



Suite 1220, 330 - 5th Avenue S.W., Calgary, AB T2P 0L4
Telephone: (403) 539-5005 Facsimile (403) 265-8395
Website: www.csri.ca e-mail: info@csri.ca

CANADIAN SPIRIT RESOURCES INC. GRANTS OPTIONS

Calgary, AB October 7, 2004 - Canadian Spirit Resources Inc. (“CSRI” or the “Company”) (SPI-TSX Venture) announces that it proposes to grant, subject to TSX Venture Exchange approval, 450,000 stock options to two officers and one employee of CSRI. These options issued pursuant to the Stock Option Plan will have a term of forty-seven months and an exercise price of \$3.65 per share.

In addition to the normal provision of the Company’s Stock Option Plan, the holder’s right to exercise these options will be subject to the Company achieving specified gas production or asset realization thresholds.

Following this grant and subject to the referenced approvals, the Company will have issued a total of 1,835,000 stock options representing 8.3% of the 22,077,011 common shares outstanding (basic).

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

For further information, please contact Canadian Spirit Resources Inc.
Telephone (403) 539-5005 Facsimile (403) 265-8395
Phil Geiger (phil.geiger@csri.ca) or Don Gardner (don.gardner@csri.ca)

THE TSX VENTURE EXCHANGE HAS NEITHER APPROVED NOR DISAPPROVED
THE INFORMATION CONTAINED HEREIN AND DOES NOT ACCEPT RESPONSIBILITY
FOR THE ADEQUACY OR ACCURACY OF THIS RELEASE.