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SOUTHERN PACIFIC MAKES STRATEGIC ACQUISITION AND ANNOUNCES BOUGHT DEAL FINANCING: COMPANY TO ACQUIRE PRODUCING SAGD OIL ASSETS

October 9, 2009

Southern Pacific Resource Corp. ("**Southern Pacific**" or the "**Corporation**") (STP – TSX-V) is pleased to announce it has signed an agreement with a public oil and gas company to acquire producing heavy oil interests currently averaging 5,000 barrels per day ("**bbl/d**") for a net purchase price of approximately $90 million (the "**Acquisition**").

The Acquisition will dramatically alter Southern Pacific by adding facilities, operations, relevant experience and significant cash flow to pursue the Corporation's STP-McKay oil sands project and other prospects in the Athabasca oil sands. The acquired assets, located in southwest Saskatchewan, provide immediate heavy oil production from a project that uses steam assisted gravity drainage ("**SAGD**") as the method of recovery. The acquired operations and technical expertise will directly complement the Corporation's STP-McKay project, which has been designed to recover 12,000 bbl/d (9,600 bbl/d net to the Corporation at an average 80% working interest) of bitumen using similar SAGD technology.

The acquired assets have produced more than 13 million barrels of heavy oil using SAGD technology over the past 12 years and the Corporation expects a remaining projected life of approximately 15 years. Production since June 1, 2009 has averaged 5,000 bbl/d with current production over 6,000 bbl/d. Southern Pacific expects to continue the development of the acquired assets by drilling additional SAGD well pairs throughout the remaining project life.

The net purchase price of approximately $90 million, after closing adjustments, is comprised of a total acquisition price of $110 million less approximately $20 million of working capital expected at closing. The Acquisition includes a 100% working interest in a producing SAGD project, subject to certain royalties. Southern Pacific will be the operator of the SAGD project and, in addition to production and cash flow, will acquire technical information gathered from the historical development and production of these assets. This technical data, along with the up to 21 experienced field operations staff that are expected to join Southern Pacific as part of the Acquisition, will be invaluable as Southern Pacific moves the STP-McKay SAGD Project through development, construction and to production over the next two years.

The transaction is expected to close on or about November 2, 2009 with an effective date of June 1, 2009. The closing of the Acquisition is subject to certain conditions and the receipt of all required regulatory approvals, including the approval of the TSX Venture Exchange (the "**TSXV**").

ACQUIRED RESERVES

The following table sets forth selected information presented in the report of McDaniel & Associates Consultants Ltd. effective as of December 31, 2008, relating to the assets to be purchased pursuant to the Acquisition (the "**McDaniel Report**"). Management of the Corporation has projected that the Acquisition will be accretive to Southern Pacific on a per share basis on all key metrics. The Corporation notes that in the first half of 2009, after this report was prepared, about 50% of the Proven Undeveloped reserves were developed and are now producing.

ESTIMATED SHARE OF REMAINING RESERVES AS OF DECEMBER 31, 2008
BASED ON JULY 2nd, 2009 STRIP PRICES AND CONSTANT COSTS

Reserves Category	Gross (1)		Net (2)	
	Heavy Oil (MBbl)	Natural Gas (MMcf)	Heavy Oil (MBbl)	Natural Gas (MMcf)
Proved Developed Producing	972.2	14.7	785.0	14.0
Proved Developed Non-Producing	-	-	-	-
Proved Undeveloped	4848.2	-	3920.0	-
TOTAL 1P	**5820.4**	**14.7**	**4705.0**	**14.0**
Probable Reserves	3291.6	7.4	2574.4	7.0
TOTAL 2P	**9112.0**	**22.0**	**7279.4**	**20.9**
Possible Reserves	6519.3	6.3	5127.4	6.0
TOTAL 3P	**15,631.2**	**28.3**	**12,406.8**	**26.9**

(1) Gross reserves include the working interest reserves before deductions of royalties payable to others.
(2) Net reserves include gross reserves after royalties payable to others plus royalty interest resources.

