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CANADIAN SPIRIT RESOURCES **ANNOUNCES APPOINTMENT AND GRANT OF OPTIONS**

Calgary, AB January 21, 2005 - Canadian Spirit Resources Inc. (“CSRI” or the “Company”) (SPI-TSX Venture) announces that it proposes to grant, subject to TSX Exchange approval, 250,000 stock options to officers and employees of CSRI. These options, issued pursuant to the Company’s Stock Option Plan, will have a term of five years, an exercise price of \$7.15 per share and vest over three years. The Board of Directors approved this grant of options as part of its annual review of employee compensation which is regularly scheduled for January each year.

Following this grant, and subject to the referenced approvals, the Company will have 2,250,000 stock options outstanding representing 10 percent of the 22,387,866 common shares currently outstanding.

CSRI is also pleased to announce the appointment of Douglas E. Soice to the position of Vice President, Finance. Prior to joining the Company, Doug was Director, Finance, Western Region of Direct Energy Marketing Limited. As a chartered accountant, Doug has over twenty years of experience in the finance departments of four international public oil and gas companies in treasury, financial reporting, general accounting functions and information systems.

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

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