



NEWS RELEASE

CANADIAN SPIRIT RESOURCES INC. ANNOUNCES FIRST QUARTER 2008 FINANCIAL RESULTS

Calgary, AB May 29, 2008 – Canadian Spirit Resources Inc. (“CSRI” or the “Company”) (TSXVENTURE:SPI) (OTCBB:CSPUF) announces the release of the financial results and Management Discussion and Analysis for the three month period ended March 31, 2008.

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. The Company has identified a 1.8 tcf discovered resource play (see News Release dated May 8, 2007), assembled a unique, 100 percent working interest land position in approximately 40,000 gross acres in northeast British Columbia and is currently evaluating the productive capability of its principal resource property at Farrell Creek, British Columbia.

Operational Highlights from the First Quarter

- Concluded joint venture to evaluate the Montney Formation and other deep rights at Farrell Creek, B.C.
- Drilling licence received for one Montney well
- Work commenced on connection of Gething pilot program to Spectra Energy gas sales pipeline
- British Columbia proceeding with 2% Net Profit Royalty Program
- Gross discovered resource at Farrell Creek, B.C. confirmed by Sproule Associates at 1.8 tcf

Selected Financial Data and First Quarter Results (\$CDN)

For the three month periods ended on or as at March 31	2008	2007
Revenue	\$ 22,321	\$ 25,516
Net loss and comprehensive loss	\$ (325,896)	\$ (279,955)
Net loss per share (basic & diluted)	\$ (0.01)	\$ (0.01)
Working capital	\$ 4,072,533	\$ 1,457,738
Total assets	\$ 44,148,242	\$ 35,561,142
Total long term financial liabilities	\$ 213,418	\$ 542,293

The Company recorded a net loss after income taxes of \$325,896 or \$0.01 per share for the first three months of 2008 compared to a net loss of \$279,955 or \$0.01 per share for the same period of 2007. The Company had no operating revenue in either period. Interest and other revenue declined to \$22,321 during the first quarter of 2008 from \$25,516 in the comparative 2007 quarter due to lower prevailing interest rates in the first quarter of 2008.

Cash administrative expenses for the three month periods ended March 31, 2008 and 2007 after the capitalization of costs directly related to exploration and development activity were \$265,872 and \$307,133 respectively, a decrease of 13%. Overhead and other expenses capitalized in the first quarter of 2008 were \$156,908 compared to \$124,088 in the first quarter of 2007.

Stock-based compensation was comprised of stock option expense of \$102,624 (2007: \$141,967) and share appreciation rights expense of \$144,000 (2007: recovery of \$162,000) resulting in a net overall expense of \$246,624 in the first quarter of 2008 (2007: recovery of \$20,033).

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

For the three month periods ended March 31	2008	2007
Lease acquisitions and retentions	\$ 11,071	\$ 17,690
Geological and geophysical	47,572	8,301
Drilling and completion	1,189,728	708,407
Capitalized overhead	152,945	119,710
Total petroleum and natural gas	1,401,316	854,108
Office equipment and furnishings	9,698	-
Total capital expenditures	<u>\$ 1,411,014</u>	<u>\$ 854,108</u>

Long-term financial liabilities at March 31, 2008 are comprised of \$231,418 representing the present value of future reclamation obligations. The accrued contingent liability of \$162,000 at March 31, 2008 to key employees pursuant to share appreciation rights granted in 2003 are recorded as current liabilities since they expire in August of 2008 (2007: long term liability of \$372,000). Payments under these share appreciation rights are conditional upon the achievement of specified production targets and/or profit thresholds.

Operations Update

Commencing in March 2008, the Company proceeded with the initial stages of its pilot program tie-in to the Spectra Energy pipeline. The planned gas production facility and gas gathering system is expected to be completed by the end of summer 2008.

Operations during the first quarter of 2008 included the drilling and casing of the b-091 well location compared to the first three months of 2007 when the Company did not have any drilling or completion activity. This sixth well in the Company's pilot program at Farrell Creek, B.C. will be completed in the summer of 2008 in conjunction with the planned tie-in of the pilot program.

In March 2008, the Company announced the conclusion of a joint venture and farmout agreement with Canbriam Energy, Inc. ("Canbriam"), a private energy company based in Calgary, Alberta, that will evaluate certain of the Company's lands for the Montney Formation and other deep formation plays (see News Release dated March 19, 2008). Exploration and drilling activity will commence in June 2008 with two wells expected to reach target depth by the end of July 2008. Canbriam is a new private exploration and production company funded with \$300 million of private equity capital. Canbriam's investment partners include Warburg Pincus and ARC Financial Corp.

A drilling licence for the first Montney appraisal well has been received and a drilling licence for the second well is expected shortly.

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

"Don Gardner"

Chief Executive Officer

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