



SOUTHERN PACIFIC
RESOURCE CORP.

Corporate Presentation July 2011

TSX: STP



Reader's Advisory

Forward-looking Statements:

All statements other than statements of historical fact may be forward-looking statements. These statements relate to future events or Southern Pacific Resource Corp.'s (the "Company") future performance. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Corporation believes that the expectations reflected in those forward-looking statements are reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this presentation should not be unduly relied upon by investors. These statements speak only as of the date of this presentation and are expressly qualified, in their entirety, by this cautionary statement.

In particular, this presentation contains forward-looking statements, pertaining to the following:

- supply and demand for oil and natural gas;
- the quantity of reserves;
- the quantity and economic viability of resources;
- the value of reserves;
- the flow rates of wells;
- capital expenditure programs;
- development of reserves;
- potential acquisitions; and
- expectations regarding the Corporation's ability to raise capital.

With respect to forward-looking statements contained in this presentation, the Corporation has made assumptions regarding, among other things:

- the legislative and regulatory environment;
- information regarding reserve and resource potential;
- the Corporation's ability to obtain additional financing on satisfactory terms;
- ability to develop reserves and resources and costs regarding such development;
- availability and costs of infrastructure;

The Corporation's actual results could differ materially from those anticipated in these forward-looking statements as a result of the risk factors set forth below and elsewhere in this presentation:

- volatility in the market prices for oil and natural gas;
- uncertainties associated with estimating reserves and resources;
- geological, technical, drilling and processing problems;
- liabilities and risks, including environmental liabilities and risks, inherent in oil and natural gas operations;
- incorrect assessments of the value of acquisitions;
- incorrect estimates of costs;
- competition for, among other things, capital, acquisitions of reserves, undeveloped lands and skilled personnel; and
- weather conditions.

The forward-looking statements or information contained in this presentation are made as of the date hereof and the Corporation undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, unless required by applicable securities laws. Certain of the forward-looking statements regarding the Corporation's financial outlook, anticipated revenue, future expenditures and cash flow forecasts may constitute future-orientated financial information ("FOFI"). Management of the Corporation approved the inclusion of the FOFI in the presentation based on the assumptions listed above on May 1, 2009. The FOFI included in this presentation has been provided only for the periods listed and for the sole purpose of providing an estimated guideline for the Corporation's possible future financial position and the FOFI may not be appropriate for other purposes.

References to "contingent resources" or "resources" in this presentation do not constitute, and should be distinguished from, references to "reserves". "Reserves" are those remaining quantities of oil and gas anticipated to be economically recoverable from these known accumulations from a given date forward. "Resources" are oil and gas volumes that are estimated to have originally existed in the earth's crust as natural accumulations but are not capable of being classified as "reserves", and "contingent resources" are a sub-category of resources that means those quantities of oil and gas estimated to be potentially recoverable from known accumulations but which cannot be classified as "reserves" for a variety of reasons, including that they may not be currently economic. There is no certainty that any portion of the resources will be discovered. If discovered, there is no certainty that it will be commercially viable to produce any portion of the resources.

"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.

"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.

"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.

"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.

"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.

Future net revenues associated with reserves and resources do not necessarily represent fair market value.

The estimates of reserves and future net revenue for individual properties may not reflect the same confidence level as estimates of reserves and future net revenue for all properties, due to the effects of aggregation.

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.

Reserves definitions

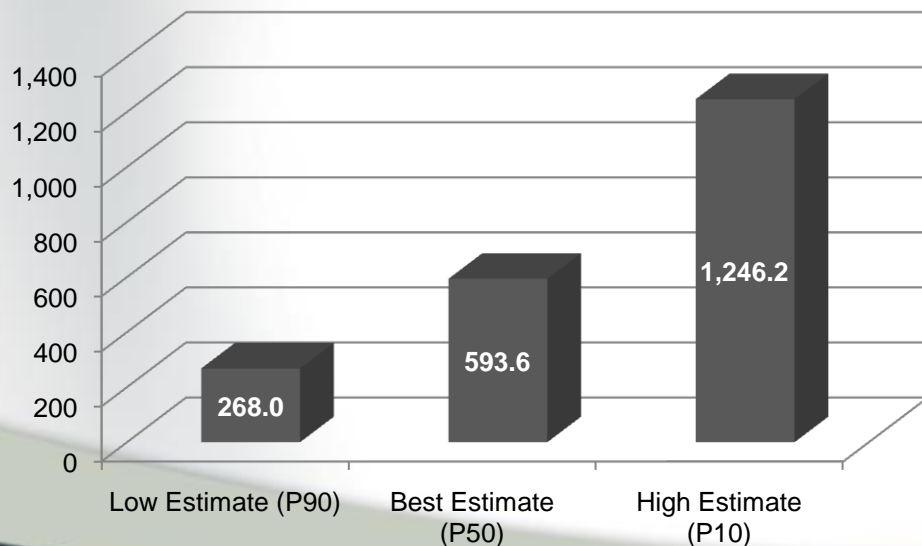
The Southern Pacific Strategy

- ✓ **FOCUSED:** We are a bitumen/heavy oil developer and producer.
- ✓ **DRILLED PRODUCTION:** Our bitumen and heavy oil will be recovered using horizontal wells and steam; the footprint is similar to conventional oil, not mining.
- ✓ **INDEPENDENT:** We control and operate 90% of our lands, allowing us to develop at a pace that fits our objectives.
- ✓ **DEMONSTRATED EXECUTION:** Current production and construction operations expertise, plus proven financing capacity.
- ✓ **PROVEN & REPEATABLE TECHNOLOGY:** No science experiments; cross-trained staff; similar spare parts and operational structures for different projects.

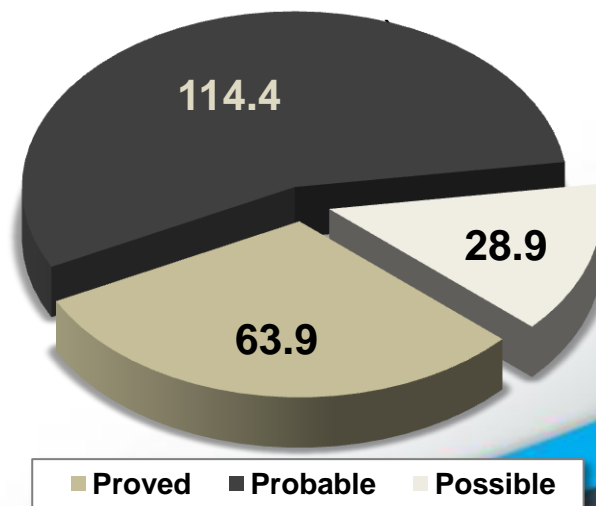
Overview

Shares outstanding - basic	339 million
Shares outstanding - fully diluted	359 million
Recent price (Close on May 24 th , 2011)	\$1.46
Market capitalization - (May 24 th , 2011)	\$495 million
Working Capital (Mar. 31 st , 2011)	\$345 million
Long Term Debt (Mar. 31 st , 2011)	\$375 million
Insider ownership - fully diluted	5%

Contingent Resources (MMbbl)



Corporate Reserves (MMbbl) (Total 2P = 178.3 & 3P = 207.2)



