



**SOUTHERN PACIFIC REPORTS SIGNIFICANT RESERVES INCREASE AT McKAY
AND COMMENCES PLANNING FOR A NEW 24,000 bbl/d SAGD FACILITY;
CONFERENCE CALL SET FOR FRIDAY, MARCH 26**

CALGARY, Alberta – March 25, 2010

Southern Pacific Resource Corp. (“**Southern Pacific**” or the “**Company**”) (TSX-V:STP) is pleased to announce that after a successful winter drilling program and further technical evaluation of its oil sands lands in McKay, Alberta, the estimate of the gross Probable (“2P”) recoverable bitumen reserves has increased by 149% to 168.1 million barrels (MMbbl). This equates to a net present value before tax of \$368 million (discounted at 10%). Additionally, 116.7 MMbbl of recoverable bitumen has been assigned to the gross Best (“P50”) Estimate contingent resources category. These numbers come from report by GLJ Petroleum Consultants of Calgary (“GLJ”), effective March 15, 2010, incorporating the past winter’s 21 new coreholes drilled in the McKay area, plus all of the technical data and studies collected and analyzed over the past three winters.

The reserves, resources and values presented in this release represent a 100% working interest. Southern Pacific’s interest in these lands is currently 80%. As announced on March 19, 2010, the Company’s acquisition of the remaining 20% interest is expected to close on June 1, 2010. This will result in Southern Pacific owning an undivided 100% working interest in its McKay lands.

The following table summarizes the results from the completed report of the Company’s McKay lands:

	Exploitable Bitumen in Place	100% Working Interest Recoverable (MMbbl)	Net Present Value before tax (Cdn \$ million)		
			8%	10%	12%
Reserves					
Probable Reserves (2P)	345.5	168.1	\$576	\$368	\$225
Probable + Possible Undeveloped (3P)	379.3	186.9	\$764	\$509	\$336
Contingent Resources					
Low Estimate (P90) Contingent Resource	443.9	161.1	\$417	\$232	\$106
Best Estimate (P50) Contingent Resource	362.7	116.7	\$409	\$271	\$176
High Estimate (P10) Contingent Resource	345.5	377.2	\$1,256	\$862	\$591
Total 2P Reserves + Best (P50) Estimate Contingent	708.2	284.8	\$985	\$639	\$401
Total 3P Reserves + High (P10) Estimate Contingent	1012.5	493.9	\$2,021	\$1,370	\$927

It should be noted that reserves and contingent resources involve different risks associated with achieving commerciality. There is no certainty that it will be commercially viable to produce any portion of the contingent resources. Please refer to the attached reserve and resource definitions and Safe-harbour discussion of risks.

Additions and Revisions

The reserves report incorporates all of the drilling and technical data recovered from STP’s McKay lands up to and including the most recent corehole drilling program completed in March 2010. This past winter’s program totalled 21 coreholes, 11 of which were drilled inside the 10.5-section STP-McKay project, and the remaining 10 wells were drilled on the acreage outside the current project area, particularly in the south McKay block. The Company has now drilled a total 52 coreholes within the STP-McKay project area, and 22 coreholes on the remaining McKay lands. These wells, coupled with the drilling results from the past few years on surrounding offset land, have demonstrated a significant exploitable bitumen trend in the McKay area. In addition to the further delineation of the project area, additional contingent resources were identified on the Company’s south block from which the Company expects to pursue plans for development.

In addition to recognizing more bitumen in place on the Company lands in McKay, the recovery factors from the McMurray formation have also been increased. This is in recognition of the reservoir quality, offset analog performance and the recognition of infill horizontal wells as a demonstrated technology that has always been in the STP-McKay project development plan and application. On average, an overall recovery factor of 49.1% was assigned to the 2P category and a 60.1% recovery factor to the 3P category. The steam oil ratios for the reserve categories were determined to be 2.9 and 2.7 for the 2P and 3P cases respectively.

