



**FORM 51-101F1
STATEMENT OF RESERVES DATA AND
OTHER OIL AND GAS INFORMATION**

PART 1	DATE OF STATEMENT																								
Item 1.1.2.	The effective date of the information being provided is December 31, 2010.																								
Item 1.1.3.	The preparation date of the information being provided is April 21, 2011.																								
PART 2	DISCLOSURE OF RESERVES DATA																								
	Canadian Spirit Resources Inc. ("CSRI" or the "Corporation") has no proved or probable reserves as at December 31, 2010.																								
PART 3	PRICING ASSUMPTIONS																								
	The Corporation has made no estimates of future net revenues as it has no reserves as at December 31, 2010.																								
PART 4	RECONCILIATIONS OF CHANGES IN RESERVES AND FUTURE NET REVENUE																								
	The Corporation has no proved or probable reserves as at December 31, 2010 and no change has occurred since the prior financial year.																								
PART 5	ADDITIONAL INFORMATION RELATING TO RESERVES DATA																								
	The Corporation has no proved or probable undeveloped reserves as at December 31, 2010.																								
PART 6	OTHER OIL AND GAS INFORMATION																								
Item 6.1.1	<p>Sproule Unconventional Limited ("Sproule") was engaged to prepare an independent resource assessment of the Montney Formation on the Corporation's Farrell Creek lands in northeastern British Columbia as at December 31, 2010 in accordance with National Instrument 51-101, Standards of Disclosure for Oil and Gas Activities ("Sproule Report"). The engagement was to assess the future development and resource potential of the Montney Formation and did not include the Doig and Doig phosphate intervals (fracture stimulated and tested by other Farrell Creek operators) or the adsorbed gas component associated with any formation. Further, the Sproule resource assessment did not include approximately 5 adjacent sections of Montney rights acquired by CSRI after December 31, 2010. CSRI currently holds 34.4 net sections (22,000 acres) of Montney rights in the Farrell Creek area.</p> <p>The following table summarizes certain information contained in the 2009 and 2010 Sproule Reports.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="5" style="text-align: center;">SUMMARY OF ANNUAL CHANGES GROSS AND COMPANY GROSS NATURAL GAS INITIALLY-IN-PLACE</th> </tr> <tr> <th rowspan="2" style="text-align: center;">Resource Classification</th> <th colspan="2" style="text-align: center;">Gross GIIP Bcf (Raw)</th> <th colspan="2" style="text-align: center;">Company Gross GIIP Bcf (Sales)</th> </tr> <tr> <th style="text-align: center;">2009</th> <th style="text-align: center;">2010</th> <th style="text-align: center;">2009</th> <th style="text-align: center;">2010</th> </tr> </thead> <tbody> <tr> <td>DISCOVERED GIIP ⁽¹⁾</td> <td style="text-align: center;">1,378</td> <td style="text-align: center;">2,654</td> <td style="text-align: center;">478</td> <td style="text-align: center;">1,028</td> </tr> <tr> <td>UNDISCOVERED GIIP ⁽²⁾</td> <td style="text-align: center;">2,243</td> <td style="text-align: center;">2,370</td> <td style="text-align: center;">648</td> <td style="text-align: center;">1,294</td> </tr> </tbody> </table> <p>NOTES: (1) There is no certainty that it will be commercially viable to produce any portion of this resource. (2) There is no certainty that any portion of this resource will be discovered. If discovered, there is no certainty that it will be commercially viable to produce any portion of the resource.</p>	SUMMARY OF ANNUAL CHANGES GROSS AND COMPANY GROSS NATURAL GAS INITIALLY-IN-PLACE					Resource Classification	Gross GIIP Bcf (Raw)		Company Gross GIIP Bcf (Sales)		2009	2010	2009	2010	DISCOVERED GIIP ⁽¹⁾	1,378	2,654	478	1,028	UNDISCOVERED GIIP ⁽²⁾	2,243	2,370	648	1,294
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The following table summarizes certain information contained in the resource assessment prepared by Sproule. The Sproule Report was prepared in accordance with definitions, standards and procedures contained in the Canadian Oil and Gas Evaluation Handbook (“COGE Handbook”).

