



NEWS RELEASE

CANADIAN SPIRIT RESOURCES INC. ANNOUNCES THIRD QUARTER 2008 FINANCIAL RESULTS

Calgary, AB November 25, 2008 – Canadian Spirit Resources Inc. (“CSRI” or the “Company”) (TSXVENTURE:SPI) (OTCBB:CSPUF) announces the release of the financial results (all figures in \$CDN) and the Management Discussion and Analysis for the three and nine month periods ended September 30, 2008.

CSRI is a natural resources company with the mission to develop 1 tcf of natural gas from unconventional resource plays in western Canada. The Company is currently focused on the identification and development of opportunities in the unconventional gas sector of the energy industry and expects to be one of the first to bring an unconventional gas resource into production in British Columbia.

Through two joint ventures, the Company is currently evaluating the productive capability of both its shallow Gething play (see News Release dated July 17, 2008) and its deeper Montney play (see News Release dated March 19, 2008). Both of these plays are located on the Company’s principal resource property at Farrell Creek, British Columbia. This area of northeastern British Columbia is attracting a significant level of land acquisition and exploration activity targeting unconventional gas prospects with substantial land prices being received by the Government of British Columbia. On November 12, 2008 Montney Formation lands in close proximity to the Company’s Farrell Creek Project attracted prices of over \$3.8 million per section (\$14,878 per hectare).

HIGHLIGHTS

- Private placement, exercise of warrants and recovery of prior capital expenditures add \$9.7 million to cash position
- \$12.0 million working capital with minimal capital commitments avoids need to raise equity in difficult markets
- A strong capital position enables CSRI to investigate emerging opportunities
- Gething joint venture drills four wells - water disposal well is next
- Tie-in of Farrell Creek pilot project underway with completion expected in first quarter 2009
- Two vertical Montney wells drilled to validate rights in seven sections to base Belloy with one well granted “New Pool Discovery” status
- Additional rights acquired in five sections from surface to base of the Montney in Farrell Creek area

Selected Financial Data (\$CDN)

For the nine month periods ended on or as at September 30	2008	2007
Revenue	\$ 99,181	\$ 71,112
Net loss and comprehensive loss	\$ (1,066,273)	\$ (473,118)
Net loss per share (basic & diluted)	\$ (0.03)	\$ (0.01)
Working capital	\$ 12,410,576	\$ 1,941,138
Total assets	\$ 47,962,991	\$ 38,779,223
Total long term financial liabilities	\$ 213,341	\$ 449,677

The Company recorded a net loss after income taxes of \$1,066,273 or \$0.03 per share for the first nine months of 2008 compared to a net loss of \$473,118 or \$0.01 per share for the same period of 2007. The Company had no operating revenue in either period. Revenue for the three quarters of 2008 and 2007 is comprised of interest on cash deposits. The increased loss for the 2008 nine month period compared to 2007 was due primarily to a higher non-cash, stock-based compensation expense in 2008 versus a net recovery in 2007. The loss for the nine month period in 2008 was reduced by interest earned on higher average cash balances and a recovery of future income taxes resulting from the issuance of flow-through shares.

Cash administrative expenses for the nine months ended September 30, 2008 and 2007, after the capitalization of costs directly related to exploration and development activity, were \$969,583 and \$781,013 respectively, a period over period increase of 24%. The increase is due to an increase in office rentals effective January 1, 2008 and a bonus payment to employees in the third quarter of 2008. Overhead and other expenses capitalized in the first three quarters of 2008 were \$457,316 compared to \$494,534 in the first three quarters of 2007.

Stock-based compensation was comprised of stock option expense of \$234,425 (2007: recovery of \$11,234) and share appreciation rights expense of \$228,000 (2007: recovery of \$288,000) resulting in a net overall expense of \$462,425 through the end of the third quarter of 2008 (2007: recovery of \$299,234).

Capital expenditures for the first three quarters of each of the past two years are detailed in the following table:

Capital Expenditures (\$CDN)

For the nine month periods ended September 30	2008	2007
Geological and geophysical	\$ 50,419	\$ 18,990
(Recovery of) drilling and completion costs	(3,726,673)	2,725,177
Capitalized overhead	444,441	490,156
Total petroleum and natural gas	(3,231,813)	3,234,323
Lease acquisitions and retentions	76,568	72,294
Office equipment and furnishings	62,060	3,251
Total capital expenditures	\$ (3,093,185)	\$ 3,309,868

During the third quarter of 2008, the Company received \$5.0 million and accrued as receivable a further \$0.5 million from a joint venture partner as a recovery of previously expended exploration and drilling costs. Net capital expenditures to September 30, 2008 were \$2.4 million prior to this recovery.

