



## **SOUTHERN PACIFIC COMPLETES ALL FIELD WORK FOR FIRST SAGD PROJECT APPLICATION**

February 26, 2009

Calgary, Alberta - Southern Pacific Resource Corp. (TSX-V:STP) is pleased to report that its winter program has been completed under budget and with encouraging results.

Southern Pacific's 2008/2009 winter program marks the completion of all the winter field work required to submit an application to the Alberta Energy Resources Conservation Board (ERCB) for a 12,000 barrel per day (bbl/d) in-situ steam-assisted gravity drainage (SAGD) project. The STP-McKay project is located on the Athabasca fairway 50 km northwest of Fort McMurray.

Highlights of the winter program at STP-McKay include the following:

- Drilled 21 stratigraphic test holes within the project area. This brings the total number of delineation wells around the six square mile project area to 43, providing excellent control for exploitable bitumen mapping, and for the orientation of the first proposed phase of SAGD well pairs. The exploitable bitumen resource encountered by the 21 new wells came in better than expected, and the areal extent of exploitable bitumen has been extended. This is expected to result in an increase of exploitable bitumen when the independent engineers review the results this spring. Net pays of exploitable bitumen ranged from 12 to 24 meters, with only two wells encountering a thickness of less than 12 meters. As per the previous year's results, no significant steam thief zones or shale barriers were encountered. The information gathered this winter has further delineated the extent of its reservoir and has confirmed the viability of the STP-McKay project.
- Drilled and successfully tested two water source wells. Based on initial results, these wells will be more than sufficient to provide the water requirements for the SAGD project. Southern Pacific has been working over the past several months in a working group organized by the Canadian Association of Petroleum Producers (CAPP) to comment on the newly proposed ERCB's draft directive: Requirements for Water Measurement, Reporting and Use for Thermal In Situ Oil Sands Schemes. After a thorough review of the draft directive, Southern Pacific is confident STP-McKay will meet or exceed all of the proposed guidelines.
- Completed a geo-technical analysis of the plant and pad sites. Earth samples of the plant and well pad sites and surrounding samples were extracted to confirm site integrity and sources of fill material. Preliminary results support the sites selected with only minor modifications.
- Completed additional cap rock integrity analysis. Preliminary analysis of the cap rock program results support sufficient cap rock integrity which will meet all the ERCB requirements for the STP-McKay project.

The entire winter program was completed six days ahead of schedule and approximately 8% under budget, including two additional delineation wells.

Concurrent with the field work, Southern Pacific has continued to consult directly with aboriginals, public stakeholders and regulatory agencies. Based on feedback to date, there have been no significant issues brought forth and Southern Pacific expects to complete its consultation in advance of the project application submission. Southern Pacific has developed and received approval from Alberta Environment on its Aboriginal Consultation Plan and has also been exempted under the Environment Protection and Enhancement Act (EPEA) from requiring an environmental impact assessment (EIA) report. The consequence of these approvals is that Southern Pacific now has in place a more definitive time-frame around the application process schedule.

Southern Pacific will now finalize the analysis and collation of the data, and prepare its application for the STP-McKay SAGD project. The application is on track to be submitted in the second quarter of 2009. Southern Pacific will have sufficient working capital at June 30, 2009 to allow the company to continue to administer the application through the regulatory process and to look for additional opportunities for growth.

Southern Pacific's financial and operating results for the Second Quarter ended December 31, 2008 are now available on the company's website and on SEDAR at [www.sedar.com](http://www.sedar.com).

**For further information, please contact:**

Southern Pacific Resource Corp.  
[www.shpacific.com](http://www.shpacific.com)

Dave Antony, CEO  
Tel: 403-269-5219  
E-mail: [dantony@shpacific.com](mailto:dantony@shpacific.com)

or

Byron Lutes, President  
Tel: 403-269-1529  
E-mail: [blutes@shpacific.com](mailto:blutes@shpacific.com)

***Safe Harbour***

*Statements in this press release may contain forward-looking information including expectations of future operations, operating costs, commodity prices, administrative costs, commodity price risk management activity, acquisitions and dispositions, capital spending, access to credit facilities, income and oil taxes, regulatory changes, and other components of cash flow and earnings. The reader is cautioned that assumptions used in the preparation of such information may prove to be incorrect. Events or circumstances may cause actual results to differ materially from those predicted, a result of numerous*

*known and unknown risks, uncertainties, and other factors, many of which are beyond the control of the company. These risks include, but are not limited to, the risks associated with the oil and gas industry, commodity prices and exchange rate changes. Industry related risks could include, but are not limited to, operational risks in exploration, development and production, delays or changes in plans, risks associated to the uncertainty of reserve estimates, health and safety risks and the uncertainty of estimates and projections of production, costs and expenses. The reader is cautioned not to place undue reliance on this forward-looking information.*

*The TSX Venture Exchange does not accept responsibility for the adequacy or accuracy of this release.*