



## **NEWS RELEASE**

### **CANADIAN SPIRIT RESOURCES INC. ANNOUNCES DRILLING RESULTS**

**Calgary, AB September 20, 2006 - Canadian Spirit Resources Inc. ("CSRI" or the "Company") ("SPI" TSX Venture)** announces that it has successfully completed and fracture stimulated the b-03-I test hole with encouraging initial production rates of natural gas. Initial production rates rose to over 150 thousand cubic feet ("mcf") per day before the test hole was shut-in to install a water pump. The Company's decision to install a water pump at this early stage is based on positive prior experience and is expected to enhance the productivity of b-03-I.

The b-03-I test hole was drilled to confirm that the productivity of the Company's b-92-H test hole, which produced natural gas at rates ranging from 80 to 315 mcf per day, could be repeated.

Commenting on the b-03-I test hole, Phil Geiger, President and Chief Operating Officer said "The positive results achieved at b-03-I, located approximately one kilometer from the b-92-H test hole demonstrates productive repeatability from the Gething Formation at Farrell Creek. The b-03-I test hole was drilled, completed and stimulated using nitrogen at a lower cost than the b-92-H test hole and further cost reductions are expected".

A water pump has been recently installed in the c-83-H test hole, resulting in a gradual increase in natural gas production. The well is currently producing natural gas at a rate of 125 mcf per day and water at a rate of approximately thirty barrels per day. Within the next week, water pumps will also be installed first at b-03-I and then at b-92-H at which time production testing of these test holes will resume. Further information on productivity will be provided as soon as a stabilized production rate or trend is achieved for each test hole.

Following the positive results achieved at b-03-I, the Company is proceeding to drill b-02-I, the fourth test hole in the pilot production program. This test hole is expected to spud the week of September 25th.

Other current activities at Farrell Creek include the refinement of drilling and completion parameters, the identification and licensing of further drilling locations and the collection of additional well productivity data. An application to proceed with the tie-in of the pilot program to the Duke Energy pipeline is being prepared and will be submitted shortly.

The Company's goal is to economically recover a significant portion of the estimated 1.4 to 2.0 Tcf of contingent natural gas resource attributed to the Company's lands at Farrell Creek (see our News Release dated April 18, 2006). The principal risks to achieving this objective are now primarily reservoir engineering and future commodity prices.

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 identify and 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

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