



NEWS RELEASE

CANADIAN SPIRIT RESOURCES INC. **CLOSES PRIVATE PLACEMENTS**

Calgary, AB July 19, 2007 – Canadian Spirit Resources Inc. (“CSRI” or the “Company”) (TSX Venture: “SPI”) is pleased to announce that subject to receipt of final approval of the TSX Venture Exchange, it has closed two non-brokered private placements issuing a combined total of 3,500,000 Units and Flow-Through Shares for gross proceeds of \$3,544,700.

The Company placed 3,053,000 Units at a price of \$1.00 per Unit with each Unit consisting of one common share (a “Share”) in the capital of the Company and one-half share purchase warrant. Each whole warrant (a “Warrant”) will entitle the holder to purchase one additional share of the Company for one year at a price of \$1.10 per share.

The Company also placed 447,000 Flow-Through Shares at a price of \$1.10 per Flow-Through Share. The Flow-Through Shares will entitle Canadian subscribers, subject to various income tax considerations, to certain tax benefits based on the renunciation of Canadian Development Expense deductions by the Company.

Both private placements were approved by the Board of Directors of CSRI.

The Shares, Flow-Through Shares, Warrants and any shares issued upon exercise of the Warrants will be subject to a four month hold period expiring November 19, 2007.

Finders’ fees of \$146,952 in cash will be paid in respect of certain subscriptions excluding subscriptions by directors, officers and employees of CSRI.

Net proceeds of both private placements will be used to complete the first phase of the Company’s pilot production project at Farrell Creek, British Columbia and for general corporate purposes.

As a result of these private placements, there are now 32,333,082 shares of CSRI outstanding. Elmag Investments Inc. participated in the private placement of Units and now holds 13.7 percent of the outstanding shares of the Company. Other insiders participating in the private placement of Units were Ken Sinclair, Vice President, Business Development and Don Gardner, Chief Financial Officer and director of the Company.

CSRI is a natural resources company focusing on the identification and development of opportunities in the unconventional gas sector of the energy industry. The mission of the Company is to develop 1 tcf of natural gas 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”

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

For further information, please contact:

Canadian Spirit Resources Inc.

Telephone (403) 539-5005

Phil Geiger (phil.geiger@csri.ca)

Facsimile (403) 262-4177

Don Gardner (don.gardner@csri.ca)

OR

BRISCO Capital Partners Corp.

Telephone (403) 262-9888

Gordon W. Aldcorn, Investor Relations

Facsimile (403) 263-1339

ir@csri.ca

OTC Bulletin Board Symbol (Foreign) “CSPUF”

The corporate information contained in this news release may contain 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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