



NEWS RELEASE

CANADIAN SPIRIT RESOURCES INC. ANNOUNCES RESOURCE ASSESSMENT – MONTNEY FORMATION

Calgary, AB April 7, 2011 – Canadian Spirit Resources Inc. (“CSRI” or the “Company”) (TSXV:SPI) (OTCBB:CSPUF) is pleased to announce a significant increase in Montney resource estimates since year-end 2009 and the results of an independent Montney resource assessment of CSRI’s Farrell Creek lands in northeastern British Columbia. The resource assessment, prepared by Sproule Unconventional Limited (“Sproule”), included land held as at December 31, 2010.

HIGHLIGHTS

- Gross Discovered and Undiscovered Natural Gas Initially-In-Place (“GIIP”) of 2,654 billion cubic feet (“Bcf”) and 2,370 Bcf respectively, an average 39% increase over 2009 (see table below);
- Company Gross Discovered and Undiscovered Natural Gas Initially-In-Place of 1,028 Bcf and 1,294 Bcf respectively;
- Sproule’s best estimate (P50) of Company interest Contingent Resources is 134 Bcf (high and low estimates 577 Bcf and 48 Bcf);
- Sproule’s best estimate (P50) of Company interest Prospective Resources is 274 Bcf (high and low estimates 675 Bcf and 202 Bcf);
- CSRI’s net acreage at Farrell Creek, B.C. has grown to 22,000 net acres (34.4 net sections) of which 18,800 net acres (29.4 net sections) were evaluated at December 31, 2010; and
- Approximately 900 horizontal wells estimated to be required for full area development.

The Sproule resource assessment was based on well data provided by the Company and using an industry standard 6% limestone porosity cutoff.

CSRI’s Chief Executive Officer, Don Gardner, commented “we are very pleased with the year-over-year increase in Gross Natural Gas Initially-In-Place volumes estimated by Sproule. Building on a successful drilling program last year, the Company now has its first independent estimates of potentially recoverable natural gas volumes in the Contingent and Prospective Resource classifications. Although the Farrell Creek property is at an early evaluation stage, substantial progress was achieved in 2010 toward the Company’s goal of identifying one trillion cubic feet of natural gas.” Gardner also noted that Sproule has been further engaged to assess the reserve potential at Farrell Creek and that this report is expected by May 2011.

MONTNEY FORMATION RESOURCE ASSESSMENT

Sproule was engaged to prepare an independent resource assessment of the Montney Formation on the Company’s Farrell Creek lands in northeastern British Columbia as at December 31, 2010 in accordance with National Instrument 51-101, Standards of Disclosure for Oil and Gas Activities (“Sproule Report”). The engagement was to assess the future development and resource potential of the Montney Formation and did not include the Doig and Doig phosphate intervals (fracture stimulated and tested by other Farrell Creek operators) or the adsorbed gas component associated with any formation. Further, the Sproule resource assessment did not include approximately 5 adjacent sections of Montney rights acquired by CSRI after December 31, 2010. CSRI currently holds 34.4 net sections (22,000 acres) of Montney rights in the Farrell Creek area.

The following table summarizes certain information contained in the 2009 and 2010 Sproule Reports.

SUMMARY OF ANNUAL CHANGES GROSS AND COMPANY GROSS NATURAL GAS INITIALLY-IN-PLACE				
Resource Classification	Gross GIIP Bcf (Raw)		Company Gross GIIP Bcf (Sales)	
	2009	2010	2009	2010
DISCOVERED GIIP ⁽¹⁾	1,378	2,654	478	1,028
UNDISCOVERED GIIP ⁽²⁾	2,243	2,370	648	1,294

NOTES:

- (1) There is no certainty that it will be commercially viable to produce any portion of this resource.
(2) There is no certainty that any portion of this resource will be discovered. If discovered, there is no certainty that it will be commercially viable to produce any portion of the resource.

The following table summarizes certain information contained in the resource assessment prepared by Sproule. The Sproule Report was prepared in accordance with definitions, standards and procedures contained in the Canadian Oil and Gas Evaluation Handbook ("COGE Handbook").

