News Release

Canadian Spirit Resources Inc. Announces Increase in Montney Acreage at Farrell Creek, B.C.

Calgary, AB January 21, 2011 – Canadian Spirit Resources Inc. (“CSRI” or the “Corporation”) (TSXVENTURE:SPI) (OTCBB:CSPUF) is pleased to announce that at recent British Columbia land sales, the Corporation acquired additional Montney Formation rights in 6.3 gross sections (5.6 net sections or 3560 net acres) in the Farrell Creek area of northeastern British Columbia.

The lands acquired are contiguous to the Corporation’s existing lands at Farrell Creek and increase the Corporation’s net land position in the Montney shale play by approximately 20 percent to over 34 net sections. The drilling licences acquired include rights from the base of the Nikanassin Formation to basement including the Montney, Doig and other prospective formations.

Commenting on the successful land sale, Don Gardner, Chief Executive Officer of CSRI stated “we are pleased to be able to add to the material size of our developing Montney shale play at Farrell Creek. The next major step for CSRI will be the commissioning of the joint Farrell Creek gas facility which is expected to begin sales production from the Montney Formation by the end of January 2011.”

Following this land acquisition and the closing of the recent public offering, the Corporation’s working capital position stands at approximately C$21.1 million with no debt.

CSRI is a natural resources company focusing on the identification and development of opportunities in the unconventional gas sector of the energy industry.

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

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

“Don Gardner”

Chief Executive Officer

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