



NEWS RELEASE

CANADIAN SPIRIT RESOURCES INC. ANNOUNCES JOINT VENTURE ON NORTHEAST BRITISH COLUMBIA GETHING PROSPECT

Calgary, AB July 17, 2008 – Canadian Spirit Resources Inc. (“CSRI” or the “Company”) (TSXVENTURE:SPI) (OTCBB:CSPUF) is pleased to announce that it has entered into a joint venture (the “Joint Venture”) with a major exploration and production organization in Canada (the “Joint Venture Partner”) to advance the development of the Gething Formation on approximately 145 sections or 92,800 acres in the Farrell Creek area of northeast British Columbia. The purpose of the Joint Venture is to create a large contiguous land base for the development of the identified unconventional gas resource in the Gething Formation at Farrell Creek, British Columbia and to further advance the productivity of this formation.

The expenditure of approximately \$50 million by the Joint Venture Partner and an election by them to proceed with a pooling of each respective party’s petroleum and natural gas rights to the base of the Cadomin/Nikanassin Formation (“Shallow Rights”) in the area would result in the Joint Venture Partner holding a 75 percent working interest in the Farrell Creek project and CSRI retaining a 25 percent interest.

The first phase of the Joint Venture requires an expenditure of approximately \$50 million by the Joint Venture Partner prior to December 31, 2010 for the acquisition of land; the expansion of CSRI’s existing pilot program and the reimbursement to CSRI of certain prior costs. The land acquisition component has been substantially completed with the Joint Venture Partner’s recent acquisition of approximately 95 sections of Shallow Rights in the Farrell Creek area. This expansion phase is intended to complete the tie-in of the Company’s existing pilot project and is designed to evaluate techniques to enhance the productivity of the Gething Formation. The initial capital program, to be conducted on existing CSRI lands, will include the drilling of at least five wells targeting the Gething Formation and one deep water disposal well. The Joint Venture Partner will be appointed operator and is expected to assume that role during September 2008.

Upon completion of the pilot expansion commitment, the Joint Venture Partner may elect to proceed with a pooling of the respective regional Shallow Rights holdings. This election to proceed with pooling will create a large contiguous land base of approximately 145 sections or 92,800 acres (over 36 sections net to CSRI) of Shallow Rights and initiate the development phase of the Farrell Creek project. The development phase will involve a further capital spending commitment by the Joint Venture Partner or a payment to CSRI.

Should the Joint Venture Partner elect not to proceed to the pooling and development phase at Farrell Creek, CSRI will retain a 100 percent interest in its existing lands and in all wells and facilities forming part of the expanded pilot project with no obligation to reimburse the Joint Venture Partner for costs incurred on CSRI lands during the expansion phase. In addition, CSRI will have a first right to acquire a 100 percent interest in the 95 sections of Shallow Rights recently acquired by the Joint Venture Partner.

The joint venture agreement also provides for an area of mutual interest enabling CSRI to acquire additional lands jointly with the Joint Venture Partner for a proportionate share of acquisition cost and for revenue sharing during the pilot phase.

Commenting on the Joint Venture, Don Gardner, Chief Executive Officer said “We are pleased to have concluded this Joint Venture. Our partner is financially strong, has relevant technical and operating expertise and is fully committed to the highest standards of safety and environmental stewardship. This Joint Venture will result in a substantial investment to advance the development of the Gething Formation at Farrell Creek without the need for CSRI to issue additional equity. If the pooling of interests proceeds, CSRI will retain a smaller, but material net land interest in a significantly larger base of Shallow Rights in the area.”

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. Through two joint ventures, the Company is currently evaluating the productive capability of both its shallow Gething play (1.8 tcf discovered resource – see News Release dated May 8, 2007) and its deeper Montney play (2 wells being drilled – see News Release dated June 23, 2008). Both of these plays are located on the Company’s 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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