Production Forecasts

The 2P reserves result in a project life of 50 years, the maximum allowable life from which reserves can be booked. A maximum rate of 11,400 bbl/d (12,000 bbl/d with a 95% load factor) would be achievable in the third producing year (2015) and would be expected to be stable for the following 28 years. The best (P50) estimate of contingent resources are quantities of bitumen that are either outside or inside the project area, but cannot be processed through the applied for project permit because of the application constraints (project area and/or throughput). The technical criteria are very similar between 2P reserves and P50 contingent resources, the difference being that contingent resources require a new application, and then an expansion or a new facility. To process the P50 contingent resources at McKay, an additional 10,000 bbl/d capacity must be applied for and constructed, which results in a total 2P reserves plus P50 contingent plant capacity requirement of 22,000 bbl/d.

The probable plus possible reserves (3P) are limited by a 50 year project life utilizing the facility design currently under regulatory review. Similar to the 2P case, the maximum rate of 11,400 bbl/d would be achievable in the third producing year (2015), and would be expected to be stable for the next 35 years. The high (P10) estimate of contingent resources, again, are either outside the project area, or cannot be processed through the applied for facility due to application constraints. The technical criteria are very similar between 3P reserves and P10 contingent resources, the difference being the contingent resources require a new application, and then expansion or a new facility. To process the P10 contingent resources at McKay, a new project must be applied for and constructed, which will result in a total 3P reserves plus P10 contingent resources plant capacity requirement of 40,000 bbl/d.

New Project Planning Commences

Based on the results of Southern Pacific's drilling program and its ongoing technical review, the Company has begun planning for its next SAGD oil sands project on its McKay block. Southern Pacific currently has an application for a 12,000 bbl/d SAGD project (STP-McKay) under regulatory review, with approval expected in the fall of 2010. The next project is being planned to recover the contingent resources on both the north and south blocks of the Company's McKay leases. Initial plans are to size the facilities for approximately 24,000 bbl/d of bitumen production, which may be further divided into two 12,000 bbl/d facilities to take advantage of the repeatable efficiency of projects this size. This new project would make use of existing infrastructure being planned for the STP-McKay project such as road access, pipelines and staff. Southern Pacific is currently preparing to commence environmental work this spring and summer and will begin scouting for adequate surface locations to host facilities and well pads. A program to acquire further the technical data required to finalize a project application will also be planned for next winter.

Evaluation Of Additional Assets

Southern Pacific has engaged GLJ to continue with the evaluation of the Company's other assets. GLJ has already commenced the evaluation of Southern Pacific's SAGD heavy oil project in Senlac, Saskatchewan. The Company's remaining oil sands leases will be evaluated by GLJ for contingent resources shortly thereafter. GLJ has had extensive experience in evaluating SAGD assets, in particular around the Company's McKay lands to the north and south, where a well established exploitable bitumen trend is being delineated by Southern Pacific and other operators. The plan is to complete all of these evaluations before Southern Pacific's fiscal year end of June 30, 2010.

Conference Call

Southern Pacific has scheduled a conference call to discuss the increase in its reserves and recent corporate developments. The call is set for 9 a.m. Mountain Time (11 a.m. Eastern Time) on Friday, March 26, 2010. To participate, please call 416-340-8530 or 877-240-9772. A presentation by Byron Lutes, President & CEO, Southern

Pacific, will be followed by a question and answer period. If you are unable to participate, a taped broadcast will be available until April 2, 2010. To access the replay, dial 416-695-5800 or 1-800-408-3053. The pass code is 6106870.

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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. It is equally likely that the actual remaining quantities recovered will be greater or less than the best estimate. 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.

"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. It is likely that the actual remaining quantities recovered will exceed the low estimate. If probabilistic methods are used, there should be at least a 90 percent probability (P90) that the quantities actually recovered will equal or exceed the low estimate.

"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, but are not limited to, the ability to complete the Acquisition on the proposed terms or at all, 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.