

<p>Q When will the Farrell Creek Pilot Project start selling natural gas?</p>	<p>A CSRI expects to tie the Farrell Creek Pilot Project into the Spectra Energy pipeline in the first quarter of 2009.</p>
<p>Q What progress have you made on the Gething Formation property?</p>	<p>A Shell Canada Energy recently drilled two vertical wells on the east side of the Farrell Creek property followed by the drilling of two more vertical wells in the Pilot Project area on the western portion targeting the Gething Formation and other shallow rights. A water disposal well will also be drilled that will result in an operating cost saving by eliminating the need to transport water produced from the Pilot Project to a commercial water disposal facility. Flint Energy Services has mobilized equipment and personnel to the field and will initiate work on the gathering system followed by the processing facilities and sales line. Once operational, the Pilot Project will provide production information enabling the joint venture partners to make a decision to proceed with development, provide an initial source of revenue and eliminate flaring.</p>
<p>Q What progress have you made on the Montney property?</p>	<p>A Canbriam Energy Inc. (“Canbriam”) has drilled two wells targeting the Montney Formation on the eastern portion of the Farrell Creek lands (see News Release dated November 21, 2008). As a result of Canbriam drilling these wells, CSRI holds rights from surface to base of the Belloy Formation in seven sections. In addition, other potentially economic gas zones were identified for future evaluation. One of the wells was granted “New Pool Discovery” status. After studying geological and technical data, it was determined that a horizontal section will not be drilled at this time. Canbriam has instead indicated that it plans to conduct further operations on the western portion of the Farrell Creek lands in 2009.</p>
<p>Q What is CSRI’s working capital position?</p>	<p>A CSRI has a strong working capital position of approximately \$12.0 million (\$0.25 per share) and currently has no immediate capital commitments associated with the Farrell Creek Gething and Montney joint ventures.</p>
<p>Q Is CSRI looking at other opportunities?</p>	<p>A In recent months, the global financial environment has had an adverse effect on capital markets and commodity prices. This has impacted the ability of many companies to raise equity capital and may provide an increased number of opportunities for well-capitalized companies. With its strong cash position, CSRI may investigate a range of new asset, corporate and resource opportunities.</p>
<p>Q Does the Farrell Creek area continue to be a “hot” area for gas exploration?</p>	<p>A In the past two years there have been approximately twenty wells drilled within the vicinity of CSRI’s Farrell Creek lands. Land prices for Montney Formation rights in the Farrell Creek area are especially strong. On November 12, 2008, bids ranging from \$5,413 to \$14,878 per hectare for drilling licences in the Farrell Creek area resulted in a total bid of \$105.6 million. The parcels attracting the higher bids are in close proximity to the western portion of CSRI’s Farrell Creek lands.</p>
<p>Q What measures does CSRI have in place to deal with the extreme volatility in global equity markets and the sudden downturn in commodity prices?</p>	<p>A CSRI has several measures in place to deal with the current economic climate that include:</p> <ul style="list-style-type: none"> ➤ A strong working capital position of approximately \$12.0 million (\$0.25 per share). ➤ Both joint ventures moving ahead at no cost to CSRI. CSRI has leveraged its financial resources through agreements with two well capitalized partners while retaining a substantial interest in each project. ➤ The recent Normal Course Issuer Bid (see News Release dated November 26, 2008). This is a way for publicly-listed companies to provide liquidity to shareholders, reduce volatility in the share price and demonstrate management’s confidence in the future of the Company.
<p>Q What would 1 trillion cubic feet be in “barrels of oil equivalent”?</p>	<p>A In energy or heat equivalent terms, 6000 cubic feet of natural gas is equivalent to 1 barrel of oil equivalent (boe). 1 trillion cubic feet (tcf) would be equivalent to 167 million boe. Selling 1 tcf of natural gas at today’s prices would generate over \$7 billion of revenue.</p>