



## NEWS RELEASE

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

Calgary, AB November 30, 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 nine month periods ended September 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 C\$9.7 million of working capital (C\$0.20 per share), no debt and minimal capital requirements associated with the Farrell Creek property through the end of 2009.

#### **Operational Highlights from the Third Quarter**

- The first well targeting the Montney Formation on the west block of Farrell Creek has been drilled and will be completed and tested before year-end. Two additional Montney locations have been approved.
- To September 30, 2009, the Company had purchased and cancelled 974,500 common shares at an average price of C\$0.73 per share pursuant to its Normal Course Issuer Bid.
- The Government of British Columbia announced an Oil and Gas Stimulus Package which became effective September 1, 2009.

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

For the nine month periods ended on or as at September 30	2009	2008
Total revenues	\$ 34,773	\$ 99,181
Net loss and comprehensive loss (after income taxes)	\$ (1,245,603)	\$ (1,066,273)
Loss and comprehensive loss per share (basic & diluted)	\$ (0.03)	\$ (0.03)
Total current financial assets	\$ 10,226,438	\$ 13,524,743
Total assets	\$ 45,211,319	\$ 47,962,991
Total current financial liabilities	\$ 90,012	\$ 1,114,167
Total long term financial liabilities	\$ 250,279	\$ 213,341
Net working capital	\$ 10,136,426	\$ 12,410,576
Net capital expenditures	\$ 293,289	\$ 3,093,185

The Company recorded a net loss after taxes of \$1,245,603 or \$0.03 per share for the first nine months of 2009 compared to a net loss of \$1,066,273 or \$0.03 per share for the same period of 2008. The loss in 2008 was lower due primarily to a recovery of future income taxes recorded in relation to the issuance of flow-through shares. The Company had no (net) reported production revenue in either period. Interest and other revenue decreased to \$10,292 during the third quarter of 2009 from \$55,324 in the comparative 2008 quarter due to lower effective interest rates.

Cash administrative expenses before capitalization of costs directly associated with exploration and development activity for the nine month periods ended September 30, 2009 and 2008 were \$1,355,756 and \$1,426,899 respectively (approximately \$150,000 per month) a 5 percent decrease year over year. Overhead and other expenses capitalized as petroleum and natural gas assets in the third quarter of 2009 were \$329,181 compared to \$444,441 in the third quarter of 2008. The reduction in capitalized amounts in 2009 was the result of a lower level of geological staffing and engineering consulting in the current year.

Stock-based compensation for the first nine months of 2009 was comprised of stock option expense of \$223,697 (2008: \$234,425) and share appreciation rights expense of \$Nil (2008: \$228,000) resulting in a net overall compensation expense of \$223,697 (2008: \$462,425). All share appreciation rights were cancelled effective October 30, 2008.

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

	Three months ended September 30,		Nine months ended September 30,	
	2009	2008	2009	2008
Lease acquisitions and retentions	\$ 28,650	\$ 37,589	\$ 81,954	\$ 76,568
Geological and geophysical	71,345	2,001	126,730	50,419
Net (recovery of) drilling and completion costs	(195,505)	(5,317,221)	(253,239)	(3,726,673)
Capitalized overhead	121,929	163,620	329,181	444,441
Total net petroleum and natural gas	26,419	(5,114,011)	284,626	(3,155,245)
Computer and office equipment, furniture	7,009	51,887	8,663	62,060
Total net capital expenditures (recovery)	\$ 33,428	\$ (5,062,124)	\$ 293,289	\$ (3,093,185)

The substantial recoveries of net capital expenditures during 2008 and 2009 are the result of the Company entering into two joint ventures in 2008 whereby the joint venture partners reimbursed certain capital expenditures in respect of the Company's lands.

Long-term financial liabilities at September 30, 2009 of \$250,279 represent the present value of future 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 sales in June 2009 with gas flowing from four previously completed and tested Gething Formation wells. Production volumes from the announcement of first sales gas to September 30, 2009 have been substantially utilized by Shell for plant operating requirements, and as such the Company has not recorded any production revenue, royalties or operating costs through the end of the third quarter 2009. The Company anticipates reporting (net) revenue and production volumes by the end of 2009. By year-end, it is anticipated that up to seven wells will be flowing gas as part of the Pilot Project. The Pilot 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, has drilled a vertical well, b-17-I/94-B-1 on the western portion of the joint lands this fall and plans to complete and test this well shortly. The British Columbia Oil and Gas Commission has approved two additional well locations submitted by Canbriam located within close proximity to a successful Talisman Energy Inc. ("Talisman") vertical Montney well that was reported to have initial production of over 4 mmcf/d. There are currently more than twenty horizontal and ten vertical Montney wells either licensed or drilled by Talisman and other operators in areas adjacent to Farrell Creek. Talisman has constructed a sweet gas processing plant in the area with up to 23 mmcf/d capacity and has announced that they will be bringing their Montney shale play in the greater Farrell Creek area into commercial development in 2010. CSRI benefits from successful drilling activity in the area as it reduces the exploration risk associated with its Farrell Creek Montney project.

**British Columbia Stimulus Package:**

On August 6, 2009, the Government of British Columbia announced an oil and gas stimulus package which became 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 all deep natural gas wells drilled;
- (c) The extension of the Deep Royalty Credit Program to horizontal wells drilled to a qualifying depth of 1900 meters or greater;
- (d) Increased funding to the Infrastructure Royalty Credit Program; and
- (e) Certain regulatory initiatives.

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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