



CANADIAN SPIRIT RESOURCES INC.

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CANADIAN SPIRIT RESOURCES INC. PROVIDES CORPORATE UPDATE

Calgary, AB November 15, 2004 - Canadian Spirit Resources Inc. (“CSRI” or the “Company”) (SPI-TSX Venture) is pleased to announce, that further to the news release dated October 18, 2004, Sproule Associates Limited (“Sproule”) has concluded an independent engineering report effective November 15, 2004 of the resource potential on the Company’s natural gas from coal (“NGC”; also referred to as coalbed methane or “CBM”) properties in the Farrell area of northeast British Columbia.

This report is based on a review of available geological, petrological and reservoir parameters gathered from the two test holes drilled on Company land and from available and non-confidential public data and sources. This technical information was used to determine the quality and other properties of the coal reservoir. The report is compliant with National Instrument 51-101 “Standards of Disclosure for Oil and Gas Activities” - (Disclosure Concerning Prospects).

The Sproule report indicates that the Company’s lands (forty-six sections) are prospective for NGC resources. Contingent resource estimates of gas-in-place, in the range of 9.0 to 14.1 Bcf per section, have been calculated for the Gething coals on the Company’s lands. Sproule has estimated a low case gas concentration of 9.0 Bcf per section, an average case of 11.7 Bcf per section and a high case of 14.1 Bcf per section.

The principal risk facing the Company is the productive capability of these coals. Ongoing testing of one of the Company’s test holes will gather further data to assist in assessing the potential productivity of Gething coals. Also, as previously announced, the Company is planning to drill a third evaluation well on Company lands before year end at an estimated cost of \$800,000. Conditional upon results, this third well will be completed in 2005 and may become the first well of the Company’s pilot production program. Once results from the pilot program are available, management intends to obtain a further independent engineering report to assist in assessing the commercial viability of this project. This report will be filed on SEDAR as required.

The Company also announces that it proposes to grant, subject to TSX Venture Exchange approval, 300,000 stock options to new employees of CSRI. These options, issued pursuant to the Company's Stock Option Plan, will have a term of five years and an exercise price of \$4.50 per share. Following this grant and subject to the referenced approvals, the Company will have 2,135,000 stock options outstanding representing 9.7 percent of the 22,090,148 common shares currently outstanding.

Canadian Spirit Resources Inc. is a natural resources company focusing on the exploration and development of opportunities in the natural gas from coal ("NGC", also referred to as coal bed methane or "CBM") sector of the energy industry.

On behalf of the Board of Directors,
Canadian Spirit Resources Inc.

"Phil Geiger"

Phillip D.C. Geiger
President & COO

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