



## **NEWS RELEASE**

### **CANADIAN SPIRIT RESOURCES INC. PROVIDES OPERATIONS UPDATE**

**Calgary, AB February 14, 2007 - Canadian Spirit Resources Inc. (“CSRI” or the “Company”) (“SPI” TSX Venture) announces interim results associated with the Company’s pilot program at Farrell Creek, British Columbia.**

Since late 2006, field operations have been primarily focused on the b-092-H test hole in an effort to achieve more consistent production flow rates. Production testing of the four wells in the pilot project during the Fall of 2006 has demonstrated the Company’s ability to consistently produce natural gas from the Gething Formation rock package but at rates fluctuating between 50 mcf/d to over 700 mcf/d for brief periods of time. Although formation water volumes are low relative to some unconventional natural gas basins, the Company has determined that at Farrell Creek there is a strong correlation between consistent gas production rates and consistent water removal rates.

At b-092-H, new techniques applied in January 2007 to create a consistent flow of formation water have resulted in a more stable production rate of natural gas in the range of 150-250 mcf/d. The Company plans to apply these same techniques to the other three test holes in the pilot project over the next ninety days before making further drilling or tie-in commitments. The Company continues to be encouraged by the results of the ongoing pilot program and expects to make further modification to its completion and production techniques with the objective of achieving consistent commercial production rates.

The pilot project at Farrell Creek consists of six test holes drilled on 100 percent working interest Company lands of which four test holes have been completed, fracture stimulated and production tested in the Gething Formation. During 2006, various fracture stimulation and production engineering techniques designed to maximize natural gas production from the Gething Formation at the lowest possible cost were applied and evaluated. Understanding the reservoir characteristics of the Gething Formation at Farrell Creek has been a challenge, requiring more time and capital than originally contemplated. A significant amount has been learned and further work will be required to fully optimize the productive capability of this new basin.

The results of the current evaluation and optimization activity at Farrell Creek together with the raising of additional equity capital will determine the timing of a decision to proceed with the tie-in of the pilot project to the Duke Energy pipeline. The “hot tap” of the Duke pipeline was deferred so that it could be co-ordinated with other field activity at Farrell Creek in order to reduce the capital cost of this critical step.

In addition, the Company is pleased to announce that it has received approval of its Farrell Creek Scheme Application from the British Columbia Oil & Gas Commission effective January 31, 2007 for a three year term. The Scheme area consists of a six section block which includes the six test holes that have been drilled to-date as part of the Farrell Creek pilot project. The Scheme will allow the Company to facilitate the orderly development of its pilot program and to continue to keep pertinent engineering data confidential for three years.

The Company is monitoring natural gas prices and equity market conditions and evaluating alternative methods of funding its capital program for the balance of 2007.

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 at Farrell Creek, British Columbia.

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

*"Phil Geiger"*

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*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.*