



**SOUTHERN PACIFIC COMPLETES UPDATE ON CONVENTIONAL OIL AND GAS RESERVES**

August 24, 2009

Southern Pacific Resource Corp. ("**Southern Pacific**" or the "**Corporation**") (TSX VENTURE:STP) is pleased to announce the completion of an independent reserves evaluation for its conventional oil and gas reserves. The evaluation by GLJ Petroleum Consultants ("GLJ") has recently been completed and is effective June 30, 2009, which is the Corporation's fiscal year end. 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").

**Highlights**

- Net present value (discounted 10 per cent before tax - forecast prices) of \$14.0million (\$0.12 per Southern Pacific share) attributed to its conventional proven-plus-probable reserves;
- Proven-plus-probable conventional recoverable reserves of 1.02 million barrels of oil equivalent;
- 45,000 net acres of undeveloped conventional acreage which has had no value attributed to it;
- These reserves do not include the probable and possible Reserves of 97.8 million barrels of bitumen, which are attributed to the STP Mackay in-situ Oilsands assets and the net present value (discounted 10 per cent before tax) on the bitumen reserves of \$301.0 million (\$2.48 per Southern Pacific share).

**Conventional Asset Evaluation:**

	Proved		Developed		Total	
	Producing	Non-producing	Undeveloped	Proved	Probable	plus Probable

MARKETABLE RESERVES

Light Medium Oil

(Mbbbl)

Total Company

Interest	56	0	0	56	41	97
Working Interest	56	0	0	56	41	97
Net After Royalty	48	0	0	48	35	83

Heavy Oil (Mbbbl)

Total Company

Interest	0.7	0	0	0.7	0.5	1.3
Working Interest	0.7	0	0	0.7	0.5	1.3
Net After Royalty	0.7	0	0	0.7	0.5	1.2

Gas (MMcf)

(MMcf)

Total Company

Interest	1,454	321	1,012	2,787	2,393	5,180
Working Interest	1,452	239	1,012	2,704	2,375	5,078
Net After Royalty	1,302	285	931	2,518	1,999	4,517

Natural Gas Liquids (Mbbbl)

Total Company

Interest	24	1	15	40	36	76
Working Interest	24	1	15	40	36	75
Net After Royalty	16	1	11	28	24	52

Oil Equivalent

(Mbbbl)

Equivalent

Total Company

Interest	323	54	184	561	476	1,037
Working Interest	323	41	184	547	473	1,020
Net After Royalty	281	48	166	496	392	888

BEFORE TAX PRESENT VALUE (M\$)

0%	8,418	1,353	1,804	11,575	13,336	24,910
5%	6,647	1,137	898	8,683	9,587	18,270
8%	5,892	1,033	516	7,441	8,119	15,559
10%	5,475	972	309	6,757	7,342	14,099
12%	5,114	917	133	6,164	6,687	12,851

15%	4,655	843	-85	5,413	5,877	11,290
20%	4,055	739	-355	4,439	4,855	9,294

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

(3) 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.

These conventional reserves were added to the Corporation's asset base through two separate acquisitions completed earlier in 2009. Production from these reserves will be used to generate cash flow through the interim period before Southern Pacific's first in-situ oil sands project (STP-McKay) begins commercial production. The STP-McKay oil sands project is a 12,000 bbl/d bitumen production project that is currently in the approval process with Alberta's regulatory bodies. For more details on the STP-Project, please refer to Southern Pacific's website at [www.shpacific.com](http://www.shpacific.com). Southern Pacific also carries significant bitumen reserves on its oil sands leases; please refer to the Corporation's press release dated July 13(th), 2009 for full details.

In addition to the reserves added, the two acquisitions added 50 sections of oil sands leases which were complimentary to Southern Pacific's existing oil sands leases. This brings the Corporations total oil sands lease inventory to 269 sections, with an averaged working interest of 84%. Also the acquisitions added 45,000 acres of undeveloped conventional land, primarily in Alberta. The Corporation is currently offering this land for farm out to several interested parties and has already secured certain deals, including the drilling of a horizontal oil well on its Sawn Lake lands by a significant Canadian oil and gas company scheduled to be drilled this winter.

*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**

*"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.*

*"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.*

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