



## NEWS RELEASE

### **CANADIAN SPIRIT RESOURCES INC. ANNOUNCES MONTNEY JOINT VENTURE WATER SUPPLY PROJECT**

Calgary, AB August 31, 2011 – Canadian Spirit Resources Inc. (“CSRI” or the “Corporation”) (TSXV:SPI) (OTCBB:CSPUF) is pleased to announce its participation in a water pipeline project (the “Project”) that will result in significant cost reductions during the development of the Corporation’s Farrell Creek Montney play. This Project is a joint venture between the Corporation and Canbriam Energy BC Partnership Inc. (“Canbriam”).

The Project, to be operated by Canbriam, has approval to deliver up to ten thousand cubic meters of water per day from the Williston Reservoir to the Farrell Creek/Altares area in northeastern British Columbia on a year-round basis over the next twenty years. CSRI will retain a 25% working interest in the water pipeline project with Canbriam holding a 75% working interest.

Once in operation, the Project will materially reduce the cost of delivering a secure supply of water used in the stimulation of horizontal wells and will lessen the impact on local communities and infrastructure by reducing the need to transport water overland to drilling sites. All approvals for the construction and operation of the Project are in place.

CSRI’s Chief Executive Officer, Don Gardner commented that “this strategic infrastructure Project is an integral part of the longer term development and expansion of the Montney play at Farrell Creek with significant safety and environmental benefits for the surrounding communities. The cost savings and operating efficiencies expected to be realized by the participants in this Project will materially contribute to the economic value of their Montney assets in the Farrell Creek/Altares area and ensure that this remains one of the low cost natural gas plays in North America.”

The Canbriam/CSRI joint venture expects this Project to be fully operational by year-end 2011. CSRI has included its expected share of the cost of the Project in its capital budget for the balance of 2011.

CSRI is a natural resources company focusing on the identification and development of opportunities in the unconventional gas sector of the energy industry.

On behalf of the Board of Directors,  
**CANADIAN SPIRIT RESOURCES INC.**

“Don Gardner”

Chief Executive Officer & Secretary

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