

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. Initially, four previously completed and tested Gething wells were tied into the Pilot Project. In the months following, two additional Gething wells drilled in 2008 were selectively completed/fractured and put on production. A third well is awaiting completion. The Pilot Project gas processing facility has 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 will enable 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 On September 29, 2009 joint venture partner Canbriam Energy (“Canbriam”), operator of the Montney project, spud a vertical well at the Farrell Creek b-17-I location targeting the Montney Formation. It is anticipated that the b-17-I well will be drilled and completed by Canbriam by late November and is part of a multi-well program planned for the area. Canbriam will fund the full cost of this well pursuant to the joint venture agreement.

The b-17-I well and two other approved locations are located on the western portion of the Company’s Farrell Creek lands. This new well and the approved locations are in proximity to successful Talisman Energy Inc. (“Talisman”) wells and infrastructure that includes the Spectra Energy pipeline with 200+ mmcf/d excess capacity. Drilling the b-17-I well will retain most of the Montney rights across the western portion of our Farrell Creek lands.

During the summer of 2008 Canbriam drilled and completed two wells on the eastern portion of our Montney lands. 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.

<p>Q What is CSRI's working capital position?</p>	<p>A CSRI has a strong working capital position of approximately C\$10.1 million (C\$0.21 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 The global financial environment over the past year 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 year there have been 21 horizontal and 10 vertical Montney wells either drilled or licensed by other operators in the Farrell Creek and adjacent areas. Immediately north of CSRI's lands, Talisman is in the process of completing several horizontal wells and is constructing an expandable central (sweet) gas processing facility with a capacity of up to 30 mmcf/d.</p>
	<p>In December 2008, Talisman stated that if their pilot project proved successful, there was potential to spend up to \$7.5 billion on their Farrell Creek project over the next ten years. Further, in March 2009, Talisman reported that their c-85-I Montney Formation well, located approximately two miles from the western portion of CSRI's Montney rights, had an initial production of approximately 5 mmcf/d. CSRI benefits from successful drilling activity in the area as it reduces the exploration risk associated with its Farrell Creek Montney project.</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 C\$10.1 million (C\$0.21 per share). ➤ Both joint ventures moving ahead at minimal 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 amendment of the Normal Course Issuer Bid (see News Release dated March 12, 2009 and October 1, 2009). This is a way for publicly-listed companies to provide additional 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. This ratio does not reflect the market value equivalency between the two commodities but is the commonly used ratio in the industry.</p>

Canadian Spirit Resources Inc.
Suite 1950, Ford Tower
633 6th Avenue S.W.
Calgary, AB T2P 2Y5

Telephone: (403) 539-5005
Facsimile: (403) 262-4177
E-mail: To update e-mail information or to unsubscribe
please contact us at info@csri.ca

www.csri.ca