



NEWS RELEASE

CANADIAN SPIRIT RESOURCES ANNOUNCES 2006 FINANCIAL RESULTS AND FILING OF ANNUAL DISCLOSURE DOCUMENTS

Calgary, AB April 27, 2007 - Canadian Spirit Resources Inc. (“CSRI” or the “Company”) (SPI-TSX Venture) announces the release of its financial results and the filing of the Financial Statements, Management Discussion and Analysis and Annual Information Form all for the year ended December 31, 2006.

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 a 1.8 tcf resource play, 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.

Operational Highlights:

- The completion and stimulation of four wells in the Gething Formation at Farrell Creek, British Columbia resulting in the flowing of natural gas;
- Operational improvements resulting in reduced drilling, fracture stimulation and operating costs;
- Approval to tap into Duke Energy pipeline;
- Approval of an Experimental Scheme Application covering the pilot production project area at Farrell Creek; and
- Improved consistency of natural gas production rates based on early stage evaluation work.

Selected Financial Data (\$CDN)

For the years ended or as at December 31	2006	2005
Total revenues	\$ 277,305	\$ 499,089
Net loss	\$ (1,075,215)	\$ (3,806,416)
Net loss per share (basic & diluted)	\$ (0.04)	\$ (0.16)
Total current assets	\$ 3,455,043	\$ 11,764,255
Total assets	\$ 36,249,029	\$ 34,011,298
Total current liabilities	\$ 857,202	\$ 3,722,768
Total long term liabilities	\$ 692,650	\$ 1,260,395

The Company had no operating revenue during 2006 and 2005 but recorded revenue from the holding of cash balances and until the first quarter of 2006, management fees from a joint venture. The net loss of \$1.1 million in 2006 was significantly lower than the net loss of \$3.8 million in 2005 when stock-based compensation represented \$2.2 million of the total. A second factor was the impairment provision of \$1.1 million relating to costs incurred to complete and production test the Bluesky Formation in two wells which was taken in 2005 due to non-commercial results. Residual costs of \$51,744 associated with this activity which carried into 2006 were also impaired.

Relative to the 50 percent increase in capital expenditures on drilling, completion, fracture stimulation and testing activities in 2006, as explained below, staff and administration expenses net of capitalized costs increased to \$1.2 million from \$1.0 million in 2005. Capitalized overhead was \$0.6 million in both annual fiscal periods. Contributing to the year over year rise were additional investor relations and other non-technical consulting fees plus increases in salaries, benefits and staff recruiting expenses.

Total non-cash expenses related to outstanding stock appreciation rights ("SARs") and stock options were negligible in 2006. Amounts expensed for stock appreciation rights in prior periods were partially recaptured due to lower share prices and substantially offset current compensation expense associated with stock options. This compares with 2005 when non-cash expenses for both SARs and stock options resulted in a total charge for the year of \$2.2 million.

An active capital program in 2006 resulted in expenditures of \$10.5 million for drilling, completion, fracture stimulation and testing activities compared with \$7.0 million in 2005. Land acquisition and retention declined from \$2.2 million in 2005 to \$44,629 in 2006 as the Company focused on its substantial existing land base of approximately 62 sections in northeast British Columbia.

At December 31, 2006, the Company had a cash balance of \$3.2 million and working capital of \$2.6 million compared to \$10.7 million and \$8.0 million respectively at December 31, 2005. Of cash used during 2006, \$1.0 million or 7 percent of the total was associated with administrative activities while \$12.6 million or 93 percent was expended on exploration related activities. A private placement in August 2006 raised \$6.1 million net of expenses. The Company has sufficient funding for its base capital program comprised of testing and optimization activities planned for the first half of 2007.

Long-term financial liabilities of \$0.7 million at December 31, 2006 (\$1.3 million – 2005) were comprised of \$0.5 million for the accrued contingent liability for cash payments to key employees pursuant to SARs granted in 2003, and \$0.2 million for the asset retirement obligation of the Company. Payments under the SARs agreements are conditional upon the achievement of specific production targets, profit thresholds and minimum share price levels.

Operations Update:

Since the last operations update on February 14, 2007, the Company has made significant progress in refining the completion and fracture stimulation techniques that are designed to bring the Farrell Creek project to commercial levels of production.

New techniques applied to the b-092-H well in January 2007 resulted in a more stable production rate of natural gas in the range of 150-250 mcf/d. During February and March, substantial changes in equipment and operating procedures were implemented in the field which reduced operating costs and resulted again in stable flows of natural gas and water. To date, the equipment changes and modifications have also provided a high degree of mechanical reliability allowing the technical staff to focus on reservoir and production issues.

In preparation for the "spring breakup" period at Farrell Creek during which load limits are imposed on the use of municipal roads, the company also implemented an engineering driven evaluation process to collect data on the effectiveness of different completion and stimulation methods used in each of the pilot program test wells. Since conducting operations requiring heavy equipment is not possible during the mid April to late June period due to spring breakup, it is an ideal time to implement "light" operations designed to provide insight into the completion and stimulation techniques for future wells that may result in more optimal production.

This disciplined engineering approach is aided by the use of remote sensing devices that enables pressure, natural gas and water flows and other data to be monitored and collected on a real-time basis.

Implementation of this engineering evaluation process in early April required all test wells to be temporarily shut-in and restarted using similar operating parameters. Each of the four wells flowed natural gas, at rates ranging from 50 to 100 mcf/d when restarted under conditions that included significant back pressure on the producing formation. Changes to these parameters are being carried out from time to time in a controlled manner with evaluation periods following each change which allow meaningful data to be collected on the impact of each change. As collected, the data is compared to established unconventional parameters to determine the effectiveness of each change and the probability of achieving the predicted rates of natural gas production. This methodical evaluation process is expected to continue through June 2007.

The principal risk for the Company is the productive capability of the discovered coal and shale resources on the Company's lands at Farrell Creek. The Company continues to be encouraged by the results of the ongoing pilot program and anticipates that the current evaluation process will make an important contribution towards the development of commercial production from the Gething Formation at Farrell Creek.

Additional Information:

The Company's financial statements, management's discussion and analysis of operations and financial condition ("MD&A") and annual information form ("AIF") have been filed on the System for Electronic Document Analysis and Retrieval ("SEDAR").

The AIF contains the supplemental disclosure, including available reserves information, as mandated by Canadian Securities Administrators National Instrument 51-101 s.2.1 including the Statements and Reports required by Forms 51-101F1 and 51-101F3.

A copy of the Financial Statements, MD&A and AIF as well as the Statements and Reports mandated by NI51-101 referred to above can be found for viewing through the Company's website at www.csri.ca and on www.sedar.com.

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

"Phil Geiger"

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