



CANADIAN SPIRIT RESOURCES INC.

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CANADIAN SPIRIT RESOURCES INC.
ANNOUNCES THIRD QUARTER 2004 FINANCIAL RESULTS

Calgary, AB November 29, 2004 - Canadian Spirit Resources Inc. ("CSRI" or the "Company") (SPI-TSX Venture) announces its third quarter 2004 financial results.

The Company recorded a net loss of \$561,720 or \$0.03 per share (2003 - \$147,841 or \$0.02 per share) during the third quarter of 2004 and a net loss of \$1,209,150 or \$0.08 per share (2003 - \$508,137 or \$0.09 per share) for the nine month period ended September 30, 2004. The Company is in the land assembly and prospect evaluation phase of its business plan and had no operating revenue during the respective periods.

Capital expenditures during the third quarter of 2004 were \$5.1 million for land acquisition and exploration compared to \$337,371 for exploration in the comparative 2003 period.

Staff and administrative expenses before non-cash items were \$76,084 in the third quarter of 2004, up from \$26,004 in the third quarter of 2003. Legal and audit fees, transfer agent fees and the development of a new website were significant contributors to the period over period change. Capitalized overhead was \$35,700 and \$10,200 in the third quarter of 2004 and 2003 respectively.

Non-cash expenses related to stock appreciation rights and stock options were a significant factor in reported losses relative to prior year periods. Stock-based compensation expense in the current quarter was \$382,752 or 68 percent of the net loss for the period compared to \$20,133 or 14 percent of the third quarter 2003 net loss. The increased value of the Company's shares and the high volatility factor used in calculating the value of stock options at the time of grant both contributed to the material increase in stock-based compensation expense.

During the third quarter of 2004 the Company raised \$5.9 million in additional equity capital after fees and expenses and ended the period with a cash position of \$5.5 million.

The Company is currently waiting for regulatory approval of its third evaluation well which is anticipated to be drilled before year end. Pending the results of this well, the Company may initiate its pilot production program. Once results from the pilot program are available, Management intends to obtain an independent engineering report to assist in assessing the commercial viability of this project.

Canadian Spirit Resources Inc. is a natural resources company focusing on the exploration and development of opportunities in the natural gas from coal ("NGC", also referred to as coal bed methane or "CBM") sector of the energy industry.

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

"Phil Geiger"

Phillip D.C. Geiger
President & COO

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