Experienced Management Team

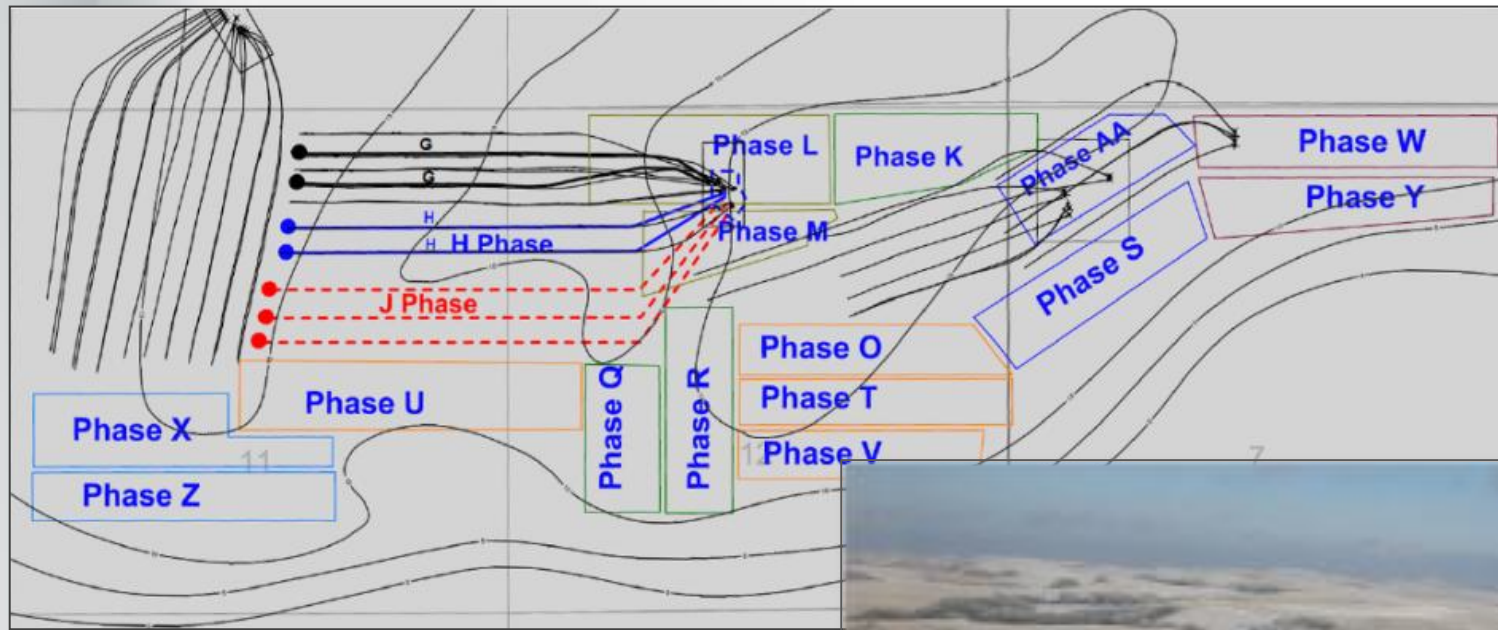
Name	Title	Years in the industry	Experience
Byron Lutes	President and CEO	[25]	<ul style="list-style-type: none"> VP, Operations with Mancal Energy Inc. VP, Engineering at Hunt Oil Company and Newport Petroleum Corporation Various engineering and marketing roles at Suncor Energy
Ron Clarke	COO	[27]	<ul style="list-style-type: none"> 26+ years of experience with Suncor Energy Inc. Last three years working on Suncor's Firebag SAGD General Manager of Field Operations in Firebag
Howard Bolinger	CFO	[16]	<ul style="list-style-type: none"> Past CFO of Proventure Income Fund, Cervus LP and Cervus Corporation
Glenn Miller	VP, Land & Regulatory Affairs	[17]	<ul style="list-style-type: none"> General Manager, Regulatory & Community Affairs for MGM Energy Corp.
Jeff Barefoot	VP, Resource Development	[17]	<ul style="list-style-type: none"> VP, Engineering of Rochester Energy Corp.
Chad Harris	VP, Exploration	[12]	<ul style="list-style-type: none"> Worked for CNRL working on various heavy oil and oil sands properties including, Pelican Lake, Peace River Bluesky Oil Sands deposit and Horizon Project
Adrian Dodds	Manager, Production Engineering	[13]	<ul style="list-style-type: none"> Encana; Senlac production, reservoir and facilities; Foster Creek SAGD pilot and cogens
Wayne Beatty	Manager, Reserve Engineering	[29]	<ul style="list-style-type: none"> Previously at Grizzly Resources Ltd, Prime West, Hunt Oil, Newport Petroleum, PetroCanada Resources, Amerada Hess
Michael O'Kranczy	Manager, Projects	[11]	<ul style="list-style-type: none"> Suncor - managing projects at the Firebag SAGD facility
Tim Bibby	Manager, Drilling and Completions	[10]	<ul style="list-style-type: none"> Senior Drilling Coordinator at Connacher Oil and Gas Ltd. Drilling and Completions Superintendent with oilsands consulting company Prior experience in SAGD and horizontal drilling with multi-stage completions
Chris Edwards	Manager, Process Engineering	[8]	<ul style="list-style-type: none"> All SAGD experience, formerly Lead Process Engineer at Suncor Firebag Background in SAGD facility design and plant operation
James Elliot	Controller	[14]	<ul style="list-style-type: none"> Controller at Rock Energy
Darren Dorey	Area Manager, McKay	[20]	<ul style="list-style-type: none"> Recently Area Manager at Suncor's Firebag Stage 2 In-situ project and Pre-Commissioning Leader for Stage 3 Field Operations
Glen Pernitsky	Area Manager, Senlac	[26]	<ul style="list-style-type: none"> Senlac since 1985 (16 years of SAGD operational experience)

Strategic Land Position

- **Alberta:** 436 sections (242,176 net acres) of oil sands leases with 87% average working interest
- **Saskatchewan:** 12 month average of 4,250 barrels per day (bbl/d) of operated heavy oil



STP-Senlac Thermal Project



- 4,000 - 5,000 bbl/d for the next 10 -15 years
- Best in class SOR of 2.0 – 2.2
- Experienced operations personnel



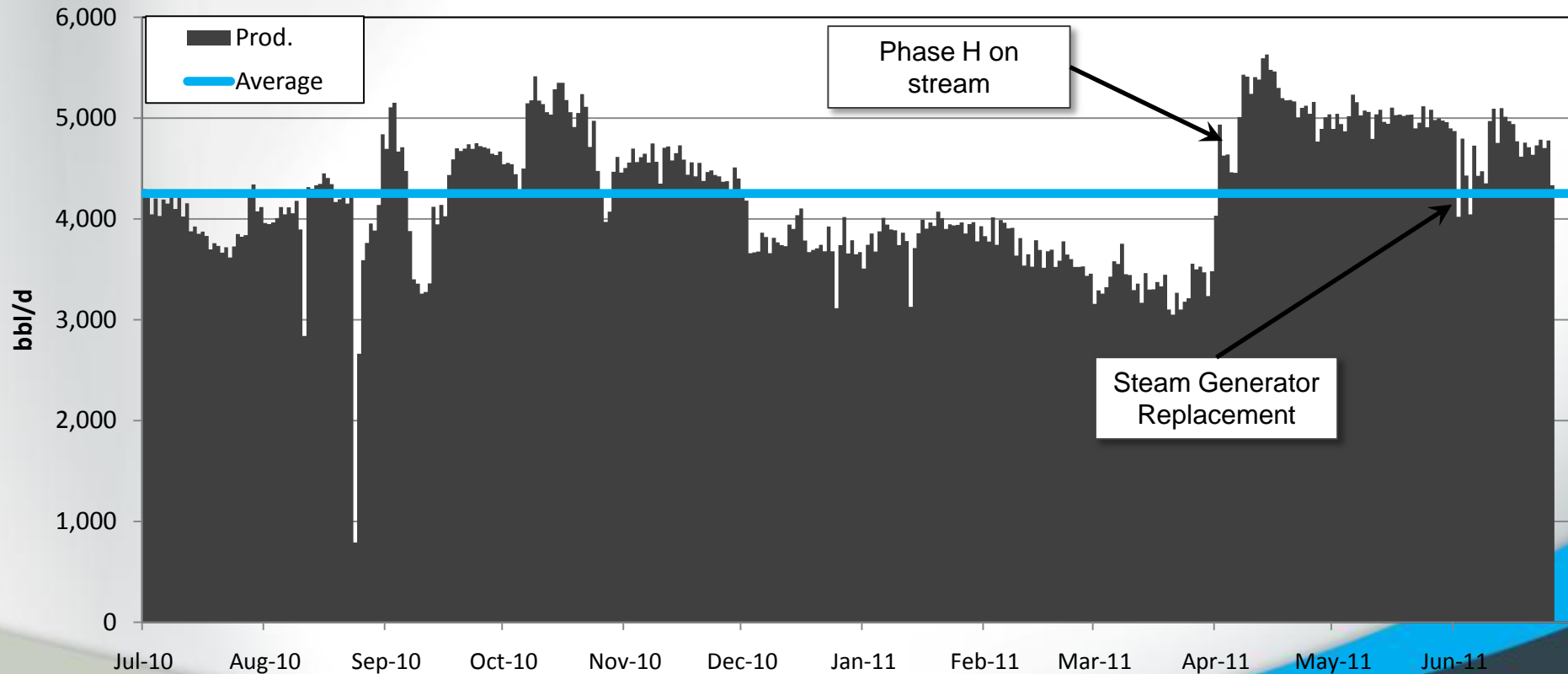
STP-Senlac – Steam Generator B Replacement

- Since acquisition of Senlac, it was known that one steam generator needed replacement
- Field staff located suitable generator on a website ‘classified ad’
- Was purchased for \$90,000
 - Had never been fired, needed some refurbishment
- Installed in June at a savings of over \$1.5 million versus a new generator
- Capital efficiency is a goal within STP that we celebrate

