



Market Data

52-Week Trading Range	\$2.34-\$1.06
Shares Outstanding, Basic (mm)	74.6
Shares Outstanding, Diluted (mm)	77.0
Market Capitalization (\$mm) (basic)	103.7
Net Debt (Q4/10)	(21.1)
Enterprise Value (\$mm)	82.6

Highlights

Proved reserves	13.1 bcf
Proved & Probable reserves	20.0 bcf
NPV10 reserves	C\$13.5 mm
SPI Montney net acreage (sections)	39.6

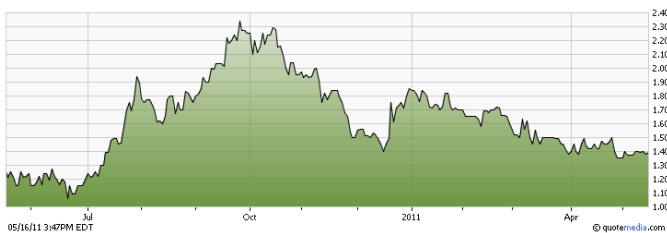
Company Figures

Production (gross)	4.5 mmcf/d
Hz wells currently producing	3
Hz wells awaiting completion	3
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.

SPI Releases Initial 2P Reserves Report

Highlights

- SPI announced its reserve evaluation covering the Montney Formation at Farrel Creek, prepared by Sproule Unconventional Ltd. We believe this is a significant milestone for the company as it begins converting its natural gas resource base into reserves.
- The wells included in the Reserve Report represent 18 gross (35% WI) of the 900 gross wells estimated in SPI's December 31, 2010 Resource Assessment to be required for full development. We note, out of the 18 wells in the report, SPI has drilled six wells (three on production) leaving 15 gross to be drilled over the next three to four years – implying three to four wells per year.
- SPI booked 13.1 bcf of proved reserves and 20.0 bcf for proved plus probable reserves. Company's NPV10 of 2P reserves was estimated at C\$13.5 million.
- Current production for the company is ~4.5 mmcf/d (gross). Production from its three producing wells has gone from ~8 mmcf/d (gross) to 4.5 mmcf/d (gross) in over four plus months which is in line with our estimated decline rates.
- With three wells scheduled to be frac'd in July this year, we anticipate that the results of the fracturing are the next catalysts for the stock.

Outlook

We believe that SPI's Reserve Report is a significant landmark for the company as it stays on course to prove up its Montney lands. With continued successful drilling in its Montney play, we believe SPI is well positioned to grow its reserves base.



Reserves

We have reviewed Canadian Spirit's March 31, 2011 reserves report prepared by Sproule Unconventional Ltd. SPI's booked proved plus probable reserves (2P) were 19,967 mmcf. Total proved reserves were 13,165 mmcf, which represents 66% of total proved plus probable reserves (2P). Please refer to figure 1 below for a summary of SPI's March 2011 reserves.

Figure 1: SPI Reserves report overview

	Natural Gas (1)		BOE (5)		% of Total
	Gross (mmcf) (2)	Net (mmcf) (3)	Gross (mboe) (2)	Net (mboe) (3)	
Proved					
Developed Producing	1,536	1,502	256.0	250.3	
Undeveloped	11,629	10,413	1,938.2	1,735.5	
Total Proved	13,165	11,915	2,194.1	1,985.8	66%
Total Probable	6,803	5,403	1,133.8	900.5	34%
Total Proved + Probable	19,967	17,317	3,327.9	2,886.2	100%

(1) Estimates of Reserves of natural gas include associated and non-associated gas.

(2) "Gross Reserves" are the Corporation's working interest share of the remaining reserves, before deducting any royalties.

(3) "Net Reserves" are the Corporations working interest share of remaining reserves less all Crown royalties.

(5) Barrels of Oil Equivalent (boe) have been calculated using a conversion rate of six thousand cubic feet of natural gas per barrel of oil (energy equivalent)

Source: Company reports, Casimir Capital Ltd.



Canadian Spirit Resources Inc. (SPI-CN, \$1.39)

Company Name	Disclosures
Canadian Spirit Resources Inc.	1

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Canadian Spirit Resources Inc. (SPI-CN, \$1.39)

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Below is a summary example of these investment ratings:

Investment Rating	Rating Description – Expected total return over the next 12 months	Ratings Distribution
Overweight	A security, which at the time the rating is instituted and or reiterated, indicates an expectation of outperformance relative to the market by at least 10% over the next 12 months.	5
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
Underweight	A security, which at the time the rating is instituted and or reiterated, indicates that we expect it to underperform the market by at least 10% over the next 12 months.	0
Speculative	Rating represents a security where the return potential is high, but the risk of a significant loss is material.	0
Not Rated	A security which at the time the rating is instituted and or reiterated, indicates that we have no opinion or expectation as to the price of the security over the next 12 months.	0
Not Covered	Casimir Capital Ltd. does not have an opinion about this security.	0
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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