



NEWS RELEASE

CANADIAN SPIRIT RESOURCES INC. ANNOUNCES SECOND QUARTER 2016 FINANCIAL RESULTS

Calgary, AB August 29, 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 and six month periods ended June 30, 2016.

This news release summarizes information contained in the unaudited interim condensed financials statements and MD&A for the three and six month periods ended June 30, 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 focused 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 June 30,		For the six month periods ended June 30,	
	2016	2015	2016	2015
Average sales volumes of natural gas (Mcf/d)	-	745	317	783
Average sales price of natural gas (per Mcf)	\$ -	\$ 2.07	\$ 1.41	\$ 2.08
Natural gas sales, before royalties	\$ -	\$ 140,280	\$ 83,978	\$ 294,599
Operating netbacks, after royalty credits applied	\$ (80,073)	\$ (3,558)	\$ (99,877)	\$ 27,805
Net cash flows from operating activities	\$ (163,676)	\$ (268,977)	\$ (570,995)	\$ (472,043)
Net loss and comprehensive loss	\$ (682,293)	\$ (472,681)	\$ (824,042)	\$ (893,410)
Loss per share, basic & diluted	\$ (0.01)	\$ (0.01)	\$ (0.01)	\$ (0.01)
Gross capital expenditures	\$ 391,004	\$ 133,918	\$ 3,487,254	\$ 369,184

	As at June 30,	
	2016	2015
Net working capital	\$ 1,259,395	\$ 2,143,641
Total assets	\$ 74,484,523	\$ 72,722,215
Total debt	\$ -	\$ -
Shareholders' capital	\$ 71,726,833	\$ 70,262,383
Number of common shares outstanding	152,592,192	128,867,192

HIGHLIGHTS

- CSRI ended the second quarter 2016 with a strong working capital position and no debt.
- Despite difficult equity markets, the Corporation has raised a total of \$4.1 million of equity capital in the period from December 2015 to June 2016. The principal use of the proceeds was to drill 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 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. On June 25, 2016 the Corporation perforated three zones in the Montney Formation in the c-69-H/94-B-1 well. Pressure recorders were placed across these perforations and will be retrieved at the end of the third quarter 2016.
- As previously announced, the Corporation and its joint venture partner shut in their natural gas production at Farrell Creek/Altares effective March 31, 2016. With improving natural gas prices, the processing facility and associated wells are due to be reactivated on or about October 1, 2016.
- 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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