



SOUTHERN PACIFIC COMMENCES CONSTRUCTION OF ROAD TO ITS STP-McKAY THERMAL PROJECT

CALGARY, Alberta – September 23, 2010

Southern Pacific Resource Corp. (“**Southern Pacific**” or the “**Company**”) (TSX:STP) is pleased to announce that it has broken ground on the construction of a 29 km all-season road that will be used to access the planned STP-McKay Thermal Project, located 45 km northwest of Fort McMurray, Alberta.

The first 9 km stretch of the road to the STP-McKay Thermal Project is jointly owned by industry partners, with Southern Pacific owning 50% and operating the construction phase. This part of the road is expected to be completed in late November 2010, and has always been the only construction project planned for this fall in Southern Pacific’s project execution plan. The remaining civil construction, which includes plant site, well pads and camp, will be built after freeze up. Southern Pacific will move construction equipment into the facility site via the same winter road routes the Company used in past winters to drill its delineation wells. The remaining 20 km of all-season road will be built from both ends through the winter season to ensure completion before spring. This 100% working interest segment will allow all-season access for the remaining construction and operation of the STP-McKay Thermal Project. Road construction is a critical path item as it assures year round access to the facility site.

Southern Pacific is also pleased to report that the Company has satisfied all the technical and stakeholder consultation requirements of the Alberta Energy Resources Conservation Board (“ERCB”) for its STP-McKay Thermal Project application submitted in May 2009. The next step in the approval process is the Alberta Government’s formal Order-in-Council approval, which Southern Pacific expects within the next few weeks. Alberta Environment (“AENV”) has also completed its review of the application and identified no outstanding technical issues. AENV is now preparing its Alberta Environmental Protection and Enhancement Act (“EPEA”) approval, which is typically issued shortly after the Order-in-Council approval. Although the approval process is approximately one month behind the Company’s expectations, this revised timing has had no impact on the project’s construction schedule.

With approximately \$65 million of cash in the bank, an undrawn credit line of \$55 million and steady cash flow of about \$4 million per month from the STP-Senlac Thermal Project, Southern Pacific is well prepared to advance the construction of the STP-McKay Thermal Project into the winter. The Company is currently preparing to secure the remaining funding requirements for the construction of STP-McKay through a placement of private and public debt, which it expects to have completed by the end of 2010.

About Southern Pacific

Southern Pacific Resource Corp. is engaged in the exploration, development and production of in-situ thermal heavy oil and bitumen production in the Athabasca oil sands of Alberta and in Senlac, Saskatchewan. Southern Pacific trades on the TSX under the symbol “STP.”

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Readers' Advisory

Safe Harbour

Forward-Looking Information

This news release contains certain “forward-looking information” within the meaning of applicable securities law including, but not limited to, estimates as to: reserves, resources, recoverability, the proposed financing strategy for STP-McKay and timing in connection therewith, the proposed construction of STP-McKay, the timing for receipt of applicable regulatory approvals necessary to proceed with STP-McKay, the timing of construction and steaming of the applicable well pairs in respect of this project, future production, planned drilling activities at STP-Senlac and the Company’s future strategy for STP-Senlac.

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 with respect to results of operations, production, future commodity prices and exchange rates, future capital and other expenditures, business prospects and future economic conditions as at the date the statements are made. Forward-looking information is 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 and of oil sands properties, difficulties or delays in securing required regulatory approvals and in the construction, commissioning and start-up operations, the uncertainties involved in interpreting drilling results and other geological data, fluctuating commodity prices, the possibility of unanticipated costs and expenses, uncertainties relating to the availability and costs of financing needed for construction of STP-McKay in the future and risks and uncertainties associated with the impact of general economic conditions and other factors including unforeseen delays. As an oil sands enterprise in the early stage of development with SAGD heavy crude production and 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 as required. Actual timelines associated with receipt of regulatory approvals, completion of construction and start up of STP-McKay and the drilling and production at Senlac 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 and the timing of capital expenditures, 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.

Due to the risks and uncertainties associated with forward-looking information, the reader is cautioned not to place undue reliance on this forward-looking information.