



**SOUTHERN PACIFIC ACHIEVES RESERVES CLASSIFICATION
MILESTONE ON ITS STP-McKAY SAGD PROJECT**

July 13, 2009

Southern Pacific Resource Corp. (“**Southern Pacific**” or the “**Corporation**”) (STP – TSX-V) is pleased to announce the completion of an independent reserves evaluation for its STP-McKay project. The evaluation by McDaniel & Associates Consultants Ltd. (“**McDaniel**”) marks the first time in the Corporation’s oil sands history that Probable (“**2P**”) and Possible (“**3P**”) bitumen reserves have been recognized on Southern Pacific’s asset base.

On May 29, 2009, Southern Pacific filed an application for a commercial steam assisted gravity drainage (“**SAGD**”) project on its McKay block. Southern Pacific owns an eighty percent (80%) working interest in the STP-McKay project, which is comprised of 10.5 sections of the Corporation’s 269 gross sections of oil sands leases on Alberta’s Athabasca fairway. On July 7, 2009 Alberta Environment deemed the STP-McKay project application to be administratively complete. Formal public notification and newspaper advertisement of the application will now commence shortly.

The following table summarizes McDaniel’s estimate of the Corporation’s reserves within the STP-McKay project area effective June 30, 2009 (the “**Report**”):

	Exploitable Bitumen in Place	Gross Lease Recoverable (MMbbl)	80% WI Recoverable (MMbbl) ⁽⁴⁾	Recovery Factor	80% WI Net Present Value @ 10% (before tax) ⁽³⁾⁽⁴⁾	
					\$C (million)	\$C/share
Probable Undeveloped ⁽¹⁾	<u>188.4</u>	<u>67.6</u>	<u>54.1</u>	<u>35.9%</u>	<u>\$121</u>	<u>\$.99</u>
Total Proved + Probable (2P)	188.4	67.6	54.1	35.9%	\$121	\$.99
Possible Undeveloped ⁽²⁾	<u>112.2</u>	<u>54.7</u>	<u>43.8</u>		<u>\$180</u>	<u>\$1.48</u>
Total Proved + Probable + Possible (3P)	300.6	122.3	97.8	40.7%	\$301	\$2.48

(1) Probable reserves are those additional reserves that are less certain to be recovered than proved reserves. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated Proved plus Probable reserves.

(2) Possible reserves are those additional reserves that are less certain to be recovered than probable reserves. There is a 10% probability that the quantities actually recovered will equal or exceed the sum of proved plus probable plus possible reserves.

(3) Future net revenues associated with reserves and resources do not necessarily represent fair market value.

(4) The estimates of reserves and future net revenue for individual properties may not reflect the same confidence level as estimates of reserves and future net revenue for all properties, due to the effects of aggregation.

The Report was prepared in accordance with National Instrument 51-101 (“**NI 51-101**”) using the assumptions and methodology outlined in the Canadian Oil and Gas Evaluation Handbook (“**COGEH**”). Under McDaniel’s interpretation of the COGEH guidelines, the

STP-McKay project has achieved critical milestones, including the recent submission of a complete project application to the Energy Resources Conservation Board and Alberta Environment. For a copy of the application, visit the Corporation's website at www.shpacific.com. As a result of the submission of the application, the estimated recoverable bitumen within the initial project area has been reclassified as 2P and 3P reserves. Under McDaniel's application of the COGEH guidelines, Proved reserves will be assigned when they are satisfied that regulatory approvals have been obtained upon review of the project application, and corporate sanction of the project has taken place. These approvals are expected within the next 12 to 14 months.

The 3P Exploitable Bitumen In Place recognized in the Report in the STP-McKay project area represents a 50% increase over the previous year's estimate. This increase was largely due to the results of this past winter's successful 21-well delineation program in the project area. The reserves assigned in the Report generate a project life of 24 years in the 2P case and 37 years in the 3P case. The Report has applied recovery factors averaging 36% for the 2P case and 41% for the 3P case. Southern Pacific believes these recovery factors are conservative, fully attainable and clearly demonstrated by offset analog projects. Additionally, Southern Pacific included in its project application a relatively new but simple technique of "wedge wells" to further enhance project recovery by extracting heated, but unswept, bitumen from between and below the SAGD well pairs. This recovery technique is not widely recognized under COGEH guidelines for reserves assignment and is not likely to be until additional industry examples are developed. Southern Pacific is satisfied with the Report as it recognizes a level of reserves that justifies both technically and economically the STP-McKay project application.

The net present value figures shown in the table above were calculated based on McDaniel's April 1, 2009 price forecast. McDaniel will generate additional forecasts based on the July 1, 2009 price forecast, when they have completed the heavy oil portion of that forecast.

