



SOUTHERN PACIFIC
RESOURCE CORP.

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**SOUTHERN PACIFIC ANNOUNCES CLOSING OF \$100.8 MILLION BOUGHT DEAL
EQUITY FINANCING AND CONDITIONAL APPROVAL OF TSX GRADUATION**

May 18, 2010

Southern Pacific Resource Corp. (the “Corporation” or “Southern Pacific”) (STP – TSX Venture) is pleased to announce that it has closed its previously announced bought deal financing with a syndicate of underwriters co-led by BMO Capital Markets and TD Securities Inc. and including Raymond James Ltd., RBC Capital Markets, Canaccord Genuity Corp., Acumen Capital Finance Partners Limited and Byron Securities Limited (the “Underwriters”). Pursuant to its short form prospectus dated May 10, 2010, the Corporation issued 84,000,000 common shares (“Common Shares”) at a price of \$1.20 per Common Share for gross proceeds of \$100.8 million.

As previously announced, the Corporation has granted the Underwriters an over-allotment option to acquire up to an additional 12,600,000 Common Shares at a price of \$1.20 per Common Share. This option is exercisable, in whole or in part, by the Underwriters, in their sole discretion, at any time up to 30 days after the closing date. If the over-allotment option is exercised in full, additional gross proceeds will be \$15.1 million for total gross proceeds of \$115.9 million.

The securities offered have not been and will not be registered under the United States Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or applicable exemption from the registration requirement. This media release shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

TSX Listing Update

The Corporation is pleased to announce that it has received conditional approval to list its common shares on the Toronto Stock Exchange (the “TSX”). Final approval of the listing is subject to the Corporation providing certain customary documentation as requested by the TSX, anticipated to be completed within 10-14 days. Upon the change in listing to the TSX, the common shares of the Corporation will continue to trade under its present symbol “STP”.

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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, but not limited to, 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, obtaining the final approval of the TSX with respect to the Corporation’s listing application, 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 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 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.