



NEWS RELEASE

CANADIAN SPIRIT RESOURCES INC. ANNOUNCES THIRD QUARTER CAPITAL PROGRAM

Calgary, AB June 5, 2007 - Canadian Spirit Resources Inc. (“CSRI” or the “Company”) (“SPI” TSX Venture) announces plans to complete the first phase of its pilot project at Farrell Creek in northeast British Columbia.

At Farrell Creek, the Company holds oil and gas rights to the base of the Cadomin Formation in approximately 40,000 gross acres (“shallow rights” which include the Gething Formation) and all rights below the base of the Cadomin Formation in 75 percent of these lands (“deep rights”). The principal exploration focus of the Company has been the Gething Formation “rock package”. Sproule Associates have evaluated the results of the Company’s pilot project to December 31, 2006 and estimate that the Company’s lands have a discovered resource potential of 1.8 tcf in those portions of the shallow rights evaluated to-date (see News Release dated May 9, 2007).

The first phase of the pilot program at Farrell Creek which began in 2006, has included the production testing of four wells, each completed and fracture stimulated in a different manner. Planned steps to complete this first phase will be implemented in mid June.

Subject to achieving expected results from this test and to Board approval, the Company plans to complete and fracture stimulate the d-093 well in July 2007 using the completion techniques which have achieved the most economic results from the prior four wells. The d-093 well was drilled and cased in 2006 and has been used in the fracture mapping of other wells in the pilot program. The incremental cost of the planned capital program in the third quarter is expected to be less than CDN \$1.0 million.

Initial results from the completion and testing of the d-093 well are expected by mid to late August 2007 and will be the basis on which a decision will be made to tie-in the Farrell Creek pilot wells for production. In preparation for this decision, interim tie-in alternatives are being evaluated while the cost to tie into the Spectra Energy (formerly Duke Energy) pipeline is being updated. Landowner and pipeline access approvals are in place for the Spectra Energy alternative.

Subject to a decision to tie-in the Company’s pilot project, the raising of additional capital and regulatory approvals, the Company plans to drill and complete up to four additional wells in the fourth quarter, one of which could be a directional or horizontal well. The success of this program could result in natural gas sales in excess of one million cubic feet per day by the first quarter of 2008 and lead to the first phase of development in the second half of 2008.

In response to increasing industry interest in the prospective deep rights in the Farrell Creek area, the Company is actively pursuing the potential for exploration on its approximately 30,000 gross acres of deep rights by experienced industry participants.

Commenting on current plans, Phil Geiger stated that “we are pleased with the advances achieved toward determining the productive capability of this very significant resource in a timely and cost effective manner. The completion and testing of the d-093 well at a cost of CDN \$500,000 or less and with the objective of achieving an average production rate of 200,000 cubic feet per day or better will be an important step toward an early tie-in decision.”

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.

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

“*Phil Geiger*”

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OTC Bulletin Board Symbol (Foreign) “CSPUF”

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