



**INDEPENDENT ESTIMATE OF SOUTHERN PACIFIC'S
DISCOVERED RESOURCES EXCEEDS MANAGEMENT EXPECTATIONS**

August 18, 2008

Southern Pacific Resource Corp. (“Southern Pacific” or the “Corporation”) (STP – TSX-V) is pleased to announce that an independent evaluation of the Corporation’s oil sands leases has resulted in an estimate of 3.6 billion barrels of Discovered Petroleum Initially in Place (PIIP) compared with management’s June 26, 2008 estimate of 793 million barrels.

Discovered Resources represent the quantities of bitumen that have been discovered with recent exploration drilling and historical drilling, but do not meet the stringent criteria set forth to be commercially recoverable using accepted technology such as Steam Assisted Gravity Drainage (SAGD). Management has been using a conservative number to represent its Discovered PIIP because Southern Pacific lands had not previously been evaluated by independent engineers McDaniel and Associates (McDaniel) of Calgary..

Southern Pacific announced the Contingent portion of the independent estimate of the Corporation’s Athabasca oil sands leases on June 26, 2008. McDaniel’s final evaluation, effective June 30, 2008, includes both the Discovered and Undiscovered bitumen resources within the Corporation’s lands.

The following table updates the values released on June 23, 2008 in which management estimates were used for the Discovered PIIP beyond the portion that had been classified by McDaniel as Contingent. This table also reflects the removal of the Rochester Energy Corp. lands at Long Lake that had been included on a pro forma basis. As announced on August 15, 2008, the Rochester amalgamation has been terminated.

Southern Pacific Net Resources (MMbbl)

as per McDaniel & Associates

Property	Discovered*	Contingent**		
		PIIP	Low	Best
McKay	1121.7	41.0	60.7	87.9
Long Lake	466.5	38.6	50.6	64.9
Hangingstone	742.5	8.2	14.5	25.0
Leismer***	729.8	4.6	12.0	25.9
Kirby	547.0	0.0	0.0	0.0
Total	3607.4	92.4	137.8	203.7

* - The Discovered volume reported represents McDaniel's Best (P50) estimate

** - Discovered PIIP resource not recognized as Contingent are further sub-classified as Unrecoverable

*** - Contingent volumes at Leismer are further classified as Sub-commercial; the remaining Contingent volumes in this table are further classified as Commercial.

Undiscovered Resources represent the prospectivity of lands where there has been no delineation to date. McDaniel has provided a Best (P50) estimate of 7.7 billion barrels of Undiscovered Resource remaining on the undrilled sections of Southern Pacific lands.

The Discovered and Undiscovered Resource estimates represent the inventory of resource under Southern Pacific lands. It is management's continuing responsibility to technically analyze its lands and existing technologies with the goal to convert this inventory to Contingent Resource, and ultimately to Reserves as projects become realized.

McDaniel's resource report also continues to confirm the potential for the Long Lake property to serve as a project area for Southern Pacific. Significant Contingent Resource was discovered over the past year on the Corporation's lands at Long Lake. The past winter's corehole program at Long Lake substantiates a gross 7,000 bbl/d SAGD project as a "best" case scenario (8,800 bbl/d is the "High" case scenario). Significant upside remains, as indicated by the Discovered and Undiscovered Resource estimates. This was confirmed this summer by additional field work using electrical resistivity tomography (ERT).

Southern Pacific's first project at McKay remains on track, with environmental work being conducted this summer in the field, the selection of a central process facility site and completion of road access planning with other industry players and government. Southern Pacific has sufficient capital on hand to delineate the project area to eight wells per section and shoot a 3D seismic program, as well as prepare the necessary project application and submit, which it expects to do in the second quarter of 2009. Once this application is submitted with no outstanding deficiencies, Southern Pacific expects to be able to turn contingent resources into bitumen reserves.

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Definitions:

1) Discovered Petroleum Initially-in-Place

- Defined as that quantity of petroleum that is estimated, as of a given date, to be contained in known accumulations prior to production. The recoverable portion of Discovered Petroleum Initially-in-Place includes production, reserves, and contingent resources; the remainder of the volume is unrecoverable.

2) Undiscovered Petroleum Initially-in-Place

- Defined as that quantity of petroleum that is estimated, on a given date, to be contained in accumulations yet to be discovered. The recoverable portion of Undiscovered Petroleum-Initially-in-Place is referred to as Prospective Resources; the remainder is classified as unrecoverable.

3) Contingent Resource

- Defined as those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations using established technology or technology under development, but which are not currently considered to be commercially recoverable due to one or more contingencies. Economic contingent resources are those contingent resources that are currently economically recoverable.