

September 13, 2007

Shares outstanding ..... 32.3 million  
 Share price ..... \$0.94  
 Total land holdings ..... 40,000 acres  
 Total discovered resource ..... 1.8 tcf \*

\*(Sproule Associates, May 4, 2007)

**CORPORATE UPDATE**

In May 2007, CSRI welcomed Paul Smolarchuk and Eric Schmelzl as our senior engineering consultants. Both had been recently employed with a major service company and each has over twenty five years experience in the Western Canadian Sedimentary Basin.

CSRI has closed another successful private placement with gross proceeds of \$3,544,700. Details can be found in the Company's July 19, 2007 News Release.

The operator of the lands to the south of our project, have announced a twenty-five well CBM program and recently presented their go-forward plans to the local community. The stakeholders who attended went away with a more positive lookout on living with the unconventional gas business in their area.

**OPERATIONS CORNER**

With the addition of Paul and Eric, the team reviewed the field activities that were previously announced at the Company's Annual General Meeting. It was decided to re-complete two wells (b-003-I and b-002-I) before the stimulation of the d-093-H well. The completion of the up-hole section of the Gething Rock Package was recently done on the b-003-I well. Results are still being analyzed and are very encouraging. The b-002-I well was also recently stimulated and results are now being analyzed.



**Figure 1: b-092-H Flaring**



**Figure 2: b-003-I Service Rig**



**Figure 3: b-002-I Production Testing**

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**TSX VENTURE: SPI**

We believe that we can complete the Gething Rock Package at a substantially reduced cost, due to new completion techniques and service company cost reductions.

The objective over the past ninety days has been to optimize the stimulation and production techniques from work done on the b-002-I and b-003-I wells. The Company believes that these results will enable CSRI to stimulate and produce the d-093-H well at economic rates.

**MARKET VIEW**

While most analysts remain bearish on natural gas pricing, the Company believes strongly that the fundamentals behind the supply and demand of natural gas in North America will support a more robust pricing environment in the long term. Even today, the twelve month strip for future natural gas pricing is trading at US\$7.90 almost US\$1.50 per mcf, higher than the near month price of US\$6.45. Therefore, as CSRI continues to prove up the Farrell Creek Project, we need to understand the long term economics and not be overly influenced by the shorter term prognosis. We are still very excited about the potential at Farrell Creek and continue to remain committed to its ultimate development.

**Forward-looking Statements**

The corporate information contained in this document contains forward-looking forecast information. The reader is cautioned that assumptions used in the preparation of such information, although considered reasonably accurate by Canadian Spirit Resources Inc. at the time of preparation, may prove to be incorrect. The actual results achieved during the forecast period will vary from the information provided herein and the variations may be material. Consequently, there is no representation by Canadian Spirit Resources Inc. that actual results achieved during the forecast period will be the same in whole or in part as that forecast.