



## **SOUTHERN PACIFIC STRENGTHENS BOARD AND COMMENCES WINTER DRILLING IN TWO PROSPECTIVE PROJECT AREAS**

Calgary, Alberta – January 8, 2010

Southern Pacific Resource Corp. ("Southern Pacific" or the "Corporation") (TSX VENTURE:STP) is pleased announce that Mr. Douglas Allen has been appointed to the Corporation's Board of Directors.

Mr. Allen is an independent businessman who has extensive experience in both the financial markets and the oil sands industry. Mr. Allen was the Senior Vice President and Chief Financial Officer of North American Oilsands Corporation in 2006 and 2007. During this period he was heavily involved in strategic decisions including the financing and ultimately the sale of the company to Statoil ASA for \$2.2 billion. Prior to his involvement with North American Oilsands, Mr. Allen held various senior positions in the investment banking industry, including VP and Director at TD Securities Inc., Managing Director and Energy Business Head at Citibank Canada, and Senior Manager, Corporate and Government Banking for The Royal Bank of Canada.

"We are very excited to have a person with Douglas' experience involved as we move forward with both the development of our 12,000 barrel per day steam-assisted gravity drainage (SAGD) project at STP-McKay and our heavy oil production program at Senlac, Saskatchewan," said Byron Lutes, Southern Pacific's President and CEO. "His experience in financing alternatives and strategic decisions will be of immense value."

The Corporation has approved the granting of 250,000 stock options to Mr. Allen. The options will be granted at an exercise price of \$1.00 per common share and expire on January 7, 2015. The Corporation has determined that exemptions from the various requirements of TSX Venture Exchange Policy 5.9 are available for the granting of the options.

Southern Pacific is also pleased to announce that it has begun its winter drilling program to identify the Corporation's second oil sands project area on its 269 sections of oil sands leases. The evaluation program for the current year includes drilling up to 40 core holes spaced through two of the Corporation's oil sands leases, namely McKay South and Hangingstone. When the program is fully operational, it is expected that two coring rigs will be active. On May 29, 2009, Southern Pacific filed an application for its first SAGD oil sands project at STP-McKay. The approval process is expected to take another five to eight months.

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### *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 inherent risks involved in the exploration and development of conventional oil and gas properties, oil sands properties and heavy oil properties, 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 and heavy oil 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, except as required by law.*

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

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