SUMMARY OF NATURAL GAS RESOURCES WITHIN THE MONTNEY FORMATION IN THE FARRELL CREEK AREA OF BRITISH COLUMBIA					
Classification & Category	Company Gross* Natural Gas Initially-In-Place Bcf (Raw)	Company Gross* Contingent Gas Resources Bcf (Sales) ⁽¹⁾	Classification & Category	Company Gross* Natural Gas Initially-In-Place Bcf (Raw)	Company Gross* Prospective Gas Resources Bcf (Sales)
DISCOVERED			UNDISCOVERED		
Low Estimate	253	48	Low Estimate	1,294	202
Best Estimate	505	134	Best Estimate	1,294	274
High Estimate	1,028	577	High Estimate	1,294	675

* Company working interest (operating or non-operating) share before deduction of royalties.

NOTE:

- (1) As at December 31, 2010, the contingency that prevents the classification of Contingent Gas Resources as reserves is that reported volumes do not meet the economic requirement of reserves.

SENSITIVITY

The Sproule resource assessment used an industry standard 6% limestone porosity cutoff. Based on the Company's and other operators' well evaluation work in lower average porosity portions of the Montney Formation, CSRI requested that Sproule calculate the Total Gross Natural Gas Initially-In-Place using a 3% limestone porosity cutoff. Using this cutoff, the Total Gross Natural Gas Initially-In-Place was calculated by Sproule to be 10,904 Bcf of natural gas on the Company's lands at Farrell Creek compared to the 5,024 Bcf using a 6% cutoff. On average, this provided a range of 75 Bcf (using a 6% cutoff) to 163 Bcf (using a 3% cutoff) per section in the Montney Formation.

The use of a 3% limestone porosity cut-off is not an industry standard and is not currently endorsed by Sproule. Although CSRI has achieved production from the Montney Formation at average porosities of less than 6% (limestone), readers should be cautioned that resource sensitivities using porosity cut-off levels below the 6% industry standard should be considered Undiscovered and Unrecoverable at this time.

Definitions (as defined in the COGE Handbook):

- Total Petroleum (Gas) Initially-In-Place** is that quantity of petroleum that is estimated to exist originally in naturally occurring accumulations. It includes that quantity of petroleum that is estimated, as of a given date, to be contained in known accumulations, prior to production, plus those estimated quantities in accumulations yet to be discovered.
- Discovered Petroleum (Gas) Initially-In-Place** is that quantity of petroleum that is estimated, as of a given date, to be contained in known accumulations prior to production. The recoverable portion of discovered Petroleum (Gas) Initially-In-Place includes production, reserves, and contingent resources; the remainder is unrecoverable.

3. **Undiscovered Petroleum (Gas) Initially-In-Place** is that quantity of petroleum that is estimated, on a given date, to be contained in accumulations yet to be discovered. The recoverable portion of undiscovered Petroleum (Gas) Initially-In Place is referred to as prospective resources; the remainder is unrecoverable.
4. **Contingent Resources** are defined as those quantities of natural gas estimated, as of a given date, to be potentially recoverable from known accumulations using established technology or technology under development, but are not currently considered to be commercially recoverable due to one or more contingencies. Contingencies may include factors such as economic, legal, environmental, political and regulatory matters or a lack of markets. It is also appropriate to classify as Contingent Resources the estimated discovered recoverable quantities associated with a project in the early evaluation stage.
5. **Prospective Resources** are defined as those quantities of natural gas estimated, as of a given date, to be potentially recoverable from undiscovered accumulations by application of future development projects. Prospective resources have both an associated chance of discovery and a chance of development.
6. **Low estimate (P90)** is a classification of estimated resources as being considered to be a conservative estimate of the quantity that will be actually recovered. It is likely that the actual remaining quantities recovered will exceed the low estimate. If probabilistic methods are used, there should be at least a 90% probability that the quantities actually recovered will equal or exceed the low estimate.
7. **Best estimate (P50)** is a classification of estimate resources as being considered to be the best estimate of the quantity that will be actually recovered. It is equally likely that the actual remaining quantities recovered will be greater or less than the best estimate. If probabilistic methods are used, there should be at least a 50% probability that the quantities actually recovered will equal or exceed the best estimate.
8. **High estimate (P10)** is a classification of estimated resources as being considered to be an optimistic estimate of the quantity that will be actually recovered. If probabilistic methods are used, there should be at least a 10% probability that the quantities actually recovered will equal or exceed the high estimate.

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 Company'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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The corporate information contained in this news release may contain forward-looking forecast information. The reader is cautioned that assumptions used in the preparation of such information, although considered reasonably accurate by CSRI at the time of preparation, may prove to be incorrect. The actual results achieved during the forecast period will vary from the information provided herein and the variations may be material. Consequently there is no representation by CSRI that actual results achieved during the forecast period will be the same in whole or in part as those forecast.

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