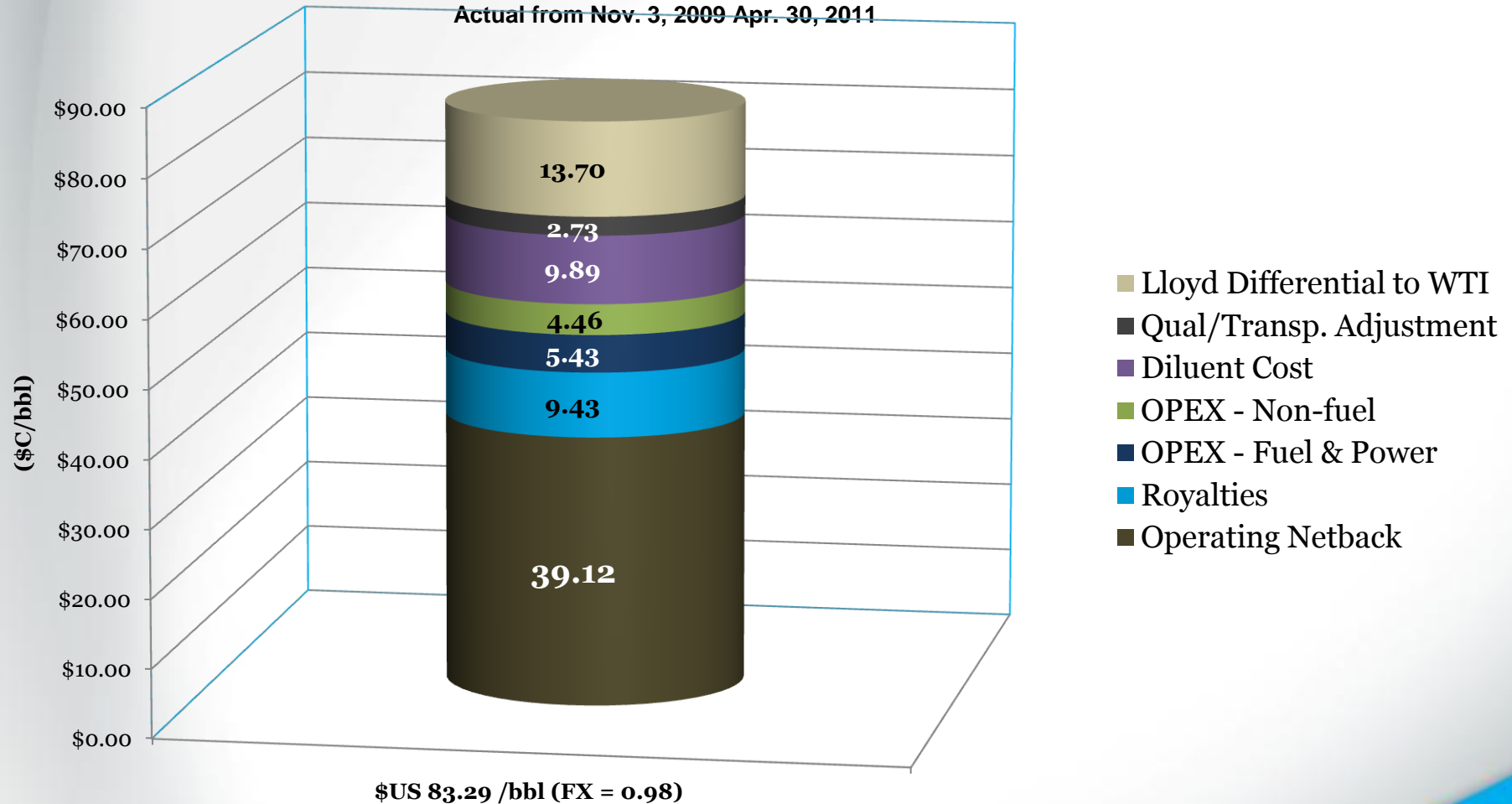


STP-Senlac – Solid Production

- July 1, 2010 to May 31, 2011 average - 4,215 bbl/d
- Phase H (2 SAGD well pairs) brought on production April 1st, 2011
- Phase J (3 SAGD well pairs) expected to be drilled and available for production by November 2011



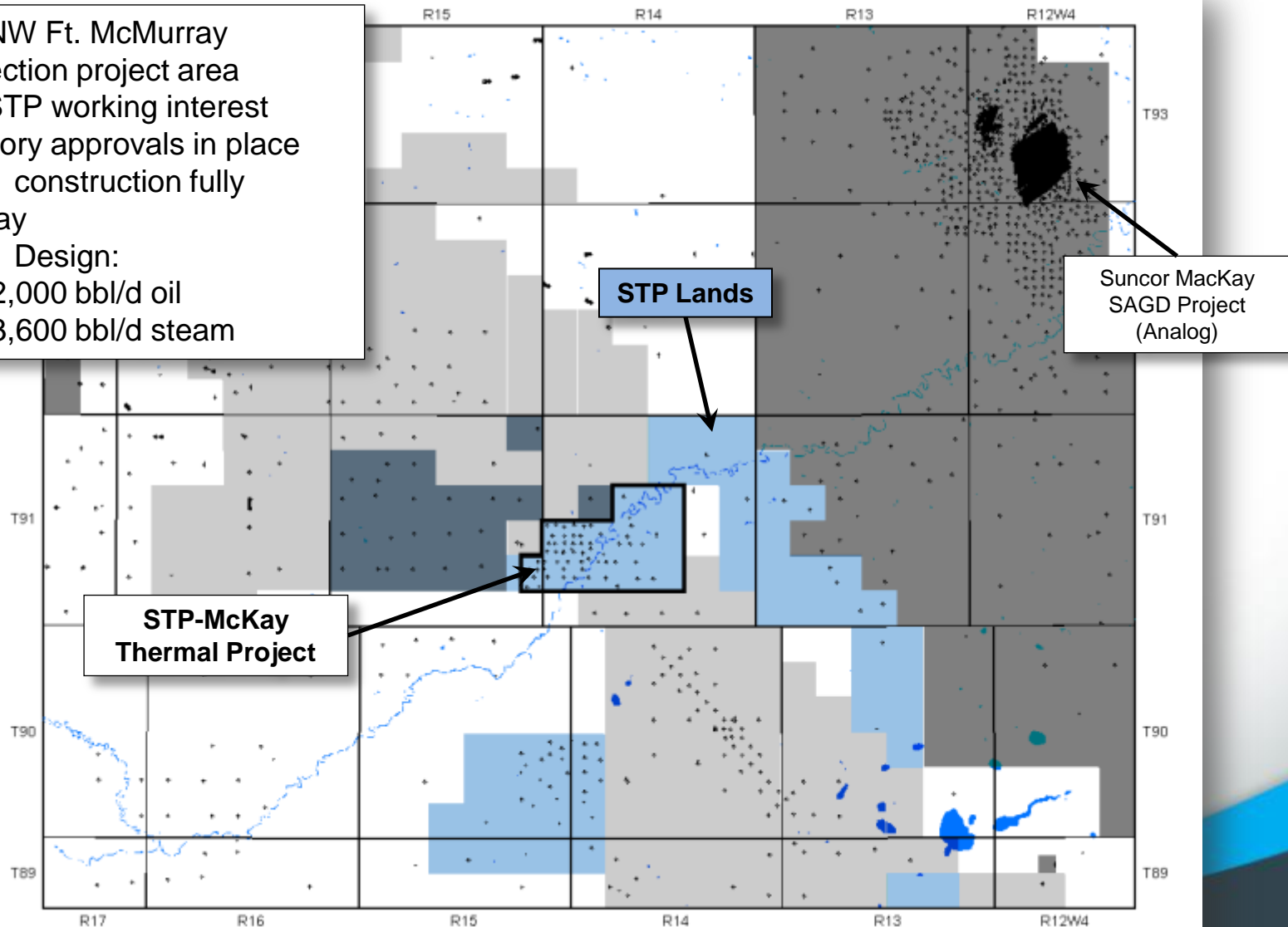
STP-Senlac - Strong Netbacks



- Cumulative operating income from Nov. 3rd, 2009 to Apr. 30th, 2011 = \$89.5 million
- Purchase price of Senlac was \$89.6 million effective Nov. 3rd, 2009

STP-McKay Thermal Project

- 45 km NW Ft. McMurray
- 10.5 section project area
- 100% STP working interest
- Regulatory approvals in place
- Phase 1 construction fully underway
- Phase 1 Design:
 - 12,000 bbl/d oil
 - 33,600 bbl/d steam



STP-McKay Phase 1 – Construction Update

- **Road:** Initial build 95% complete, will be completed on time and within budget
- **Central Process Facility:** Initial earthworks 95% complete, on time and within budget, pile driving has begun, about 30% complete, tank construction initiated
- **Work camp:** 300 person camp is fully operational and occupied
- **Equipment:** All long lead equipment orders has been purchased, shop fabrication has begun
- **Well Pads:** First pad drilling is complete, currently drilling second pad, surface facilities to commence construction in July on first pad
- **Funding:** Over \$300 million committed to date of the total cost of \$408 million plus a \$42 million contingency

