



NEWS RELEASE

CANADIAN SPIRIT RESOURCES INC. ANNOUNCES CLOSING OF PRIVATE PLACEMENT

Calgary, AB July 16, 2008 – Canadian Spirit Resources Inc. (“CSRI” or the “Company”) (TSXVENTURE:SPI) (OTCBB:CSPUF) is pleased to announce that subject to receipt of final approval by the TSX Venture Exchange, it has completed a non-brokered private placement issuing a combined total of 2,893,319 units (the “Units”) and flow-through shares (the “Flow-Through Shares”) for gross proceeds of C\$3,097,985. This private placement was announced on June 12, 2008 and amended June 20, 2008.

The Company placed 2,493,319 Units at a price of C\$1.05 per Unit with each Unit consisting of one common share (a “Share”) in the capital of the Company and one-half of one share purchase warrant. Each whole warrant (a “Warrant”) will entitle the holder to purchase one additional share of the Company for eighteen months at an exercise price of C\$1.40 per Share.

The Company also placed 400,000 Flow-Through Shares at a price of C\$1.20 per Flow-Through Share. The Flow-Through Shares will entitle Canadian subscribers, subject to various income tax considerations, to certain tax benefits on the renunciation of 2008 Canadian Development Expense deductions by the Company.

The private placement was approved by the Board of Directors of CSRI.

The Shares, Flow-Through Shares, Warrants and any shares issued upon exercise of the Warrants will be subject to a fourth month hold period expiring November 9, 2008.

Finders’ fees of \$96,031 in cash will be paid in respect of certain subscriptions excluding subscriptions by directors, officers and employees of CSRI.

Net proceeds of the private placement will be used to further the Company’s planned drilling program and tie-in of the Gething Formation Pilot Project at Farrell Creek, British Columbia and for general corporate purposes.

As a result of this private placement, there are now 47,161,401 shares of CSRI outstanding.

CSRI is a natural resources company focusing on the identification and development of opportunities in the unconventional gas sector of the energy industry. The mission of the Company is to develop 1 tcf of natural gas from unconventional resource plays in western Canada. The Company has identified a 1.8 tcf discovered resource play (see News Release dated May 8, 2007), assembled a unique, 100 percent working interest land position in approximately 40,000 gross acres in northeast British Columbia and is currently evaluating the productive capability of its principal resource property at Farrell Creek, British Columbia.

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

“Don Gardner”

Chief Executive Officer

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The corporate information contained in this news release may contain forward-looking forecast information. The reader is cautioned that assumptions used in the preparation of such information, although considered reasonably accurate by CSRI 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 CSRI that actual results achieved during the forecast period will be the same in whole or in part as those forecast.

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