



NEWS RELEASE

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CANADIAN SPIRIT RESOURCES ANNOUNCES PRIVATE PLACEMENT

Calgary, AB June 28, 2006 - Canadian Spirit Resources Inc. (“CSRI” or the “Company”) (SPI-TSX Venture) announces that it is proposing to undertake, subject to TSX Venture Exchange approval, two concurrent private placements of up to 2.7 million Units at a price of CDN \$2.50 per Unit. Each Unit will consist of one Common Share and one Share Purchase Warrant. Each Share Purchase Warrant will entitle the holder to purchase an additional Common Share of the Company for one year at an exercise price of CDN \$3.50 per share.

Haywood Securities Inc. and CIBC World Markets Inc. will act as agents (the “Agents”) for the Company for the placement of up to 2.0 million of the above Units on a best efforts basis. A commission of 6 percent is payable to the Agents in cash upon closing. In addition, Haywood Securities Inc. will receive a corporate finance fee of CDN \$25,000.

The Company proposes to directly place up to 700,000 Units to existing shareholders and directors, officers and employees of the Company. A finder’s fee of up to 4 percent may be paid in cash on a portion of the subscriptions to existing shareholders.

Closing of these private placements is expected to occur on or about July 21, 2006 and are subject to normal regulatory and stock exchange approvals, and, in the case of the brokered private placement, is subject to the execution of a formal agency agreement between CSRI and the Agents and completion of satisfactory due diligence.

Proceeds of these proposed private placements will be used to fund the drilling and completion of two wells at Farrell Creek, British Columbia and for general corporate purposes. These two wells will form part of the Company’s planned pilot production program at Farrell Creek and are designed to confirm the productivity of the Gething Formation as demonstrated by the Company’s b-92-H well drilled and completed in January 2006. The planned program at Farrell Creek for the balance of 2006 includes the drilling and completion of two additional wells using innovative techniques designed to optimize natural gas production relative to the cost of bringing each well on-stream.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy securities in any jurisdiction. The Common Shares of CSRI have not been and will not be registered under the United States Securities Act of 1933 and may not be offered or sold in the United States absent such registration or applicable exemption from the registration requirements.

CSRI is a natural resources company focusing on the identification and development of opportunities in the unconventional gas sector of the energy industry. Since 2002, the mission of the Company has been to develop 1 Tcf of natural gas over a five year period from unconventional resource plays in western Canada. Within four years, the Company has identified several large resource plays, assembled a unique, high working interest land position in over 42,000 gross acres (of which 40,000 are located in British Columbia) and is currently evaluating the productive capability of its principal resource property.

On behalf of the Board of Directors,
Canadian Spirit Resources Inc.

“Phil Geiger”

Phillip D.C. Geiger, President & COO

For further information, please contact:
Canadian Spirit Resources Inc.

Telephone (403) 539-5005

Facsimile (403) 262-4177

Phil Geiger (phil.geiger@csri.ca) or Don Gardner (don.gardner@csri.ca)

The corporate information contained in this news release contains 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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