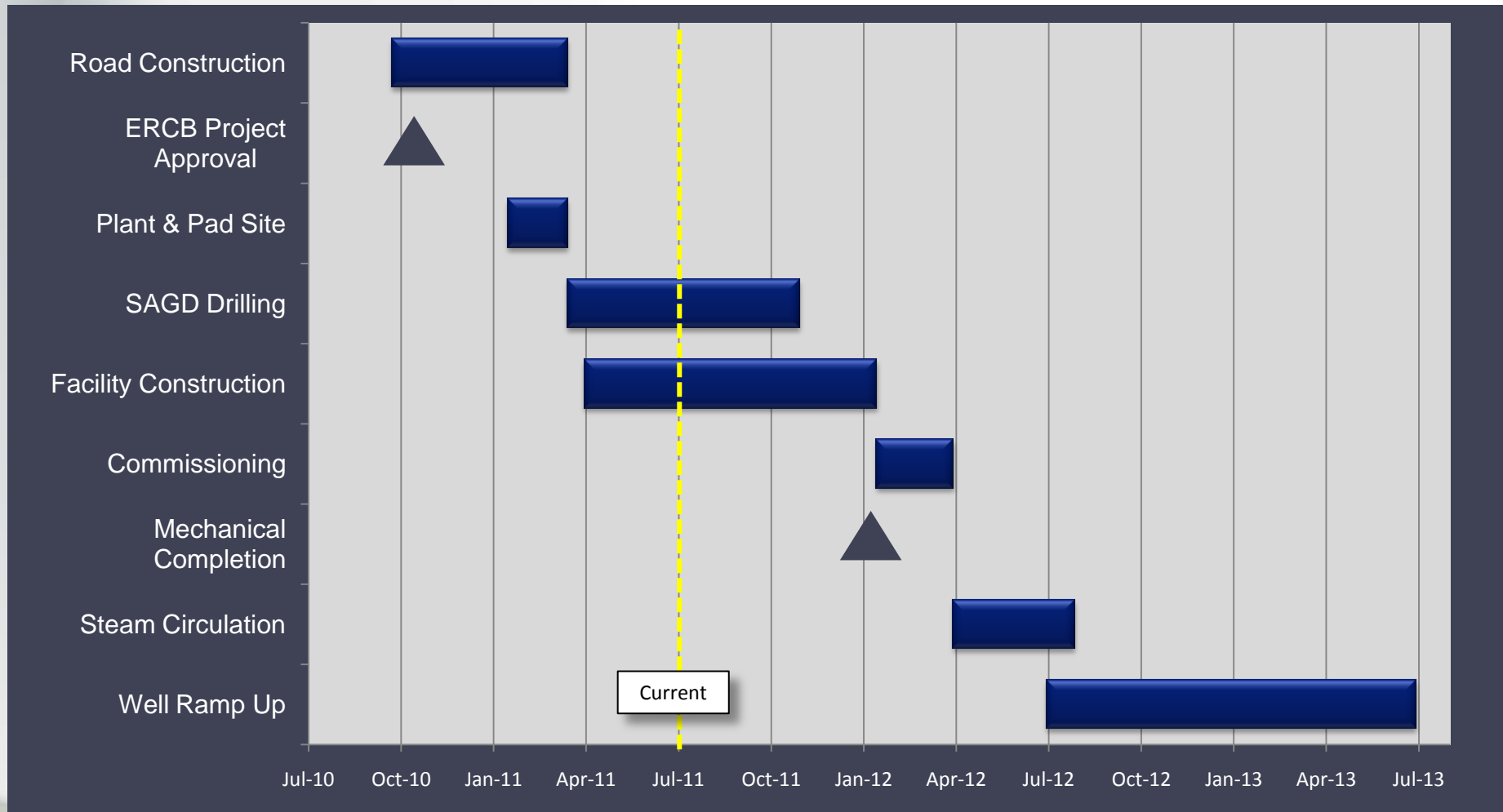


Tank Farm Base Construction

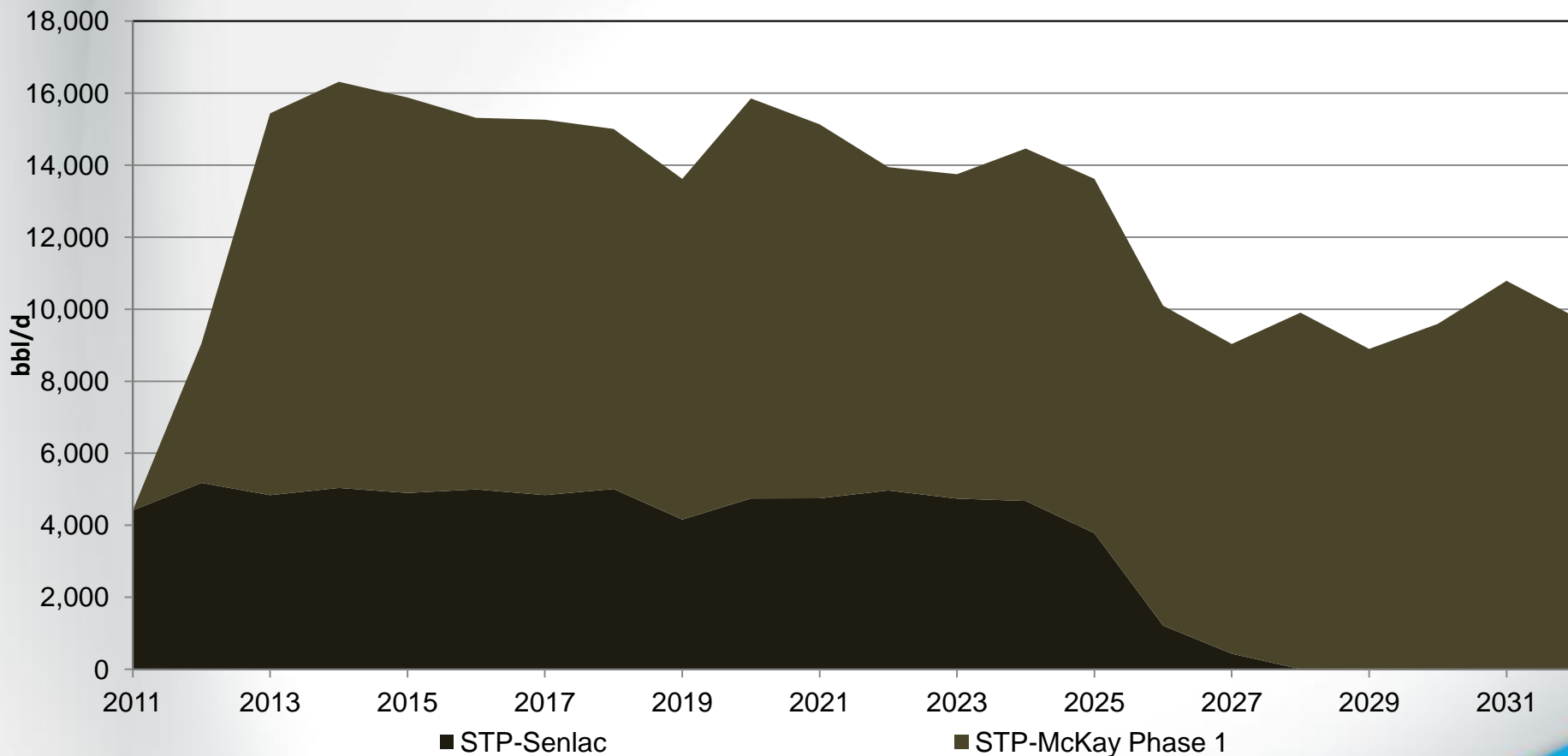


Slant Rig Drilling SAGD Wellpairs

STP-McKay Phase 1: Timeline to Production

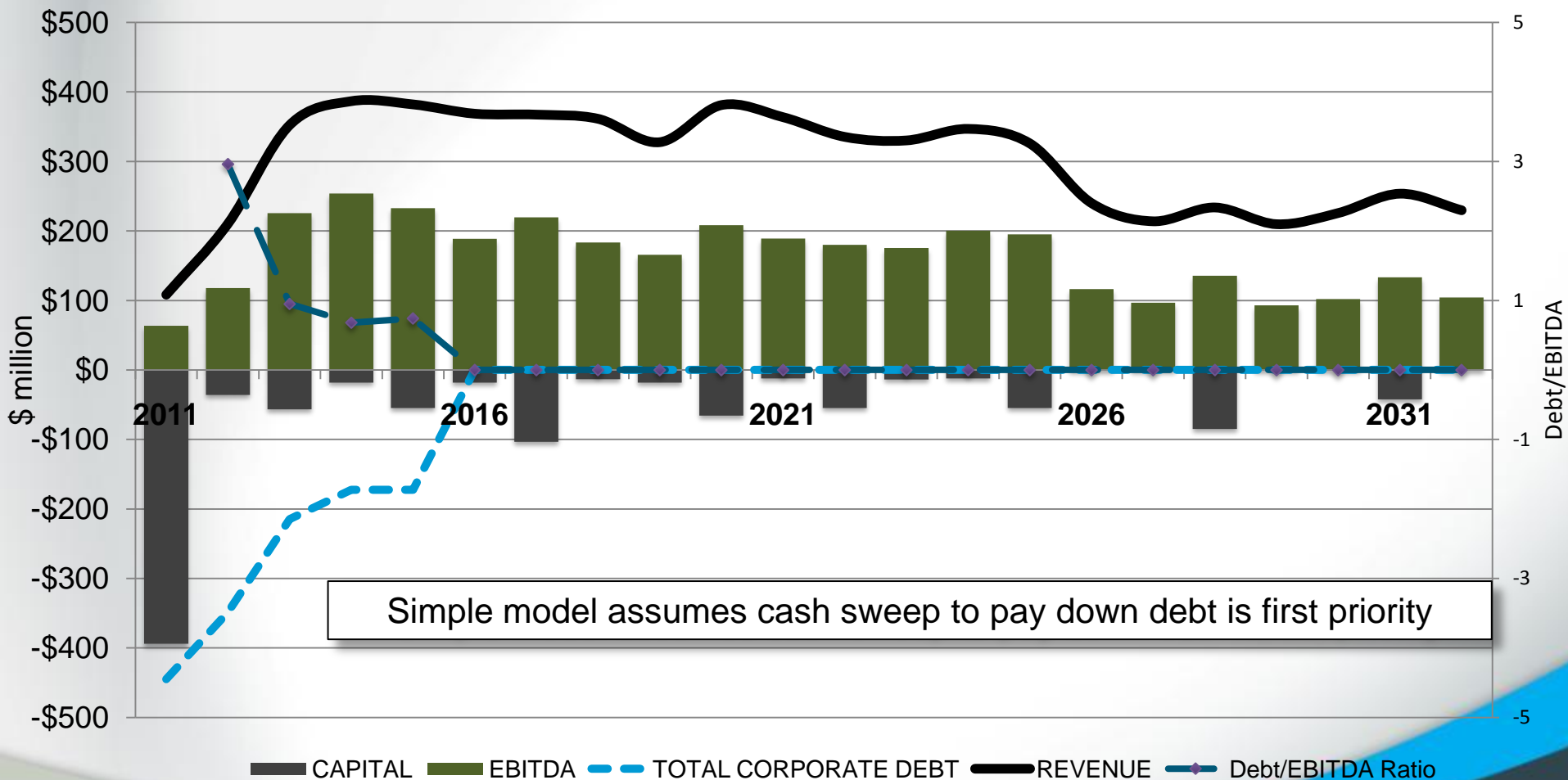


Senlac and McKay Phase 1: Production Profile



Corporate Cash Flow - Base Case Model

(STP-Senlac and STP-McKay Phase 1 Only)



