



Market Data

52-Week Trading Range	\$2.34-\$0.94
Shares Outstanding, Basic (mm)	74.2
Shares Outstanding, Diluted (mm)	77.2
Market Capitalization (\$mm) (basic)	83.8
Net Debt (Q2/11)	(14.9)
Enterprise Value (\$mm)	68.9

Highlights

Proved reserves	13.2 bcf
Proved & Probable reserves	20.0 bcf
NPV10 reserves	C\$13.5 mm
SPI Montney net acreage (sections)	39.6

Company Overview

HZ wells currently producing	3
HZ wells awaiting tie-in	1
Hz wells awaiting completion	2
Vertical wells drilling	1
Q2/11 Average Production	183 boe/d
Gross TGIP (raw)	5,024 bcf

Management Team

Donald (Don) Gardner	CEO & Corp. Secretary
Phillip (Phil) Geiger	Pres. & COO
Dean Hill	V.P.F & CFO
Paul Smolarchuk	V.P. Eng & Ops

Price/Volume Chart



Source: www.tmx.quotemedia.com, ThomsonOne, Company reports, Casimir Capital Ltd.

Water Pipeline Project Expected to Benefit Future Development

Highlights

- Canadian Spirit Resources announced that it will be participating in a water pipeline project at its Farrell Creek Montney play – 25% WI. The project is a JV between SPI and Canbriam Energy (its current partner in most of its lands). Net cost of the project for SPI is estimated to be at \$3.8 million.
- The project has approval to deliver up to ten thousand cubic meters of water per day on a year round basis over the next 20 years. This should alleviate some water supply concern in the future.
- The pipeline project is expected to reduce future costs and improve operating efficiencies. SPI estimates that the cost benefit per well could be as high as \$500,000.
- The company has already included the costs of the project into its 2011 capex budget. SPI currently has a positive working capital position of ~\$10.2 million and an exit year-end target cash position of \$3-4 million.

Outlook

We believe that this news is positive as it is a strategic investment for future development of its Farrell Creek Montney project. Further, we believe the water pipeline project uniquely positions SPI as one of the few junior Montney players that have secured a supply of water used in stimulating horizontal wells.



Canadian Spirit Resources Inc. (SPI-CN, \$1.14)

Company Name	Disclosures
Canadian Spirit Resources Inc.	1

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Investment Rating	Rating Description – Expected total return over the next 12 months	Ratings Distribution
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Equalweight	A security, which at the time the rating is instituted and or reiterated, indicates an expectation of a total return relative to the market of between negative 10% and 10% over the next 12 months.	0
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Not Covered	Casimir Capital Ltd. does not have an opinion about this security.	1
Restricted / Under Review		0

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Risk Rating	Rating Description
Speculative	Materially exceeds sector average
Above Average	Exceeds sector average
Average	In-line sector average
Below Average	Below sector average

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