



## **SOUTHERN PACIFIC LAUNCHES WINTER PROGRAM ON SCHEDULE AND UNDER BUDGET**

January 23, 2009

Calgary, Alberta - Southern Pacific Resource Corp. (TSX-V:STP) is pleased to report that its winter program is under budget and on track with its originally planned schedule.

The company's 2008/2009 winter program has been designed to complete all the field work required to submit an application to the Alberta Energy Resources Conservation Board (ERCB) for a 12,000 barrel per day (bbl/d) in-situ steam-assisted gravity drainage (SAGD) project at McKay, Alberta. Southern Pacific is currently focused on gathering the information and details required to delineate and confirm the viability of its STP-McKay project. The project is located on the Athabasca fairway 60 km northwest of Fort McMurray.

Highlights of the winter program at STP-McKay include the following:

- Drilling approximately 19 stratigraphic test holes within the project area, of which 50% will be cored.
- Drilling two to five water source wells.
- Conducting geo-technical analysis of the plant and pad sites.
- Carrying out additional cap rock integrity analysis.
- Collecting further environmental data in support of the application to the ERCB.

Work in the field began in December 2008 with the freezing of temporary access roads, preparing the drill sites and setting up the camp. Drilling began on January 5, 2009. To date, a total of six test wells have been drilled. These first test wells have been drilled on lands that currently have contingent resource assigned and the primary purpose of the wells is to provide the necessary delineation to orient the first phase of SAGD well pairs to be drilled on the project. These wells have confirmed high quality bitumen bearing oil sands with a net continuous exploitable thickness averaging 19 meters, and an oil saturation of 70% or greater with no thief zones.

Concurrent with the field work, Southern Pacific will be holding several open house presentations for communities in the Fort McMurray area. The open houses are intended to present the STP-McKay project to the various communities and to collect feedback and gather information to allow the company to address any potential impacts of its project. The first of these open houses were held on January 20, 2009 in Fort McKay and January 21, 2009 in Fort McMurray. Information on the project is also available on Southern Pacific's website at [www.shpacific.com](http://www.shpacific.com).

The entire winter program is expected to be completed by the end of February 2009, after which the application for the SAGD project will be finalized and updated with the information collected during the program. It is anticipated the application will be submitted to the ERCB in mid 2009.

The budget for Southern Pacific's 2008/2009 capital program has been set at \$11.6 million, which will be funded through working capital. Southern Pacific anticipates having sufficient working capital at June 30, 2009 to allow the company to continue to administer the application through the regulatory process and to look for additional opportunities for growth and project financing.

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***Safe Harbour***

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