Assumptions:

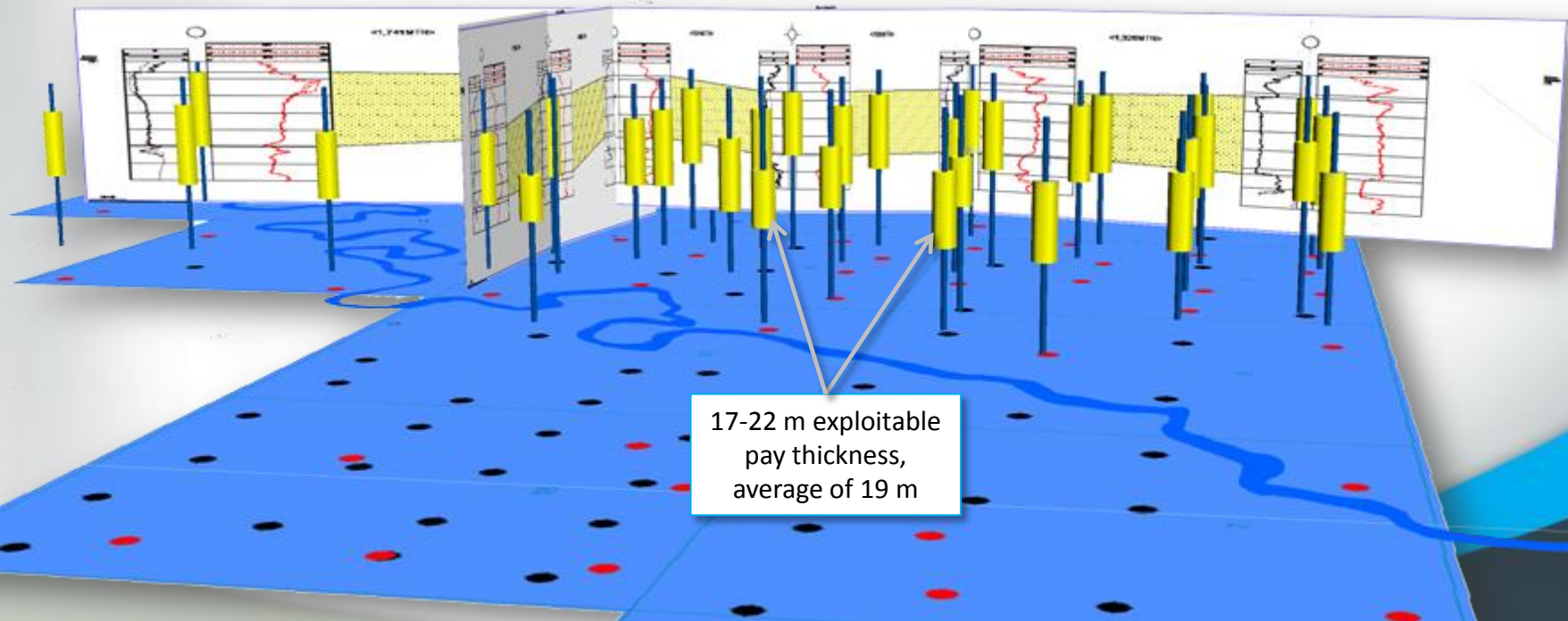
WTI = \$US 90/bbl flat

FX - 0.9500 \$CDN/\$US

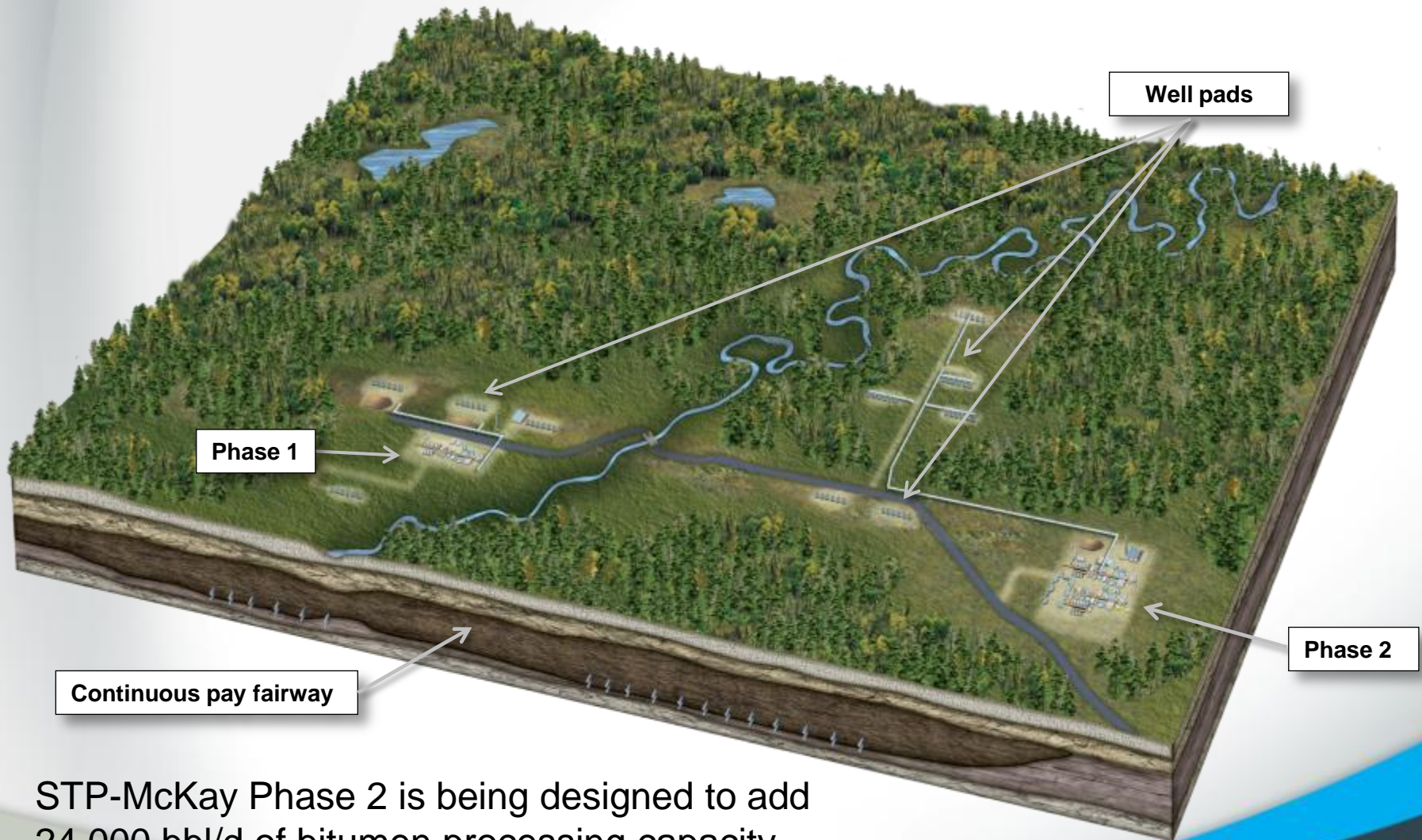
Heavy Differential = \$US 13.50/bbl, NYMEX = \$US 6.43mcf

STP-McKay: High Quality Resource Base

- Total of 43 coreholes (31 drilled this past winter) on Phase 2 project area
- High quality bitumen pay encountered on all wells:
 - No lean zones
 - No shale barriers
 - Continuous and exploitable McMurray and Wabiskaw oil sands deposits



