



CANADIAN SPIRIT RESOURCES INC.

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CANADIAN SPIRIT RESOURCES PROVIDES CORPORATE UPDATE

Calgary, AB February 28, 2005 - Canadian Spirit Resources Inc. (“CSRI” or the “Company”) (SPI-TSX Venture) is pleased to provide an update of current and planned Company activities.

At the c-83-H location (third test hole), completion and testing of the Gething coals and interbedded sands (the “Gething rock package”) is proceeding as planned and subject to equipment availability, is expected to commence during March 2005. Preparatory field work is currently underway. The completion and production testing of the c-83-H well has been divided into several separate tests, beginning with the lower coal seam in the Gething formation. Management believes that the additional time and cost of conducting separate tests will enable the Company to make better completion decisions in the future. Each test is expected to take from thirty to ninety days.

Based on the staged evaluation process that the technical team has in place, it appears that a portion of the Company’s Farrell Creek lands may also have conventional and unconventional natural gas opportunities. The continuing evaluation of data from prior test holes has indicated the potential for gas in both shallow and deeper tight sand formations. Subject to equipment availability and the timing of road bans in the area, the Company plans to re-enter the c-48-I (second test hole) and stimulate the shallow gas zone within the next thirty days. While the deeper tight gas potential is of interest to the Company, no specific operations are planned for this target at this time.

Also, the Company’s geological team has reviewed recently published research on shale gas potential in northeast British Columbia and has correlated this research with data acquired from its three test holes. As a result, the Company has applied to drill a shale test under the British Columbia test hole regime. Further evaluation plans, if warranted, will be announced once this test hole has been drilled and evaluated.

All of the operations referred to above will be funded from existing cash resources.

Financial results for 2004 are expected to be released on March 11, 2005 and the current private placement is expected to close on March 4, 2005 subject to TSX Venture approval.

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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