



NEWS RELEASE

CANADIAN SPIRIT RESOURCES INC. ANNOUNCES FIRST QUARTER 2016 FINANCIAL RESULTS

Calgary, AB May 30, 2016 – Canadian Spirit Resources Inc. (“CSRI” or the “Corporation”) (TSXV:SPI) (OTCBB:CSPUF) announces the release of its interim financial results and Management Discussion and Analysis (“MD&A”) for the three month period ended March 31, 2016.

This news release summarizes information contained in the unaudited interim condensed financials statements and MD&A for the three month period ended March 31, 2016 and should not be considered a substitute for reading these full disclosure documents which are available on SEDAR at www.sedar.com or the Corporation’s website at www.csri.ca.

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

SELECTED FINANCIAL DATA

(all amounts are presented in Canadian dollars, unless otherwise indicated)

	For the three month periods ended March 31,	
	2016	2015
Average sales volumes of natural gas (Mcf/d)	635	821
Average sales price of natural gas (per Mcf)	\$ 1.41	\$ 2.10
Natural gas sales, before royalties	\$ 83,978	\$ 154,319
Operating netbacks, after royalty credits applied	\$ (19,804)	\$ 31,363
Net cash flows from operating activities	\$ (407,319)	\$ (203,066)
Net loss and comprehensive loss	\$ (141,749)	\$ (420,729)
Loss per share, basic & diluted	\$ (0.00)	\$ (0.00)
Gross capital expenditures	\$ 3,096,250	\$ 235,266

	As at March 31,	
	2016	2015
Net working capital	\$ 1,232,078	\$ 2,648,426
Total assets	\$ 75,649,021	\$ 73,256,934
Total debt	\$ -	\$ -
Shareholders' capital	\$ 71,771,628	\$ 70,687,067
Number of common shares outstanding	146,192,192	128,867,192

HIGHLIGHTS

- CSRI ended the first quarter 2016 with a strong working capital position and no debt.
- Despite difficult equity markets, in December 2015 and January 2016 the Corporation raised a total of \$3.5 million of equity capital to drill, in the first quarter 2016, a 100% working interest

vertical stratigraphic test well at c-69-H/94-B-1 in West Farrell Creek for land retention and resource delineation, and for general corporate purposes.

- The c-69-H/94-B-1 well was successfully drilled and cased, and was rig released on March 6, 2016 at a final total depth of 2,762 metres. The tenure on 8.35 sections of lands, CSRI (8 sections at 100%) and joint venture (1 section at 35%), has been extended for an additional 10 years. While drilling through the Doig and Montney formations, extremely high pressures were encountered. Although validation through further testing is required, the presence of these higher pressures could result in a larger natural gas resource in place than currently recognized on CSRI's 100% working interest lands. To that end, the Corporation announced on May 18, 2016 that it proposes to raise, via private placement, the funds necessary to complete the testing of the c-69-H/94-B-1 well during the third quarter 2016. The proximity of this land base to the Spectra Energy pipeline and existing, expandable infrastructure has the potential to match some of the most prolific natural gas production in the region.
- As previously announced, the Corporation and its joint venture partner shut in their natural gas production at Farrell Creek effective March 31, 2016. The natural gas processing facility and associated wells will be reactivated once natural gas prices return to a profitable situation.
- Management and the Board of Directors of CSRI are continuing to focus on and pursue strategic alternatives for the Corporation. These include but are not limited to considering alternative financing methods and meeting with potential acquirers or merger partners.

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

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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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