



## NEWS RELEASE

### **CANADIAN SPIRIT RESOURCES INC. ANNOUNCES FIRST QUARTER 2009 FINANCIAL RESULTS**

Calgary, AB May 28, 2009 – Canadian Spirit Resources Inc. (“CSRI” or the “Company”) (TSXVENTURE:SPI) (OTCBB:CSPUF) announces the release of the interim financial results and Management Discussion and Analysis for the three month period ended March 31, 2009.

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 trillion cubic feet of natural gas from unconventional resource plays in western Canada.

The Company is currently evaluating the productive capability of both its shallow Gething play and its deeper Montney play through joint ventures with two well-capitalized partners. Both of these plays are located on the Company’s principal resource property at Farrell Creek, British Columbia. CSRI is well funded with \$11.3 million of working capital (\$0.23 per share) and has minimal current capital requirements associated with the Farrell Creek property.

#### **Operational Highlights from the First Quarter**

- Construction and tie-in of the Farrell Creek Gething Pilot Project is complete and first sale of gas is imminent.
- Application submitted to the British Columbia Oil & Gas Commission for first horizontal Montney well on the western portion of the joint Farrell Creek lands.
- Acquired eight sections (5,120 acres) of Montney Formation and other deep rights and two sections (1,280 acres) of Gething Formation and other shallow rights at recent British Columbia crown sale.
- Strong working capital position of \$11.3 million and no debt.

#### **Selected Financial Data and First Quarter Results (\$CDN)**

For the three month periods ended on or as at March 31	2009	2008
Total revenues	\$ 14,070	\$ 22,321
Net loss and comprehensive loss (after income taxes)	\$ (362,906)	\$ (325,896)
Loss and comprehensive loss per share (basic & diluted)	\$ (0.01)	\$ (0.01)
Total current financial assets	\$ 11,690,250	\$ 5,187,993
Total assets	\$ 46,480,036	\$ 44,148,242
Total current financial liabilities	\$ 377,756	\$ 1,115,460
Total long term financial liabilities	\$ 217,293	\$ 213,418
Net working capital	\$ 11,312,494	\$ 4,072,533
Net capital expenditures	\$ 109,937	\$ 1,411,014

The Company recorded a net loss after taxes of \$362,906 or \$0.01 per share for the first three months of 2009 compared to a net loss of \$325,896 or \$0.01 per share for the same period of 2008. The Company had no operating revenue in either period. Interest and other revenue decreased to \$14,070 during the first quarter of 2009 from \$22,321 in the comparative 2008 quarter due to lower effective interest rates.

Cash administrative expenses for the three month periods ended March 31, 2009 and 2008 after capitalization of costs directly associated with exploration and development activity were \$279,852 and \$265,872 respectively, representing a nominal increase of 5%. Overhead and other expenses capitalized as petroleum and natural gas assets in the first quarter of 2009 were \$143,577 compared to \$152,946 in the first quarter of 2008.

Stock-based compensation for the first three months of 2009 was comprised of stock option expense of \$86,463 (2008: \$102,624) and share appreciation rights expense of \$Nil (2008: \$144,000) resulting in a net overall expense of \$86,463 in the first quarter of 2009 (2008: \$246,624).

Capital expenditures in the first quarter of each of the past two years are detailed in the following table:

For the three month periods ended March 31	<b>2009</b>	<b>2008</b>
Lease acquisitions and retentions	\$ 25,229	\$ 11,071
Geological and geophysical	2,455	47,572
Net (recovery of) drilling and completion costs	(61,362)	1,189,727
Capitalized overhead	<u>143,577</u>	<u>152,946</u>
Total net petroleum and natural gas	<b>109,899</b>	1,401,316
Computer and office equipment, furniture	<u>38</u>	<u>9,698</u>
Total net capital expenditures	<b><u>\$ 109,937</u></b>	<b><u>\$ 1,411,014</u></b>

Long-term financial liabilities at March 31, 2009 are comprised of \$217,293 representing the present value of future reclamation obligations.

### **Operations Update**

#### **Farrell Creek, British Columbia:**

At the March 2009 B.C. crown land sale, CSRI increased the size of the eastern portion of its Farrell Creek land position. CSRI acquired eight sections (5,120 acres) of Montney Formation and other deep rights and two sections (1,280 acres) of Gething Formation and other shallow rights. The Company now holds a total of approximately 50 sections of Gething and other shallow rights (32,000 acres), which are subject to potential pooling with 95 sections held by a joint venture partner, and approximately 46 sections (gross) of Montney and other deep rights (29,440 acres). All the sections acquired are adjacent to existing CSRI Gething and Montney rights.

#### **Montney Joint Venture:**

Canbriam Energy, operator of the Montney project, has indicated that they intend to drill a first horizontal well into the western portion of the joint lands this summer and are in the process of filing a well application with the British Columbia Oil & Gas Commission. In the past year, other operators have announced drilling and development plans including several successful wells targeting the Montney Formation in the Farrell Creek area. CSRI benefits from this activity as it reduces exploration risk.

**Gething Joint Venture:**

Construction and tie-in of the Farrell Creek Gething Pilot Project is complete with final inspections under way. The first sales of gas from this Pilot Project are expected in June 2009. Up to seven Gething wells are planned to be on production over the course of the year. The primary purpose of the Pilot Project is to optimize the completion and production techniques to be used on the Gething Project in anticipation of commercial production. As part of the joint venture agreement, Shell Canada Energy has been the operator since September 2008.

Information regarding CSRI is available on SEDAR at [www.sedar.com](http://www.sedar.com) or the Company's website at [www.csri.ca](http://www.csri.ca).

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

*"Don Gardner"*

Chief Executive Officer & Secretary

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