



SOUTHERN PACIFIC ANNOUNCES FORMATION OF A SAGD PROJECT TEAM

June 3rd, 2008

Southern Pacific Resource Corp. (“Southern Pacific” or the “Corporation”) (STP – TSX-V) is pleased to announce that several key positions have been finalized to initiate the planning and preparation of its first oilsands project. During the past winter, Southern Pacific drilled a total of 32 core holes on its 59 section block at McKay. From that program a project area has been identified from which to launch the planning and preparation of a 10,000 bbl/d project. It is Southern Pacific’s plan to submit an application to the ERCB for this project by April 30th 2009.

In order to facilitate this plan, Southern Pacific is pleased to announce the engagement of Drifter Projects Ltd. (“The Drifters”). The Drifters (www.drifterprojects.ca) are a project management team specializing in SAGD project development and have most recently been involved with the planning, design and construction of the Great Divide Oil Sands Project and the Algar Oil Sands Project application, both operated by Connacher Oil and Gas Limited. Their proven track record to execute on a timely and cost effective basis was the primary reason for Southern Pacific’s decision to engage The Drifters. They will work with our internal staff to coordinate the overall efforts required to prepare an application for a SAGD project.

In addition to The Drifters, Southern Pacific has also engaged the following firms to complete specialized work in the preparation of a project application. Millennium EMS Solutions Ltd. (www.mems.ca) has been engaged to complete the necessary environmental studies required for the application. BDR Engineering Ltd. (www.bdreng.com) has been engaged to complete the preliminary facilities engineering design for the project. These two companies have worked with The Drifters on previous projects which will enable the synergies and learning’s from those projects to be applied to Southern Pacific’s project.

Southern Pacific has also engaged Taurus Reservoir Solutions Ltd. (www.taurusrs.com) to complete its SAGD reservoir modelling which will be used to determine overall SAGD well pattern design and steam requirements. Southern Pacific has asked Taurus to initiate its work by completing a history match on a portion of the existing Petro-Canada SAGD project, which has over 5 years of production data, and similar reservoir

properties to Southern Pacific's McKay project. This history match is an important step to ensure realistic input parameters are used to model Southern Pacific's project.

Southern Pacific has also engaged Loring Tarcore Labs (www.tarcore.com) to complete its routine core analysis on all of its wells that were cored this past winter. In addition to this lab work, Hycal Energy Research Laboratories Ltd. (www.hycal.com) is conducting integrity tests on the cap rock cores and additional core analyses that Southern Pacific had cut in McKay this past winter.

With the addition of the above companies to complement our Southern Pacific team, we feel that we have the necessary components in place to aggressively pursue the goal of submitting a project application to the Energy Resources Conservation Board and Alberta Environment at the conclusion of next year's winter drilling season. Southern Pacific is also working with offset oilsands rights holders to develop infrastructure synergies including, temporary roads, permanent roads and pipeline corridors.

The 10,000 bbl/d project will be designed for future expansion and plans are already underway to initiate the appropriate environmental data collection required for larger projects. With a nine month regulatory approval period and existing levels of procurement and construction timelines, Southern Pacific estimates its first project could commence steam injection in the first quarter of 2011.

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