

Q What progress have you made on the Gething Formation property?

A CSRI and our joint venture partner Shell Canada Energy (“Shell” or the “Operator”) achieved a major milestone with its first sale of gas from a newly constructed Pilot Project in June 2009. The Pilot Project gas processing facility has seven wells tied-in, with a capacity of 1.1 million cubic feet per day (mmcf/d) and can be expanded as required.

The acquisition of 95 sections of Gething rights, drilling of five wells and construction of the pilot plant and facilities concluded Shell’s C\$50 million initial capital program. The two wells drilled by Shell in the east block were for land retention purposes. The next step will be for Shell to make a decision to move to the development stage that would include the pooling of the Shell and CSRI lands to create a shared 150 sections (96,000 acres) of Gething rights (25% working interest or 37 sections net to CSRI) and additional investment.

Q Will the Gething Pilot Project be an important source of revenue for CSRI?

A The primary purpose of the Pilot Project is to optimize the completion and production techniques that would be used at the Farrell Creek Gething project in a commercial production situation. The Pilot Project enables Shell to continuously test Gething wells without the need to flare gases into the atmosphere. At this stage revenue generated from the sale of gas will be used to cover operating costs of the Pilot Project.

Q What progress have you made on the Montney property?

A CSRI and joint venture partner Canbriam Energy (“Canbriam”), operator of the Montney project, is advancing a multi-well program on the western portion of the Farrell Creek Montney lands. These are in proximity to a successful Talisman Energy Inc. (“Talisman”) project that is moving into commercial development.

In December 2009, Canbriam successfully tested the b-17-I/94-B-1 vertical well in the lower portion of the Montney Formation (see News Release dated December 23, 2009). The joint venture chose to evaluate the lower Montney, considered by industry to be the lower porosity portion of the formation, as the upper portion of the Montney has been “derisked” by other operators. The results of the test exceeded CSRI’s expectations and should lead to further exploration of the lower Montney in the Farrell Creek area. The b-17-I well will be used as a “frac” observation wellbore for other planned horizontal wells in the vicinity.

CSRI expects to complete the horizontal c-A48-I well in the lower Montney. This will be followed by a multi-lateral horizontal well drilled through the upper Montney Formation from the c-18-I wellpad, past the b-17-I “frac” observation wellbore. CSRI is also planning a future horizontal leg from the b-17-I well in the upper or lower part of the Montney Formation. Another multi-lateral horizontal well and construction of an expandable 20 mmcf/d sweet gas processing facility are expected by year-end. Canbriam’s planned capital program and this development activity will move CSRI towards its goal of meaningful production, revenue and reserves by the end of 2010.

The Company's Farrell Creek Montney lands are comprised of 23 sections in the western portion of the Farrell Creek lands and 21 sections in the eastern portion of the Farrell Creek lands for a total of 44 gross sections (35% working interest or 15.4 net sections to CSRI) of deep rights.

- Q** What is CSRI's working capital position? **A** CSRI has a strong working capital position of approximately C\$10.1 million (C\$0.20 per share), G&A of C\$150,000/month, and currently has no immediate capital commitments associated with the Farrell Creek Gething and Montney joint ventures. CSRI may raise an additional C\$5.7 million through the exercise of share purchase warrants in February and July 2010.
- Q** Is CSRI looking at other opportunities? **A** The global financial environment over 2008/2009 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.
- Q** Does the Farrell Creek area continue to be a "hot" area for gas exploration? **A** In a January 11, 2010 news release, Talisman announced that it had budgeted approximately C\$550 million for its Montney shale play in northeastern British Columbia. Talisman also advised that its commercial development of the Montney shales in the greater Farrell Creek and Cypress areas will include the drilling of 25 horizontal wells in 2010. To date, Talisman has drilled a number of successful horizontal wells in the Farrell Creek area and has tied them into an expandable 20 mmcf/d sweet gas processing plant. This processing plant is currently being expanded to 60 mmcf/d capacity. Talisman's Farrell Creek lands are in the immediate vicinity of the Canbriam/CSRI joint venture lands and Talisman's exploration success has significantly de-risked the Montney Formation in this area.

The corporate information contained in this Q&A may contain forward-looking forecast information. The reader is cautioned that assumptions used in the preparation of such information, although considered reasonably accurate by CSRI 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 CSRI that actual results achieved during the forecast period will be the same in whole or in part as those forecast.

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