



NEWS RELEASE

CANADIAN SPIRIT RESOURCES INC. ANNOUNCES FIRST QUARTER 2007 FINANCIAL RESULTS

Calgary, AB May 17, 2007 - Canadian Spirit Resources Inc. (“CSRI” or the “Company”) (“SPI” TSX Venture) announces the release of its financial results and Management Discussion and Analysis for the three month period ended March 31, 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 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.

Highlights in the first quarter are:

- Approval of Experimental Scheme covering the pilot production project area at Farrell Creek, B.C.;
- Improved equipment reliability and reduced operating costs; and
- Greater understanding of completion and fracture techniques required to optimize production.

Selected Financial Data (\$ CDN)

For the three month periods ended on or as at March 31	2007	2006
Total revenue	\$ 25,516	\$ 111,857
Net loss	\$ (279,955)	\$ (975,817)
Net loss per share (basic & diluted)	\$ (0.01)	\$ (0.04)
Working capital	\$ 1,457,738	\$ 2,597,841
Total assets	\$ 35,561,142	\$ 36,249,029
Total long term financial liabilities	\$ 542,293	\$ 692,650

The Company recorded a loss of \$279,955 or \$0.01 per share for the first three months of 2007 compared to a loss of \$975,817 or \$0.04 per share for the same period in 2006. The Company had no operating revenue in either period. Interest and other revenue declined to \$25,516 during the first quarter of 2007 from \$111,857 in the comparative 2006 quarter due to the suspension of joint venture management fees effective March 31, 2006 and to lower average cash balances in 2007.

Cash administrative expenses for the three month periods ended March 31, 2007 and 2006 after the capitalization of costs directly related to exploration activity were \$307,133 and \$293,886 respectively. Due to a reduction in staff associated with exploration activities, overhead amounts capitalized in the first quarter of 2007 were \$124,088 compared to \$167,183 in the first quarter of 2006. Total salaries and benefits before capitalization for the two comparative periods declined \$28,598 or 11 percent.

Stock-based compensation was comprised of stock option expense of \$141,967 (2006: \$297,213) and stock appreciation rights recovery of \$162,000 (2006: expense of \$461,833) resulting in a net recovery of \$20,033 in the first quarter of 2007 (2006: expense of \$759,046).

Capital expenditures in the first quarter in each of the past two years are detailed in the following table:

For the three month periods ended March 31	2007	2006
Lease acquisitions and retentions	\$ 17,690	\$ 19,356
Geological and geophysical	8,301	3,344
Drilling and completion	708,407	3,669,747
Capitalized overhead	119,710	167,183
Total petroleum and natural gas	854,108	3,859,630
Office equipment and furnishings	-	3,542
Total capital expenditures	\$ 854,108	\$ 3,863,172

Operations during the first quarter of 2007 involved improvements in equipment and facilities at the Farrell Creek pilot project which resulted in enhanced reliability and reduced operating costs. No drilling or completion activity occurred in the first three months of 2007 compared to the comparative period in 2006 when one well was drilled and two wells were completed.

Long-term financial liabilities at March 31, 2007 included \$372,000 representing the accrued contingent liability for cash payments to key employees pursuant to stock appreciation rights granted in 2003. Payments under these agreements are conditional upon the achievement of specified production targets or profit thresholds. The balance of \$170,293 represents the present value of future reclamation obligations.

Additional Information:

The Company's interim financial statements and management's discussion and analysis of operations and financial condition ("MD&A") have been filed on the System for Electronic Document Analysis and Retrieval ("SEDAR") and can be viewed 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"

Phillip D.C. Geiger, President & Chief Operating Officer

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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.

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