



CANADIAN SPIRIT RESOURCES INC.

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CANADIAN SPIRIT RESOURCES CLOSSES PRIVATE PLACEMENT

Calgary, AB March 11, 2005 - 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 1,341,696 Units at a price of \$6.75 Unit for total gross proceeds of \$9,056,448.00. 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 \$8.00 per share. The offering was approved by the Board of CSRI.

Proceeds of the private placement will be used to fund a portion of the Company's planned pilot production project and additional evaluation work at Farrell in Northeastern British Columbia and for general corporate purposes.

Finders' fees of \$189,014.18 in cash will be paid in conjunction with the private placement.

The shares and any shares issued upon exercise of the Warrants shall be subject to a four month hold period expiring July 12, 2005.

As a result of the share issuance referred to above, there will be a total of 23,816,582 common shares of CSRI outstanding.

CSRI is a natural resources company pursuing the exploration and development of unconventional gas opportunities with a focus on 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

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