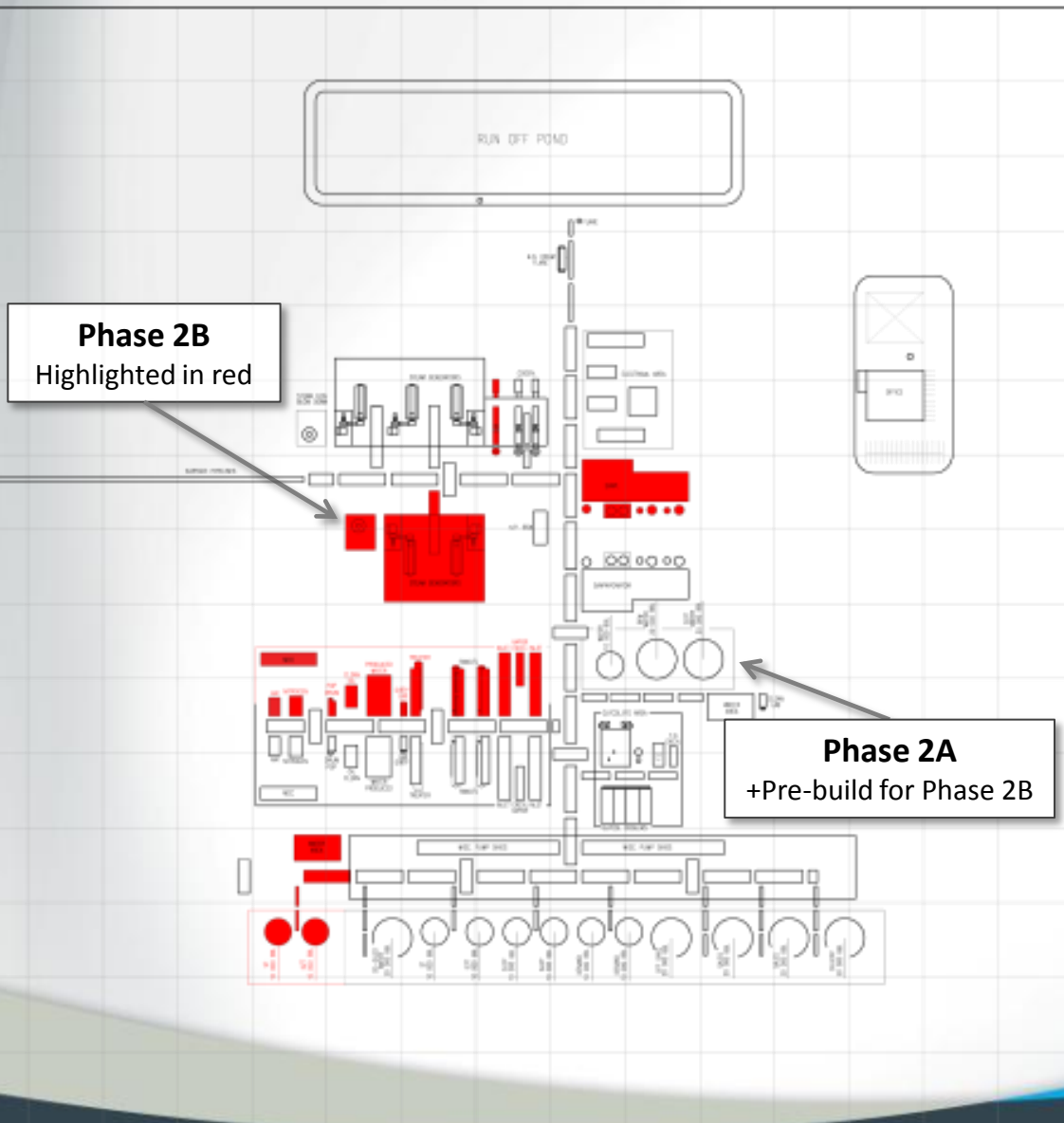
STP-McKay: Phases 1 and 2 Layout (2014)



- STP-McKay Phase 2 is being designed to add 24,000 bbl/d of bitumen processing capacity, bringing the total to 36,000 bbl/d

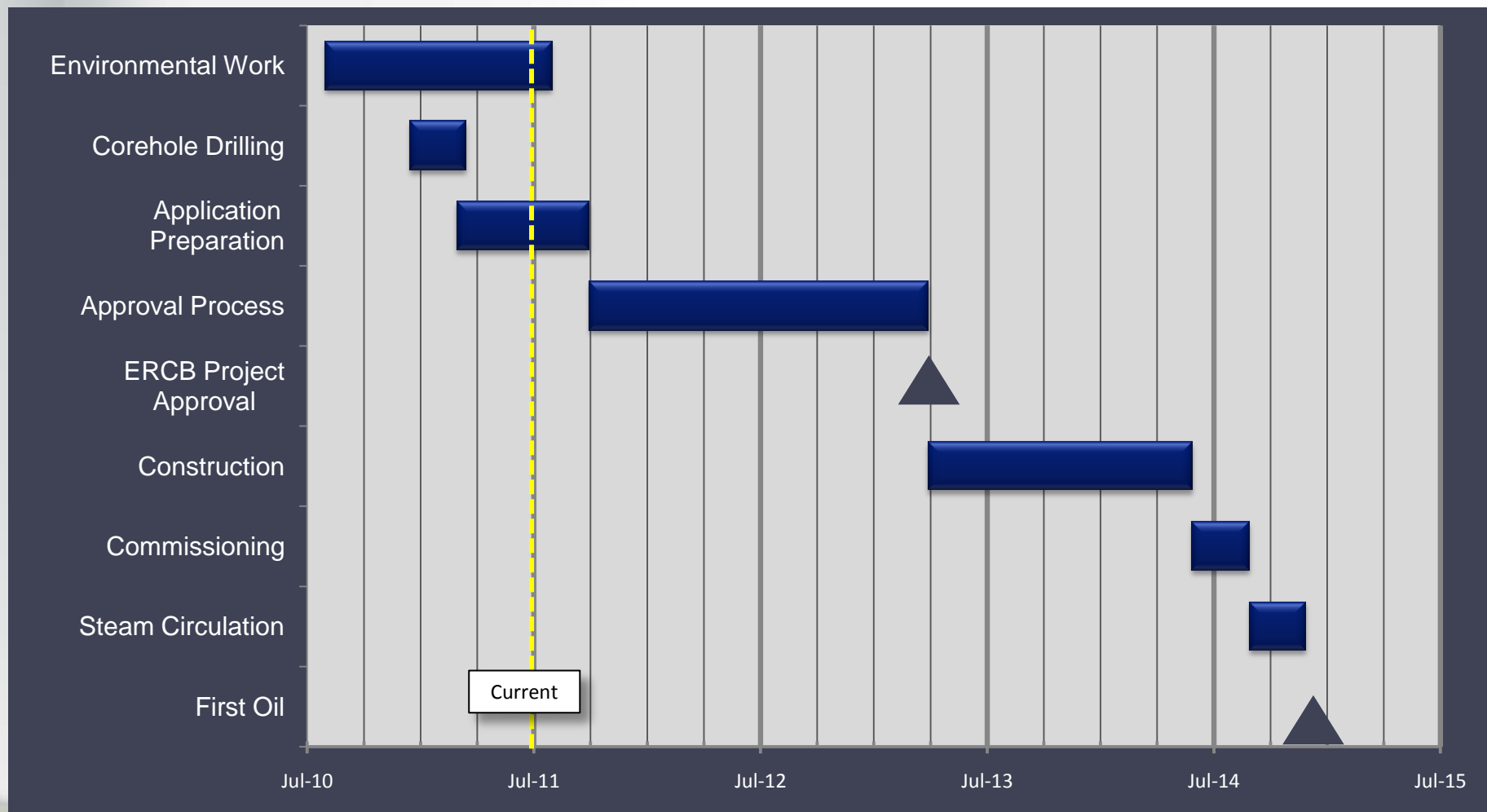
Phase 2: Construction Strategy

SIP EA PLOT PLAN PROPOSAL
800m



- Southern Pacific plans to stagger the construction of Phase 2 in two integrated 12,000 bbl/d pieces
- FEED Study Engineering underway, expect completion by the fall of 2011
- Provides maximum flexibility both operationally and financially

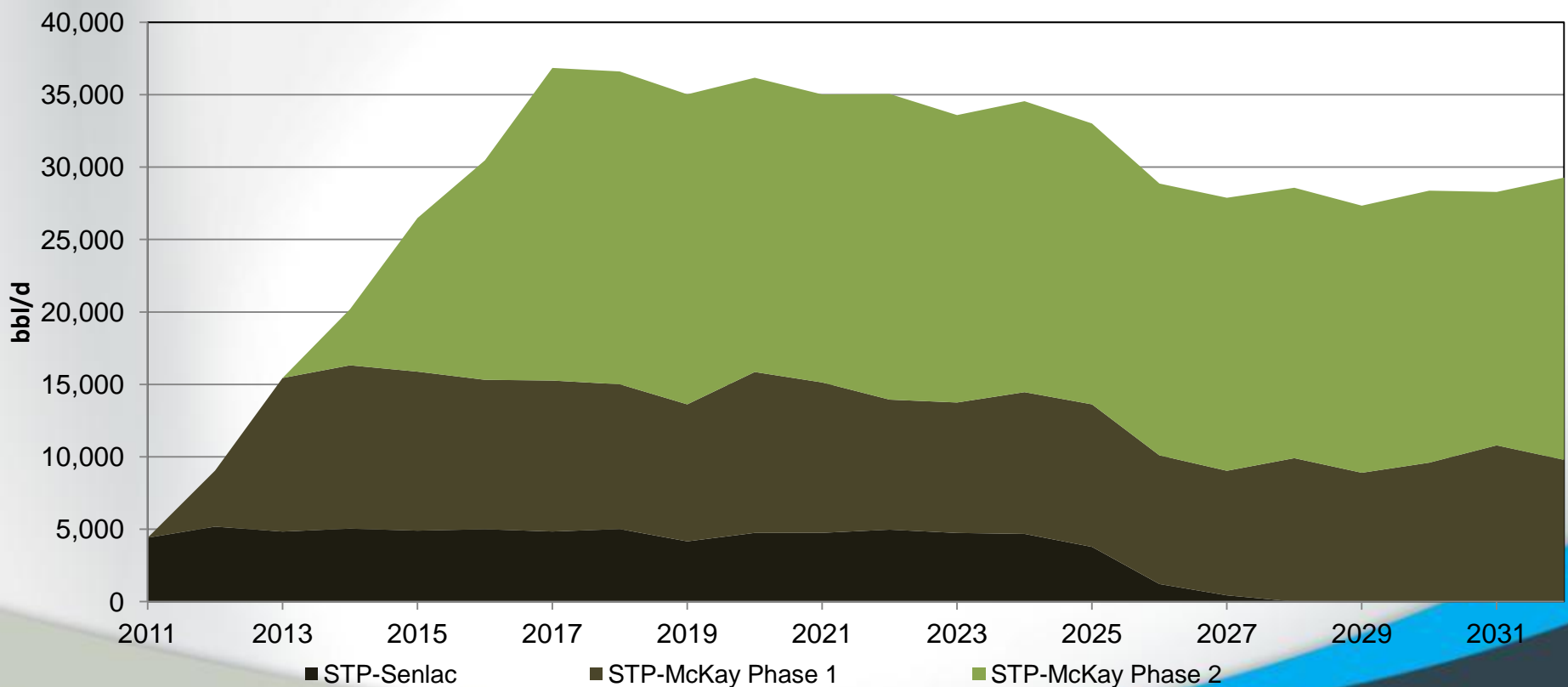
STP-McKay Phase 2A: Timeline to Production



