur Mines Limited:

Coalspur Mines Limited (ASX:CPL) (TSE:CPT) 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.

A feasibility study was completed on Vista in January 2012, which defined a two phased approach to project development. Detailed engineering has commenced and is scheduled for completion in early 2013. Phase 1

envisages production of 5.0Mtpa at a capital cost of approximately C\$870 million. Phase 2 will increase production by a further 7.0Mtpa and will utilize free cash flow from Phase 1 to fund the estimated additional development costs of approximately C\$373 million. The Vista mine plan defines a 28 year mine life with forecast annual production capacity of 12.0Mtpa. Marketable Coal Reserves on Vista are 313Mt from a Recoverable Coal Reserve of approximately 566Mt.

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'.

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