



NEWS RELEASE

CANADIAN SPIRIT RESOURCES INC. ANNOUNCES SECOND QUARTER 2009 FINANCIAL RESULTS

Calgary, AB August 21, 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 and six month periods ended June 30, 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. Currently, CSRI is well funded with \$10.4 million of working capital (\$0.21 per share) and no debt and has minimal capital commitments associated with the Farrell Creek property through the end of 2009.

Operational Highlights from the Second Quarter

- On June 11, 2009 the Company announced its first sale of natural gas from the Farrell Creek Pilot Project with gas flowing from four previously completed and tested Gething Formation wells.
- To date, three well locations targeting the Montney Formation on the western portion of the joint Farrell Creek lands have been approved. The drilling of a vertical well in the western block is planned for September 2009.
- To June 30, 2009, the Company has purchased and cancelled 815,000 common shares at an average price of \$0.71 per share pursuant to its Normal Course Issuer Bid.
- The Government of British Columbia has announced an Oil and Gas Stimulus Package which will benefit the Company’s Montney activity.

British Columbia Stimulus Package:

On August 6, 2009, the Government of British Columbia announced an oil and gas stimulus package to be effective September 1, 2009. The Stimulus Package is expected to benefit CSRI and encourage drilling activity through:

- (a) Royalty incentives including a one year, 2% royalty rate for all wells drilled within a ten month window;
- (b) An increase of fifteen percent in existing royalty deductions for deep natural gas wells drilled;
- (c) The extension of the Deep Royalty Credit Program to horizontal wells drilled between 1900 and 2300 meters;
- (d) Increased funding to the Infrastructure Royalty Credit Program; and
- (e) Certain regulatory initiatives.

Selected Financial Data and Second Quarter Results (\$CDN)

For the six month periods ended on or as at June 30	2009	2008
Total revenues	\$ 24,481	\$ 43,857
Net loss and comprehensive loss (after income taxes)	\$ (861,319)	\$ (1,150,547)
Loss and comprehensive loss per share (basic & diluted)	\$ (0.02)	\$ (0.03)
Total current financial assets	\$ 10,712,379	\$ 4,009,635
Total assets	\$ 45,645,847	\$ 43,522,104
Total current financial liabilities	\$ 117,757	\$ 958,494
Total long term financial liabilities	\$ 221,112	\$ 217,058
Net working capital	\$ 10,594,622	\$ 3,051,141
Net capital expenditures	\$ 259,861	\$ 1,968,939

The Company recorded a net loss after taxes of \$861,319 or \$0.02 per share for the first six months of 2009 compared to a net loss of \$1,150,547 or \$0.03 per share for the same period of 2008. This improvement was due primarily to a reduction in stock-based compensation expense. The Company had no reported operating revenue in either period. Interest and other revenue decreased to \$10,411 during the second quarter of 2009 from \$21,536 in the comparative 2008 quarter due to lower effective interest rates.

Cash administrative expenses for the six month periods ended June 30, 2009 and 2008 before capitalization of costs directly associated with exploration and development activity were virtually unchanged at \$891,145 and \$898,253 respectively (approximately \$150,000 per month). Overhead and other expenses capitalized as petroleum and natural gas assets in the first half of 2009 were \$207,252 compared to \$280,821 in the first half of 2008. The reduction in capitalized amounts in 2009 was the result of a lower level of geological staffing this year.

Stock-based compensation for the first six months of 2009 was comprised of stock option expense of \$182,385 (2008: \$176,246) and share appreciation rights expense of \$Nil (2008: \$564,000) resulting in a net overall compensation expense of \$182,385 (2008: \$740,246). All share appreciation rights were cancelled effective October 30, 2008.

Capital expenditures for the three and six months periods ended June 30, 2009 and 2008 are detailed in the following table:

	Three months ended June 30,		Six months ended June 30,	
	2009	2008	2009	2008
Lease acquisitions and retentions	\$ 28,075	\$ 27,908	\$ 53,304	\$ 38,979
Geological and geophysical	52,930	846	55,385	48,418
Net (recovery of) drilling and completion costs	3,628	400,820	(57,734)	1,590,548
Capitalized overhead	63,675	127,876	207,252	280,821
Total net petroleum and natural gas	148,308	557,450	258,207	1,958,766
Computer and office equipment, furniture	1,616	475	1,654	10,173
Total net capital expenditures	\$ 149,924	\$ 557,925	\$ 259,861	\$ 1,968,939

The substantial reduction in capital expenditures during 2009 versus 2008 is the result of the Company entering into two joint ventures in 2008 whereby the joint venture partners undertook certain capital commitments in respect of the Company's lands. Long-term financial liabilities at June 30, 2009 totaled \$221,112 representing the present value of future abandonment and reclamation obligations.

Operations Update
Farrell Creek, British Columbia
Gething Joint Venture:

Shell Canada Energy ("Shell") has been the operator of the Gething Pilot Project since September 2008. The primary purpose of the Pilot Project is to optimize the completion and production techniques to be used in anticipation of commercial production. The Company announced its first gas production on June 11, 2009 with gas flowing from four previously completed and tested Gething Formation wells. The operator will begin reporting revenue and production volumes to the Company in the third quarter 2009. Revenue will be applied to crown royalties and, pursuant to the terms of the joint venture agreement, to operating costs as if the pooling of Shell and CSRI lands had occurred. By year-end, it is anticipated that seven wells will be flowing gas as part of the Pilot Project. The Pilot Project facility is scaleable and currently has a capacity of up to 1.1 mmcf/d.

Montney Joint Venture:

Canbriam Energy Inc. ("Canbriam"), operator of the Montney project, intends to drill a vertical well into the western portion of the joint lands this fall. The British Columbia Oil and Gas Commission recently approved three well locations submitted by Canbriam located within close proximity to a successful Talisman Energy Inc. ("Talisman") Montney well that was reported to have initial production of 5 mmcf/d. There are currently twenty horizontal and ten vertical Montney wells either licensed or drilled by Talisman and other operators in areas adjacent to Farrell Creek. Talisman is further establishing its position with the construction of a sweet gas processing plant with up to 30 mmcf/d capacity. CSRI benefits from successful drilling activity in the area as it reduces the exploration risk associated with its Farrell Creek Montney project.

Information regarding CSRI is available on SEDAR at www.sedar.com or the Company's website at www.csri.ca.

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

"Don Gardner"

Chief Executive Officer & Secretary

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