



CANADIAN SPIRIT RESOURCES INC.

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CANADIAN SPIRIT RESOURCES INC. INCREASES LAND POSITION

Calgary, AB August 22, 2005 - Canadian Spirit Resources Inc. ("CSRI" or the "Company") ("SPI" TSX Venture) announces that it was successful in acquiring an additional 4,100 net acres of petroleum and natural gas mineral rights at a recent British Columbia crown sale. The average acquisition cost was CDN\$515 per acre. Approximately two-thirds of the lands acquired are adjacent to the Company's existing 19,000 acre contiguous block held in the Farrell Creek area of northeast British Columbia and adds to the material size of this natural gas from coal ("NGC", also referred to as coalbed methane or CBM) project.

Since October 2003, the Company has assembled a total undeveloped land position of 39,560 acres (36,360 net acres) at a total cost of CDN\$13.3 million. Of this total, 37,000 acres (34,760 net acres) are located in the Farrell Creek area of British Columbia and 1,920 acres (960 net acres) are located in Alberta. The balance is in another prospective location in British Columbia.

In the Farrell Creek area, CSRI holds a 94% net interest in 37,000 acres from surface to the base of the Cadomin (which includes the shale, Bluesky and Gething formations) and also holds the deeper rights (below the base of the Cadomin to basement) in 75% of these lands.

CSRI is a natural resources company focusing on the exploration and development of opportunities in the unconventional gas sector of the energy industry (including NGC, shale gas and tight gas sands). The Company is in the pre-development stage and for the remainder of 2005 will be concentrating its efforts on evaluating the productive capabilities of the Gething and Bluesky formations in the Farrell Creek area of northeastern British Columbia.

On behalf of the Board of Directors,
CANADIAN SPIRIT RESOURCES INC.

"Phil Geiger"

Phillip D.C. Geiger, President & COO

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