ESTIMATED SHARE OF NET PRESENT VALUES BEFORE INCOME TAXES AS OF DECEMBER 31, 2008, BASED ON JULY 2nd, 2009 STRIP PRICES AND CONSTANT COSTS (1) (2) (3) (4)

	Cdn $M Before Tax Net Present Value Discounted At				
Reserves Category	**0%**	**5%**	**10%**	**15%**	**20%**
Proved Developed Producing	27,237.7	25,991.1	24,840.8	23,786.3	22,821.8
Proved Developed Non-Producing	(1,100.0)	(896.2)	(739.0)	(616.0)	(518.6)
Proved Undeveloped	136,989.7	120,209.5	106,562.6	95,319.1	85,946.2
Total Proved	**163,127.4**	**145,304.4**	**130,664.4**	**118,489.4**	**108,249.4**
Total Probable	109,091.7	90,796.2	76,751.3	65,789.4	57,104.4
Total Proved + Probable	**272,219.2**	**236,100.5**	**207,415.8**	**184,278.8**	**165,353.8**
Total Possible	209,493.7	155,646.1	118,979.4	93,338.6	74,965.6
Total Proved + Probable + Possible	**481,712.8**	**391,746.5**	**326,395.1**	**277,617.4**	**240,319.4**

(1) Based on strip prices as of July 2nd, 2009 for 2009, 2010 and 2011; held constant at 2011 prices for future years. Strip price as follows (WTI $US/bbl): 2009 - $70.69, 2010 - $74.69, 2011 - $77.83
(2) Interest expenses and corporate overhead, etc. were not included.
(3) The net present values may not necessarily represent the fair market value of the resources.
(4)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 be equal to or exceed the sum of Proved plus Probable plus Possible Reserves.

ACQUISITION FINANCING

Southern Pacific will finance the Acquisition through a combination of the net proceeds of a $50 million bought-deal equity financing, funds available under a new $45 million operating line of credit, and the Corporation’s existing working capital.

Southern Pacific has agreed to sell, on a bought-deal private placement basis, 100 million Subscription Receipts to be issued at a price of $0.50 per Subscription Receipt, to a syndicate of underwriters led by BMO Capital Markets and including Canaccord Capital Corporation, Raymond James Ltd. and Byron Capital Markets, for gross proceeds of $50 million. Each Subscription Receipt shall represent the right to acquire one common share in the capital of the Corporation upon exercise, without additional consideration, upon the closing of the Acquisition. Closing of the Subscription Receipts financing is expected to occur on or about October 23, 2009, subject to customary conditions and regulatory approvals, including the approval of the TSXV.

In conjunction with the Acquisition, BMO Capital Markets has conditionally approved a new $45 million credit facility for Southern Pacific. The credit facility will be secured by the Corporation's reserves and features an attractive floating interest rate.

OUTLOOK

The Corporation submitted the application for its STP-McKay project to Alberta's Energy Resources Conservation Board in May 2009 and expects to receive approval in 2010. Due to the material production, reserves, cash flow, experience and technical information being acquired with the Acquisition, Southern Pacific expects to be well positioned to pursue its STP-McKay project in an expeditious manner. Including STP-McKay, Southern Pacific has a total of 172,160 acres of oil sands leases (144,128 net). The Corporation is also planning at least one winter core-hole program on its undeveloped oil sands leases for the upcoming winter. This program will be funded entirely from the cash flow generated through the Acquisition.

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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, 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 any current or projected 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, but are not limited to, the completion of the transactions contemplated by the Acquisition, the equity financing and the credit facility, the inherent risks involved in the exploration and development of conventional oil and gas properties, of oil sands properties and the assets to be acquired pursuant to the Acquisition, difficulties or delays in start-up and continuing 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 including those relating to the Acquisition, 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.