SUMMARY OF NATURAL GAS RESOURCES WITHIN THE MONTNEY FORMATION IN THE FARRELL CREEK AREA OF BRITISH COLUMBIA					
Classification & Category	Company Gross* Natural Gas Initially-In- Place Bcf (Raw)	Company Gross* Contingent Gas Resources Bcf (Sales) ⁽¹⁾	Classification & Category	Company Gross* Natural Gas Initially-In- Place Bcf (Raw)	Company Gross* Prospective Gas Resources Bcf (Sales)
DISCOVERED			UNDISCOVERED		
Low Estimate	253	48	Low Estimate	1,294	202
Best Estimate	505	134	Best Estimate	1,294	274
High Estimate	1,028	577	High Estimate	1,294	675

* Company working interest (operating or non-operating) share before deduction of royalties.

NOTE:

(1) As at December 31, 2010, the contingency that prevents the classification of Contingent Gas Resources as reserves is that reported volumes do not meet the economic requirement of reserves.

The Sproule resource assessment used an industry standard 6% limestone porosity cut-off. This provided an average of 75 Bcf per section in the Montney Formation.

Definitions (as defined in the COGE Handbook):

- Total Petroleum (Gas) Initially-In-Place** is that quantity of petroleum that is estimated to exist originally in naturally occurring accumulations. It includes that quantity of petroleum that is estimated, as of a given date, to be contained in known accumulations, prior to production, plus those estimated quantities in accumulations yet to be discovered.
- Discovered Petroleum (Gas) Initially-In-Place** is that quantity of petroleum that is estimated, as of a given date, to be contained in known accumulations prior to production. The recoverable portion of discovered Petroleum (Gas) Initially-In-Place includes production, reserves, and contingent resources; the remainder is unrecoverable.
- Undiscovered Petroleum (Gas) Initially-In-Place** is that quantity of petroleum that is estimated, on a given date, to be contained in accumulations yet to be discovered. The recoverable portion of undiscovered Petroleum (Gas) Initially-In-Place is referred to as prospective resources; the remainder is unrecoverable.
- Contingent Resources** are defined as those quantities of natural gas estimated, as of a given date, to be potentially recoverable from known accumulations using established technology or technology under development, but are not currently considered to be commercially recoverable due to one or more contingencies. Contingencies may include factors such as economic, legal, environmental, political and regulatory matters or a lack of markets. It is also appropriate to classify as Contingent Resources the estimated discovered recoverable quantities associated with a project in the early evaluation stage.
- Prospective Resources** are defined as those quantities of natural gas estimated, as of a given date, to be potentially recoverable from undiscovered accumulations by application of future development projects. Prospective resources have both an associated chance of discovery and a chance of development.
- Low estimate (P90)** is a classification of estimated resources as being considered to be a conservative estimate of the quantity that will be actually recovered. It is likely that the actual remaining quantities recovered will exceed the low estimate. If probabilistic methods are used, there should be at least a 90% probability that the quantities actually recovered will equal or exceed the low estimate.
- Best estimate (P50)** is a classification of estimate resources as being considered to be the best estimate of the quantity that will be actually recovered. It is equally likely that the actual remaining quantities recovered will be greater or less than the best estimate. If probabilistic methods are used, there should be at least a 50% probability that the quantities actually recovered will equal or exceed the best estimate.
- High estimate (P10)** is a classification of estimated resources as being considered to be an optimistic estimate of the quantity that will be actually recovered. If probabilistic methods are used, there should be at least a 10% probability that the quantities actually recovered will equal or exceed the high estimate.