Phase 2B is expected to be 1 to 2 years behind Phase 2A

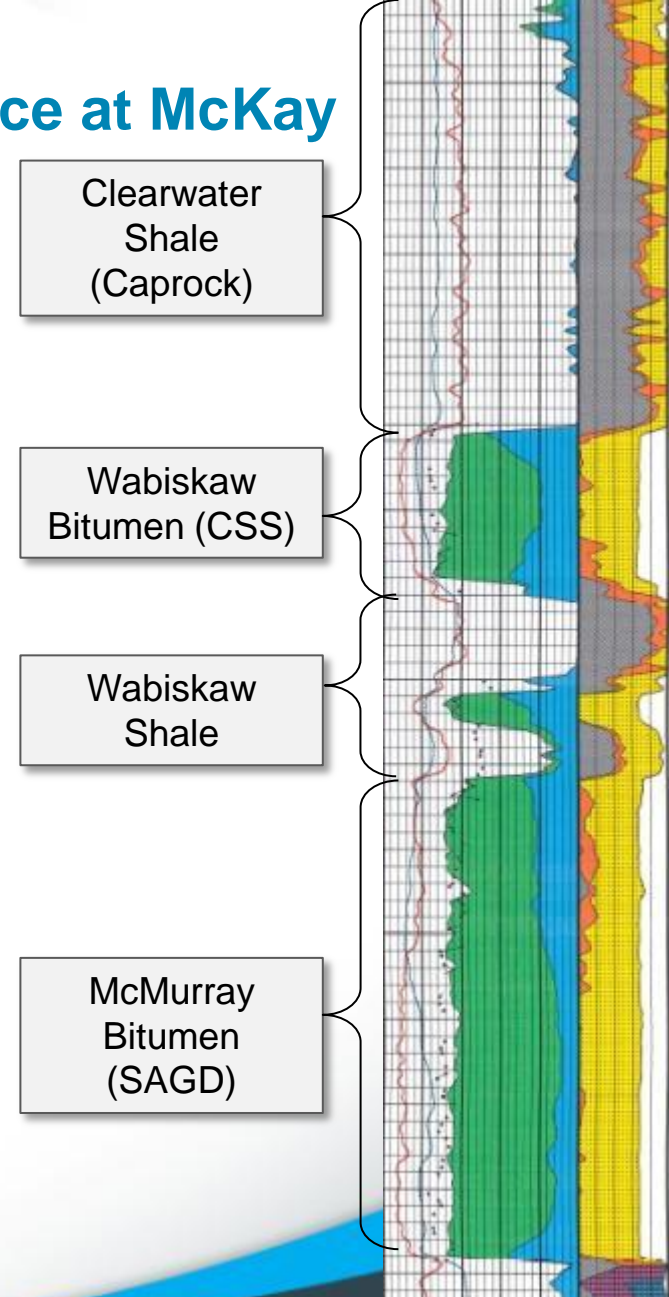
Southern Pacific's Existing Project Growth Plan

- Forecast represents real projects that are on production, being constructed or in the application process
- Timing of STP-McKay Phase 2 represents two stages of growth, designed for optimal operating and financing flexibility

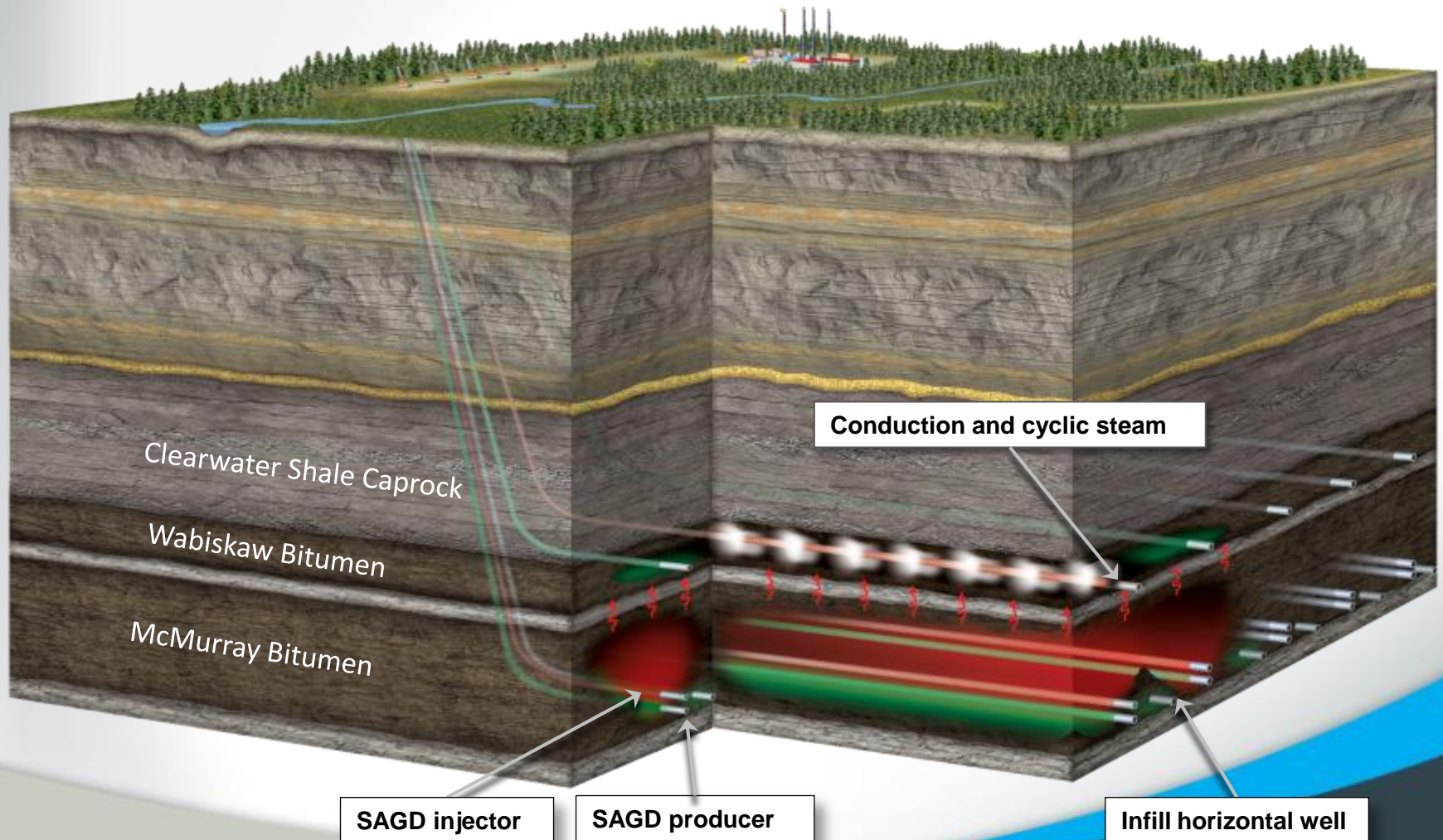


Wabiskaw Bitumen: Additional Resource at McKay

- Wabiskaw zone lies directly above McMurray over most of McKay Phase 1 and 2
- Approximately 200 mmbbl of OBIP (management est.)
- Recovery mechanism planned:
 - Combination of cyclic steam stimulation (CSS) and conductive heating from SAGD in McMurray
 - Modeling has demonstrated up to 50% recovery (budgeting 25% until tested)
- Benefits:
 - Additional recovery
 - Steam source available from SAGD operations
 - Low incremental cost
- Timing
 - Pilot well being planned now
 - Production would start 2-3 years after SAGD start up

