

December 11, 2006

TSX VENTURE: SPI

Shares outstanding 28.8 million
 Share price \$1.54
 Total land holdings 40,000 acres
 Total discovered resource 1.4 – 2.0 tcf *

*(Sproule Associates, April 17, 2006 – Gething Formation only at Farrell Creek, B.C.)

CORPORATE UPDATE

Dean Hill joined the Company on December 4th as our V.P. Finance. Dean is a Chartered Accountant with over 17 years of experience, including 5 years with PricewaterhouseCoopers LLP as an auditor with the oil & gas group. Welcome to CSRI!

The Company has submitted its Scheme Application for the Farrell Creek project to the B.C. Oil & Gas Commission (OGC). Regulatory approval of the Scheme will facilitate timely development of the project and extend the confidentiality period for certain technical information. It is expected that OGC approval of this Scheme will be obtained by the end of January 2007.

OPERATIONS CORNER

Now that the extreme cold spell is temporarily over, the Company has gotten back to the task of pumping off the b-02 well. We are using a technique whereby water is pumped up the tubing while keeping the gas side closed. We hope that this will allow us to reach further out into the reservoir and be able to increase gas production rates. The other wells are also being brought back on after being shut-in during the b-02 frac in order to allow certain reservoir/well tests to be run.

The Company was advised that Duke Energy Gas Transmission (Duke) has now received the permit to do the hot-tap into their pipeline.



“Remember...don’t put your tongue on the pipe!!” (b-2 frac)



-40° C and dropping↓↓↓ (b-2 frac)



Winter has struck!

For further information, please contact:
 Phil Geiger, President & COO phil.geiger@csri.ca
 or Gordon Aldcorn, Investor Relations ir@csri.ca

Discussions with Duke have resulted in an agreement to do the hot-tap installation in parallel with the CSRI sales pipeline. By coordinating people and equipment, the capital cost to CSRI will be reduced.

INVESTOR NEWS

The Canadian Society for Unconventional Gas (CSUG) Conference was held in November for three days and was a resounding success with over 1,000 delegates attending. Randy Karst, Exploration Manager, did a great job of presenting the geology behind our Farrell Creek project at the Conference. Everyone thought Randy’s new suit for this occasion was simply “...mahvellous”!

Phil, Ken and Don just returned from an investor relations trip to San Francisco. In addition to updating investors on the Company’s story, it was nice to see trees that still have leaves!

We continue to plan more IR trips to Toronto, Montreal, Vancouver and New York with the assistance of Gordon, our investor relations guru.

Forward-looking Statements

The corporate information contained in this document contains forward-looking forecast information. The reader is cautioned that assumptions used in the preparation of such information, although considered reasonably accurate by Canadian Spirit Resources Inc. 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 Canadian Spirit Resources Inc. that actual results achieved during the forecast period will be the same in whole or in part as that forecast.

ABOUT UNCONVENTIONAL GAS

Next month’s Topic:
 “Unconventional Gas Defined”

CONVENTIONAL GAS

- Can evaluate with well logs
- Immediate gas flow to well bore
- May fracture to stimulate
- Inorganic reservoir rock gas has migrated to reservoir trap
- Permeability not depth dependant
- Few wells to develop
- Water/gas ratio increases
- Reserve determination follows established guidelines

UNCONVENTIONAL GAS

- Needs specialized lab tests on cores
- Gas diffuses slowly to fractures
- Always fracture to stimulate
- Organic reservoir rock is its own source rock
- Permeability decreases with depth
- Multiple wells and facilities
- Water/gas ratio decreases
- Requires production testing to demonstrate reserves

Source: Modified from AJM Petroleum Consultants.