An accrued liability of \$246,000 at September 30, 2008 pursuant to share appreciation rights (“SARs”) granted to key employees in 2003 has been recorded as a current liability since these rights were due to expire in January 2009, after having been extended from their previous expiry date of August 2008. Subsequent to the end of the third quarter, the Company offered to replace the outstanding SARs with stock options as a potential cash conservation measure. The offer was accepted with 600,000 stock options expiring March 31, 2009 being granted October 30, 2008 subject to acceptance by the TSX Venture Exchange. The 600,000 outstanding SARs have been cancelled and the accrued liability of \$246,000 at September 30, 2008 will be reduced to Nil in the fourth quarter.

Long-term financial liabilities at September 30, 2008 of \$213,341 represent the present value of future reclamation obligations. The Company has no debt at this time.

OPERATIONS UPDATE

Gething Formation Joint Venture

In July 2008, the Company announced a joint venture agreement with Shell Canada Energy (“Shell”). This agreement will advance the development of the Gething Formation on approximately 145 sections or 92,800 acres in the Farrell Creek area of northeastern British Columbia. In September 2008 Shell became the operator of this property.

During October, two vertical wells were drilled on the east side of the Farrell Creek property followed by the drilling of two more vertical wells in the pilot project area on the western portion of the property. The next well to be drilled is a water disposal well which will result in an operating cost saving by eliminating the need to transport water produced from the pilot project to a commercial water disposal facility.

The joint venture expects to tie the Farrell Creek pilot project into the Spectra Energy pipeline in the first quarter of 2009. Once operational, the pilot project will provide production information enabling the joint venture partners to make a decision to proceed with development, provide an initial source of revenue and eliminate flaring.

Montney Formation Joint Venture

CSRI has a joint venture with Canbriam Energy Inc. (“Canbriam”) covering over 25,000 net acres of Montney Formation and other deep rights in the Farrell Creek area. Pursuant to its agreement with the Company, Canbriam has drilled two wells targeting the Montney Formation on the eastern portion of the Farrell Creek lands (see News Release dated November 21, 2008). As a result of Canbriam drilling these wells, CSRI holds rights from surface to base of the Belloy Formation in seven sections, allowing the joint venture partners to undertake further work on these lands.

Geological and technical data obtained during the evaluation of the Upper Montney Formation in the two wells resulted in a decision not to proceed with a horizontal section at this time. Further evaluation of the Upper Montney Formation on this block of seven sections may be undertaken in the future with the development of infrastructure, technological improvements or higher natural gas prices.

During the drilling of these two wells, other potentially economic gas zones were identified and are expected to be further evaluated. The timing of this evaluation will depend largely on the development of pipeline infrastructure in proximity to these lands. One of the wells has been granted “New Pool Discovery” status.

Canbriam has indicated that it plans to conduct further operations on the western portion of the Farrell Creek lands in 2009.

Land prices for Montney Formation rights in the Farrell Creek area remain strong and drilling by various operators continues to be active. On November 12, 2008, bids ranging from \$5,413 to \$14,878 per hectare for drilling licences in the Farrell Creek area resulted in a total bid of \$105.6 million. The parcels attracting the higher bids are in close proximity to the western portion of the Company's Farrell Creek lands.

At the November 12th sale, CSRI continued to add to its land position in this prospective area of northeastern British Columbia. On behalf of the joint venture, CSRI acquired additional rights from surface to base Montney Formation in five sections adjoining the eastern portion of the Farrell Creek lands.

NEW OPPORTUNITIES

In order to accelerate and expand the evaluation and development of the Farrell Creek properties, the Company has leveraged its financial resources through agreements with two well-capitalized partners while retaining a substantial interest in each project. CSRI is well funded with \$12.0 million of working capital (\$0.25 per share) and has minimal current capital requirements associated with the Farrell Creek projects. This will enable the Company to advance the evaluation of its large significant land base without raising additional equity capital in a difficult capital market environment. Success in the Farrell Creek properties will ultimately result in significant additional investment by the Company and its partners.

In recent months, the global financial environment has had an adverse effect on capital markets and commodity prices. This has impacted the ability of many companies to raise equity capital and may provide an increased number of opportunities for well-capitalized companies. CSRI may investigate some of these opportunities.

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

"Don Gardner"

Chief Executive Officer

For further information, please contact:
Canadian Spirit Resources Inc.
Telephone (403) 539-5005
Facsimile (403) 262-4177

Phil Geiger (phil.geiger@csri.ca)
Don Gardner (don.gardner@csri.ca)
OR INVESTOR RELATIONS
Adam Buchanan (adam.buchanage@csri.ca)

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