



SOUTHERN PACIFIC
RESOURCE CORP.

SOUTHERN PACIFIC SELECTS BMO CAPITAL MARKETS TO HELP EVALUATE FINANCING OPTIONS FOR STP-McKAY PROJECT

July 16, 2009

Southern Pacific Resource Corp. (“**Southern Pacific**” or the “**Corporation**”) (STP – TSX-V) is pleased to announce the appointment of **BMO Capital Markets** as its financial advisor to help evaluate the options to finance construction of the Corporation’s first SAGD oil sands project.

Southern Pacific recently achieved a significant milestone with the submission of the project application for its 80% owned 12,000 barrel per day STP-McKay Project on Alberta’s Athabasca fairway. The application was submitted to the Alberta Energy Resources Conservation Board (ERCB) and Alberta Environment on May 29, 2009, and was based upon the significant body of technical work completed by the Corporation over the past 18 months. Now that this milestone has been achieved, the Corporation is in a position to move forward with a comprehensive evaluation of the financing options available for the construction of the project.

BMO Capital Markets has been retained to provide strategic advice and to assist in the evaluation of the financing options available to the Corporation. These options include bank financing, capital markets debt financing, equity financing or funding from a joint venture partner. The STP-McKay Project is expected to require gross capital expenditures of approximately C\$400 million. Costs have recently been declining in response to reduced industry demand for services and the Corporation will update its capital cost estimates as necessary.

Byron Lutes, the Corporation’s President and CEO, said Southern Pacific is pleased to formalize the excellent relationship developed with BMO Capital Markets over the past year.

“Throughout the market downturn, we continued to advance our STP-McKay Project and we’re now ready to move into the project execution phase,” Mr. Lutes said. “Southern Pacific and BMO Capital Markets will evaluate all of the options available to us, and we will move forward with funding solutions that provide the best value for our shareholders. We have a great project at STP-McKay and are excited about moving into the next phase of the company’s development.”

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.

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.