Southern Pacific did not engage McDaniel to update its lands outside of the STP-McKay project because no additional exploration work has been undertaken on these lands since last year's McDaniel report. The Corporation elected to reduce costs by retaining the previous year's estimates of Discovered and Contingent Resources outside the STP-McKay project area. The table below summarizes these resources:

Southern Pacific Net Resources (MMbbl)				
as per McDaniel & Associates effective June 30, 2008				
Property	Discovered*	Contingent**		
		PIIP	Low (P90)	Best (P50)
McKay***	713.9	1.2	3.6	10.6
Long Lake	466.5	40.0	54.6	76.9
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	3,199.7	54.0	84.7	138.4

* - The Discovered volume reported represents McDaniel's Best (P50) estimate
** - Discovered PIIP resource not recognized as Contingent are classified as Unrecoverable
*** - Volumes exclude the STP-McKay Project Area McMurray Interval. McKay contingent resource estimates are current as of June 30, 2009.
**** - Leismer contingent resource volumes have been sub-classified at sub-economic

Now that its first project application has been submitted, Southern Pacific is in the planning stages of next winter's drilling program. The drilling program will include the further delineation of its Discovered and Contingent Resources listed above in order to finalize the Corporation's next bitumen project. In addition to the Corporation's bitumen reserves and resources, Southern Pacific has engaged GLJ Petroleum Consultants to complete an independent review of its conventional oil and gas reserves, which is expected to be completed by the end of July 2009.

Southern Pacific is a full cycle oil and gas exploration and production company focused on the development of the Corporation's vast in-situ oil sands resource base in Alberta's Athabasca oil sands region.

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Readers' Advisory

Barrel of Oil Equivalent: Where amounts are expressed on a barrel of oil equivalent ("boe") basis, natural gas volumes have been converted to boe at a ratio of 6,000 cubic feet of natural gas to one barrel of oil equivalent. This conversion ratio is based upon an energy equivalent conversion method primarily applicable at the burner tip and does not represent value equivalence at the wellhead. Boe figures may be misleading, particularly if used in isolation.

Definitions

"Best (P50)" means [the best estimate of the quantity that will actually be recovered from the accumulation. If probabilistic methods are used, there should be at least a 50 percent probability (P50) that the quantities actually recovered will equal or exceed the best estimate].

"Contingent Resources" means 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. Contingencies may include factors such as economic, legal, environmental, political, and regulatory matters or a lack of markets. It is also appropriate to

classify as contingent resources the estimated discovered recoverable quantities associated with a project in the early evaluation stage.

“Discovered Petroleum Initially-in-Place” or **“Discovered PIIP”** or **“Discovered Resources”** means 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 is unrecoverable.

“High (P10)” means [an optimistic estimate of the quantity that will actually be recovered. It is unlikely that the actual remaining quantities recovered will exceed the high estimate. If probabilistic methods are used, there should be at least a 10 percent probability (P10) that the quantities actually recovered will equal or exceed the high estimate].

“Low (P90)” means [a conservative estimate of the quantity that will actually be recovered from the accumulation. If probabilistic methods were used, the term reflects a P90 confidence level].

“Probable reserves” means those additional reserves that are less certain to be recovered than proved reserves. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated Proved plus Probable reserves.

“Possible reserves” means those additional reserves that are less certain to be recovered than probable reserves. It is unlikely that the actual remaining quantities recovered will exceed the sum of the estimated Proved plus Probable plus Possible reserves.

“Proved reserves” means those reserves that can be estimated with a high degree of certainty to be recoverable. It is likely that the actual remaining quantities recovered will exceed the estimated Proved reserves.

Safe Harbour

This news release contains certain “forward-looking information” within the meaning of such statements under applicable securities law including estimates as to: future production, 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 anticipated discovery of commercial volumes of bitumen, the timeline for the achievement of anticipated exploration, anticipated results from the current drilling program and, subject to regulatory approval and commercial factors, the commencement or approval of any SAGD project.

Forward-looking information is frequently characterized by words such as “plan”, “expect”, “project”, “intend”, “believe”, “anticipate”, “estimate”, “may”, “will”, “potential”, “proposed” and other similar words, or statements that certain events or conditions “may” or “will” occur. These statements are only predictions. Forward-looking information is based on the opinions and estimates of management at the date the statements are made, and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. These factors include the inherent risks involved in the exploration and development of conventional oil and gas properties and of oil sands properties, difficulties or delays in start-up operations, the uncertainties involved in interpreting drilling results and other geological data, fluctuating oil prices, the possibility of unanticipated costs and expenses, uncertainties relating to the availability and costs of financing needed in the future and other factors including unforeseen delays. As an oil sands enterprise in the development stage, with some conventional production

Southern Pacific faces risks including those associated with exploration, development, start-up, approvals and the continuing ability to access sufficient capital from external sources if required. Actual timelines associated may vary from those anticipated in this news release and such variations may be material. 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. For a description of the risks and uncertainties facing Southern Pacific and its business and affairs, readers should refer to Southern Pacific's most recent Annual Information Form. Southern Pacific undertakes no obligation to update forward-looking statements if circumstances or management's estimates or opinions should change, unless required by law.

The reader is cautioned not to place undue reliance on this forward-looking information.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.