



CANADIAN SPIRIT RESOURCES INC.

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CANADIAN SPIRIT RESOURCES CLOSES PRIVATE PLACEMENT

Calgary, AB December 30, 2004 - Canadian Spirit Resources Inc. ("CSRI" or the "Company") (SPI-TSX Venture) is pleased to announce that, with the consent of the TSX Venture Exchange, it has closed a private placement issuing 160,000 common shares at a price of \$6.25 per share for gross proceeds of \$1,000,000. Proceeds of the Placement will be used during 2005 to fund the drilling of natural gas from coal wells and related expenditures on lands held by the Company.

Finders' fees of \$46,500 in cash will be paid in conjunction with the private placement.

The flow-through shares issued pursuant to this private placement shall be subject to a four month hold period expiring April 30, 2005, except those issued to residents of Quebec which are subject to an indefinite hold period until CSRI becomes a reporting issuer in Quebec. The Company is preparing an application to become a reporting issuer in Quebec.

Following this private placement, there will be a total of 22,337,348 common shares of CSRI outstanding.

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 coalbed 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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