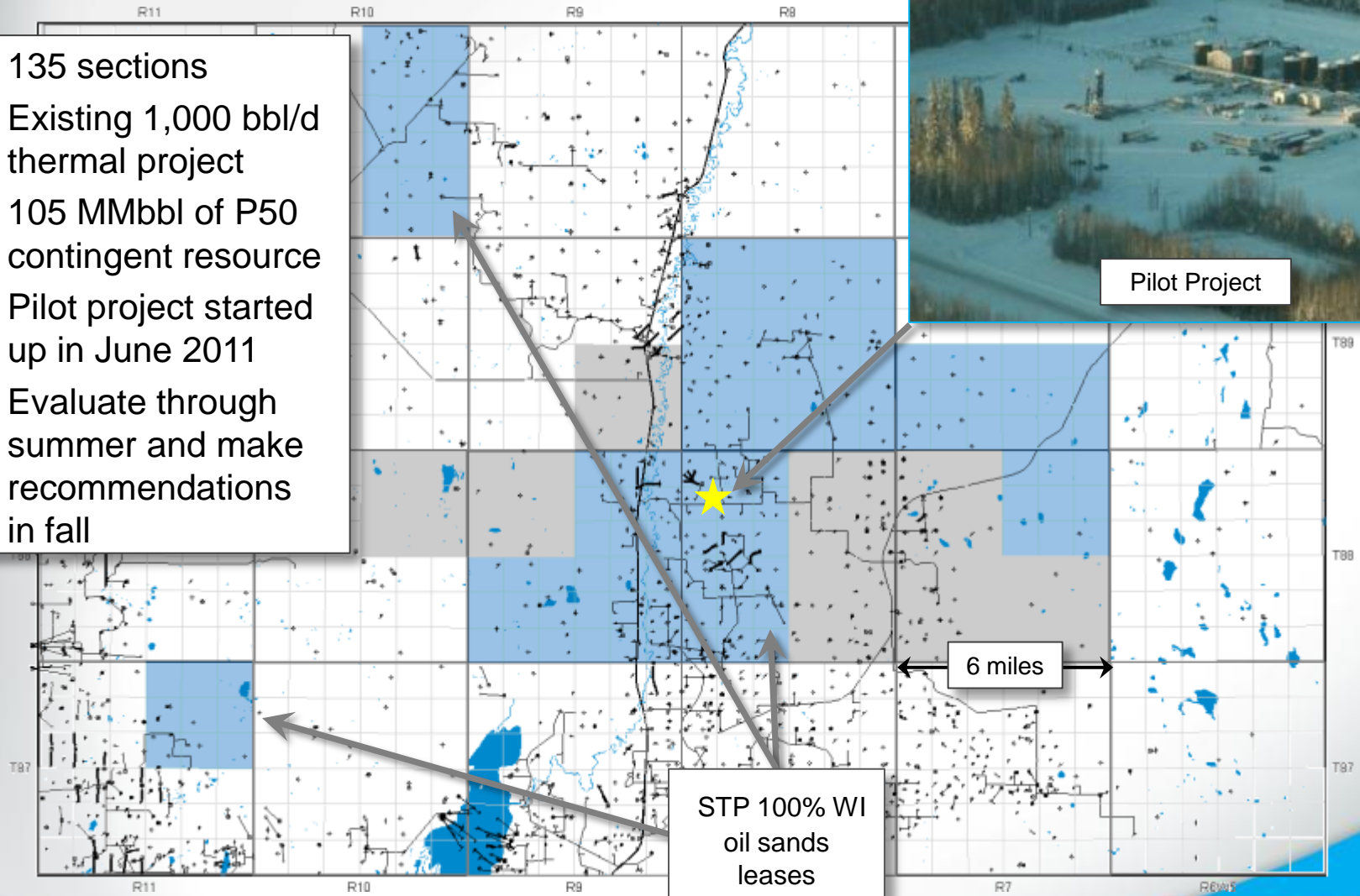


STP-McKay: Full Bitumen Exploitation Plan

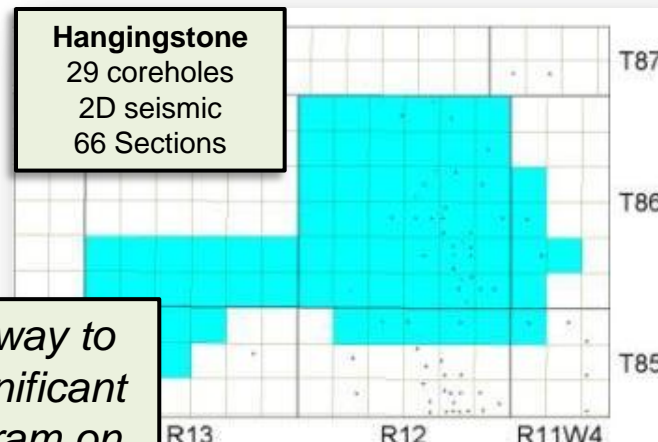
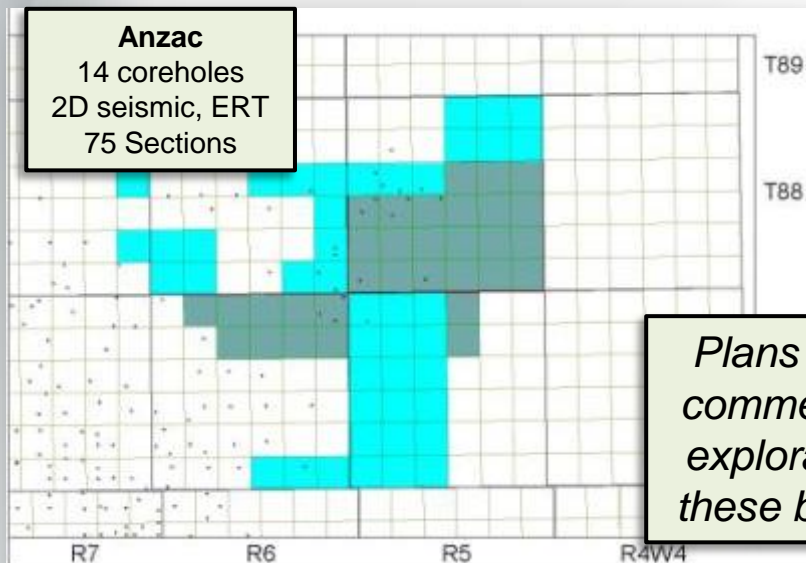


STP-Red Earth Thermal Project

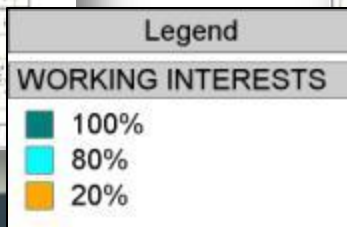
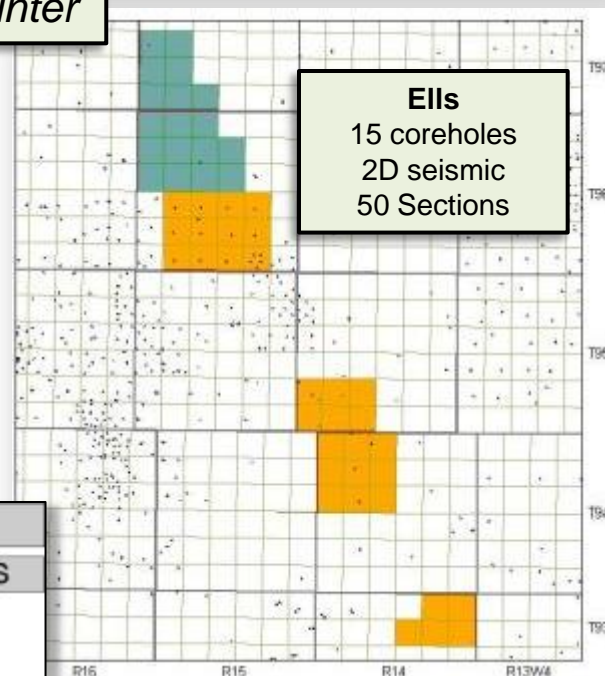
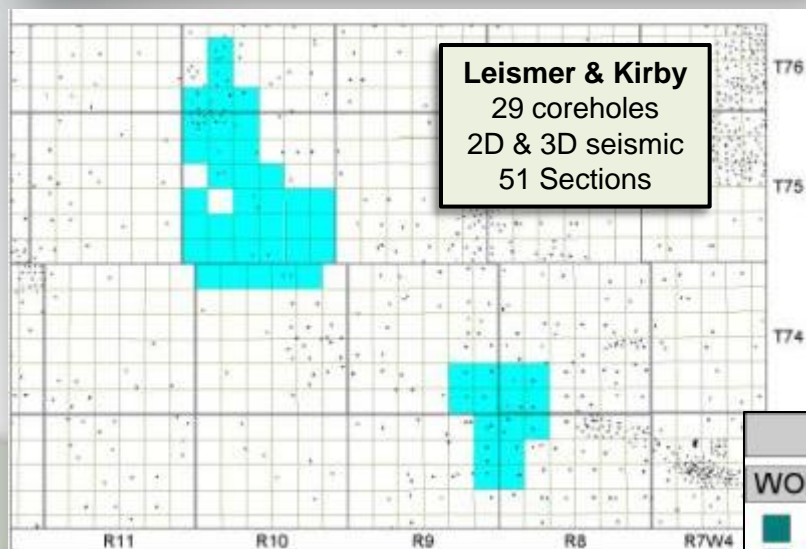
- 135 sections
- Existing 1,000 bbl/d thermal project
- 105 MMbbl of P50 contingent resource
- Pilot project started up in June 2011
- Evaluate through summer and make recommendations in fall



STP's Upside: Additional Oil Sands Leases



Plans are underway to commence a significant exploration program on these blocks next winter



2011: What's next for STP?

- Execution of STP-McKay Thermal Project
 - Construction on time and on budget will be primary focus of 2011
- Preparation of STP-McKay Phase 2
 - Expect to submit an application in the fall of 2011
- Development Plan for STP-Red Earth
 - Test in June 2011 using existing pilot facilities
 - Development plan for growth
- Continued exploration and acquisition opportunities
 - Significant exploration program planned for winter 2011/12
- Maintain STP-Senlac at high levels of production
 - Phase J (3 SAGD well pairs) to be drilled this fall

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