



NEWS RELEASE

CANADIAN SPIRIT RESOURCES INC. ANNOUNCES YEAR END 2016 FINANCIAL RESULTS

Calgary, AB April 27, 2017 – Canadian Spirit Resources Inc. (“CSRI” or the “Corporation”) (TSXV:SPI) (OTCBB:CSPUF) announces the release of its financial results for the three and twelve months ended December 31, 2016 including the filing of its 2016 annual audited Financial Statements, Management Discussion and Analysis (“MD&A”), and reserves data Forms 51-101F1, F2 and F3.

This news release summarizes information contained in the audited Financial Statements and MD&A for the year ended December 31, 2016 and should not be considered a substitute for reading these full disclosure documents, as well as the reserves data Forms 51-101F1, F2 and F3, 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 December 31,		For the twelve month periods ended December 31,	
	2016	2015	2016	2015
Average sales volumes of natural gas (Mcf/d)	1,098	575	433	721
Average sales price of natural gas (per Mcf)	\$ 2.37	\$ 1.06	\$ 2.04	\$ 1.76
Natural gas sales, before royalties	\$ 240,136	\$ 54,340	\$ 324,114	\$ 471,622
Operating netbacks, after royalty credits applied	\$ 190,444	\$ (20,143)	\$ 36,940	\$ 28,495
Net cash flows from operating activities	\$ (133,382)	\$ (213,447)	\$ (501,732)	\$ (829,324)
Net loss and comprehensive loss	\$ (29,356,168)	\$ (376,069)	\$ (30,069,097)	\$ (2,247,485)
Loss per share, basic & diluted	\$ (0.19)	\$ (0.00)	\$ (0.20)	\$ (0.02)
Gross capital expenditures	\$ 182,539	\$ 228,411	\$ 3,944,973	\$ 797,866
			As at December 31,	
			2016	2015
Net working capital			\$ 1,155,907	\$ 3,142,299
Total assets			\$ 45,672,540	\$ 73,618,363
Total debt			\$ -	\$ -
Shareholders' capital			\$ 42,977,838	\$ 70,886,144
Number of common shares outstanding			156,758,860	141,367,192

HIGHLIGHTS

- CSRI ended 2016 with a working capital surplus and no debt.
- Despite difficult equity markets, the Corporation raised a total of \$4.6 million of equity capital in the period from December 2015 to December 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 Corporation drilled and cased the c-69-H/94-B-1 well in the first quarter 2016 to a total measured depth of 2,762 metres. Three zones were perforated in the Montney Formation. Pressure recorders were placed across these perforations and were retrieved in the third quarter 2016. The pressures recorded in the Montney formation were found to be regionally over pressured.
- The drilling of the c-69-H well extended the tenure on 8.35 sections of lands, CSRI (8 sections at 100%) and joint venture (1 section at 35%), for an additional 10 years. CSRI holds 26,817 net acres (41.9 sections) of Montney Formation mineral rights in two large contiguous blocks in the Attachie and Farrell Creek/Altares areas.
- With the Montney Formation being the focus of the Corporation's capital spending commencing in 2008, funding for the Gething Formation coal bed methane project was curtailed by mid-2010 and has remained dormant since then. To better reflect the true focus and value of the Corporation and its Montney Formation assets, the Exploration and Evaluation assets associated with the Gething Formation were impaired at year end 2016 by an amount of \$29.1 million. If, at a later date, the economics for the coal bed methane project improve, then the project could be reactivated and the impairment reversed.
- Full year 2016 production was approximately half of that realized in 2015. Due to extremely low natural gas prices, the Corporation and its joint venture partner agreed to shut-in its natural gas production at Farrell Creek/Altares effective March 31, 2016. Improving natural gas prices justified the reactivation of the joint venture processing facility and associated wells on October 4, 2016.
- On October 27, 2016, the Corporation announced the engagement of Peters & Co. Limited as financial advisors to assist in its review of strategic alternatives to maximize the value of its Montney Formation resource base at Attachie and Farrell Creek/Altares. The process began in the first quarter 2017 and is presently underway.

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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