



NEWS RELEASE

CANADIAN SPIRIT RESOURCES INC. ANNOUNCES EXERCISE OF WARRANTS AND MONTNEY DRILLING UPDATE

Calgary, AB August 10, 2010 – Canadian Spirit Resources Inc. (“CSRI” or the “Corporation”) (TSXVENTURE:SPI) (OTCBB:CSPUF) is pleased to announce that all 1,246,660 of the share purchase warrants issued July 9, 2008, with an original expiry term of eighteen months with two subsequent extensions to July 9 and August 9, 2010 respectively, have been exercised at a price of C\$1.40 per warrant for total proceeds of C\$1.7 million.

As a result of the exercise of these warrants, the Corporation now has 57.8 million common shares outstanding and a strong cash position of approximately C\$13.1 million with no debt.

Canbriam Energy BC Partnership, the Corporation’s partner and operator of the Farrell Creek, B.C. Montney joint venture, has drilled and cased a horizontal well targeting the upper portion of the Montney Formation from the c-18-I location. A second horizontal well, at the same location, was spud on August 4, 2010 and is also targeting the upper portion of the Montney Formation. It is anticipated that the fracture stimulation and testing of both these wells will occur in October. As of the July 2010 B.C. land sale, the Corporation holds approximately 30 net sections of Montney Formation rights.

CSRI is a natural resources company focusing on the identification and development of opportunities in the unconventional gas sector of the energy industry. The mission of the Corporation is to develop 1 trillion cubic feet of natural gas from resource plays in western Canada.

Information regarding CSRI is available on SEDAR at www.sedar.com or the Corporation’s website at www.csri.ca.

On behalf of the Board of Directors,
CANADIAN SPIRIT RESOURCES INC.

“Don Gardner”

Chief Executive Officer

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