Item 6.1.2	<p>Under its Farrell Creek joint venture with Canbriam Energy BC Partnership (“Canbriam”), four wells were drilled into the Montney Formation in 2010. Cumulatively, Canbriam has drilled seven Montney wells for testing, production and land retention purposes. In 2011, further operations on the western portion of the Farrell Creek lands will include the completion of three existing wells, and tie-in to the natural gas facility which was commissioned in January 2011.</p> <p>On June 18, 2010, Shell elected not to continue to the development stage and as a result shut-in the gas facility in early July 2010. As per the joint venture agreement, the Corporation is now the operator of the Gething project and will retain 100% working interest in its 59 sections (37,760 acres) of Shallow Rights, the gas facility, the additional wells and the related infrastructure at no additional cost. The Corporation is currently minimizing its expenditures on the Gething project and is considering several options that include seeking a new joint venture partner to further develop the Gething Rights.</p>
Item 6.2.1	<p>The Corporation's unproved properties are comprised of 17,319 gross (7,800 net) hectares of Montney Formation rights and 15,431 gross (15,300 net) of Gething Formation rights located in British Columbia, Canada, none of which have any work commitments.</p>
Item 6.2.2	<p>The Corporation has 3,416 hectares (683 net) of unproved properties in western Canada which primary term expires within one year. The Corporation intends to extend 3,416 hectares (683 net) of these properties, through a combination of drilling wells or making payment of an additional rental fee of \$500.00 plus \$7.00 or \$7.50 per hectare depending on the regulation requirements.</p>
Item 6.3	<p>The Corporation has no forward contracts, transportation agreements or other future obligations with respect to its unproved properties.</p>
Item 6.4	<p>At December 31, 2010, the Corporation had 21 cased (16 net) wells on its unproved properties for which the future abandonment and reclamation costs are estimated to be \$2,221,099 and the present value using a discount rate of nine percent is \$445,066. The estimate was made by the Corporation’s staff based on their experience in similar circumstances. None of these costs are expected to be incurred during the next three financial years. The Corporation has no proved or probable reserves, and therefore, no estimate of future net revenue incorporating the above abandonment and reclamation costs has been made.</p>
Item 6.5	<p>The Corporation has no reserves and no net reported revenue and therefore it is not possible to estimate at this time when it may be taxable.</p>
Item 6.6	<p>During 2010, the Corporation incurred \$4,269,875 of acquisition costs for unproved properties and \$15,247,048 (net) of exploration and development costs in western Canada.</p>
Item 6.7.1	<p>During 2010, Canbriam, as part of its joint venture with the Corporation, drilled and cased four wells into the Montney Formation.</p>
Item 6.7.2	<p>For the year ended December 31, 2010, gross capital expenditures including land acquisitions totaled \$19.5 million (2009: \$0.7 million), compared to a budgeted capital expenditure of \$19.7 million (2009: \$1.2 million). Offsetting the Corporation’s capital expenditures in 2009 were \$0.2 million of reimbursements of previously expended drilling and completion costs from a joint venture partner in relation to the Gething operations at Farrell Creek. The recovery of these expenditures was recorded as a reduction of capitalized drilling and completion costs.</p> <p>The Corporation’s capital budget is reviewed and approved by the Board of Directors on a quarterly basis. The Corporation’s Board of Directors has approved a total forecasted capital expenditure in 2011 of up to \$16.2 million, including an estimated \$0.5 million for capitalized overhead. The capital budget for the first half of 2011 was approved for a total of up to \$4.8 million, including \$0.2 million for capitalized overhead.</p> <p>Cash administration expenses (general and administration expenses excluding stock-based compensation) for 2011 are expected to total \$2.6 million (2010: \$2.1 million), before capitalization of exploration and development related overhead. Revenue from interest on cash balances is budgeted at \$0.1 million for the 2011 year.</p>
Item 6.8	<p>The Corporation has no proved or probable reserves as at December 31, 2010 and therefore has made no production estimates for 2011.</p>
Item 6.9	<p>The Corporation has no production history.</p>



**FORM 51-101F3
REPORT OF MANAGEMENT AND DIRECTORS
ON OIL AND GAS DISCLOSURE**

Management of Canadian Spirit Resources Inc. (the "Corporation") are responsible for the preparation and disclosure of information with respect to the Corporation's oil and gas activities in accordance with securities regulatory requirements. At December 31, 2010, the Corporation had no proved or probable reserves. The Corporation did not engage the services of an independent reserves evaluator or auditor to evaluate reserves data because it has no reserves. Therefore a Form 51-101F2 - Report on Reserves Data by Independent Qualified Reserves Evaluator or Auditor will not be filed.

The Board of Directors of the Corporation has reviewed the Corporation's procedures for assembling and reporting other information associated with oil and gas activities and has reviewed that information with management.

The Board of Directors has approved the content and filing of this report.

(signed) "Donald R. Gardner"
Donald R. Gardner,
Chief Executive Officer

(signed) "Phillip D.C. Geiger"
Phillip D.C. Geiger,
President & Chief Operating Officer

(signed) "George W. Watson"
George W. Watson,
Chairman of the Board

(signed) "J.R. Richard Couillard"
J.R. Richard Couillard,
Director

Dated April 21, 2011