



CANADIAN SPIRIT RESOURCES INC.

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## **CANADIAN SPIRIT RESOURCES INC. CLOSES PRIVATE PLACEMENT**

Calgary, AB September 16, 2004 - Canadian Spirit Resources Inc. ("CSRI" or the "Company") (SPI-TSX Venture) is pleased to announce that with the consent of the TSX Venture Exchange, it has closed a private placement issuing 1,500,000 Units at a price of \$3.25 per Unit for total gross proceeds of \$4,875,000. Each Unit consists of one common share in the capital of the Company and one-half a Share Purchase Warrant. Each whole Warrant will entitle the holder to purchase one additional share of the Company for one year at an exercise price of \$3.75 per share. The offering was approved by the Board of Directors of CSRI.

Proceeds of the private placement will be used to fund a portion of the Company's planned pilot production project at Farrell in northeastern British Columbia.

Finders' fees of \$158,437.50 in cash will be paid in conjunction with the private placement.

The shares and any shares issued upon the exercise of the Warrants shall be subject to a four month hold period expiring January 16, 2005.

As a result of the share issuance referred to above, there will be a total of 21,241,431 common shares of CSRI 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 coalbed 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.  
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