



SOUTHERN PACIFIC ACQUIRES REMAINING 20% INTEREST AT MCKAY AND ADDITIONAL OIL SANDS INTERESTS FOR \$33 MILLION

CALGARY, Alberta – March 19, 2010

Southern Pacific Resource Corp. (“**Southern Pacific**” or the “**Company**”) (TSX-V:STP) is pleased to announce that it has signed a definitive agreement with its working interest partner, Bounty Developments Ltd. (“**Bounty**”), to acquire Bounty’s entire 20% working interest in 59 sections of land in the McKay block. As part of the agreement, Southern Pacific will also purchase 20% of Bounty’s working interest in 32 sections of land adjacent to and near Southern Pacific’s MacKenzie block (the “**Acquisition**”).

The entire package of reserves, resources and undeveloped land will be purchased for a total of \$33.0 million, consisting of 20% equity (\$6.6 million) and 80% cash (\$26.4 million). The 20% equity will be issued as common shares of the Company at a price equivalent to the applicable 10 day volume weighted average trading price of the shares which equals approximately 6.47 million shares at a price of \$1.02 per share. The effective and closing date of the Acquisition is expected to be June 1, 2010. Funding for the cash portion of the Acquisition will be made through Southern Pacific’s existing cash flow and debt facility.

The acquisition of Bounty’s working interest at McKay results in Southern Pacific having an undivided 100% working interest in all its McKay lands, including the 10.5 sections within the Company’s STP-McKay Steam-Assisted Gravity Drainage (“**SAGD**”) project. The STP-McKay SAGD project is a 12,000 bbl/d in-situ thermal project that is in the application approval process. Southern Pacific submitted the application to Alberta Environment and the Alberta Energy Resources Conservation Board in May 2009 with approval expected in the second half of 2010. Construction of the project is expected to commence this fall immediately after regulatory approval is obtained. The acquisition of the remaining 20% working interest ensures that the responsibility of funding the STP-McKay project falls entirely within Southern Pacific’s control. With strengthening markets and cash flow from Senlac, Southern Pacific remains confident that the funding requirements for STP-McKay will be completed this year.

Within the Acquisition, Southern Pacific also acquired a 20% working interest in 32 sections of land formerly operated by Patch International Ltd., and known as Ells. There are 12 sections of these lands directly adjacent to Southern Pacific’s 18-section MacKenzie block (100% working interest). These 12 sections have had coreholes drilled and contingent resource has been assigned by an independent reserves auditor. The acquired lands will allow additional proprietary technical data to be incorporated into the Company’s records, and allow for lower cost exploration around its 100% working interest MacKenzie block, which has not yet been explored.

The complete breakdown of Reserves and Contingent Resources associated with the Acquisition are described in the tables below:

Working Interest Volumes	MMbbl ⁽³⁾⁽⁴⁾
McKay⁽¹⁾	
Probable Reserves (2P)	13.5
Best (P50) Estimate Contingent Resources	<u>0.9</u>
2P Reserves + Best Estimate Contingent	14.4
Probable and Possible Reserves (3P)	24.5
High (P10) Estimate Contingent Resources	<u>2.6</u>
3P Reserves + High Estimate Contingent	27.1

Working Interest Volumes	MMbbl ^{(3) (4)}
Ells ⁽²⁾	
Low (P90) Estimate Contingent Resources	23.4
Best (P50) Estimate Contingent Resources	34.8
High (P10) Estimate Contingent Resources	50.8

- (1) McDaniel and Associates report effective June 30, 2009 completed for Southern Pacific Resource Corp.
- (2) McDaniel and Associates report effective May 31, 2007 completed for Bounty Developments Ltd.
- (3) The estimates of reserves 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. There is no certainty that it will be commercially viable to produce any portion of the resources.
- (4) Contingencies which prevent the classification as reserves for the remaining portion of McKay and at Ells include the drilling of a greater density of core holes throughout the areas with delineated contingent resources and the submission of an application for a SAGD project on such lands.

A short presentation, which includes details and maps illustrating this acquisition, has been added to the Company's website (www.shpacific.com) under the Presentations tab.

Mr. Jon Clark, an independent director of the Company, is a shareholder of Tlell Developments Inc. Tlell Developments Inc. has a 7.5% beneficial interest in Bounty's interest in the Ells block and an 8.5% beneficial interest in Bounty's interest in the McKay block. The board of directors of the Company has approved the Acquisition, with Mr. Clark abstaining from voting on the matter. The Company has determined that exemptions from the various requirements of Multilateral Instrument 61-101 and TSX Venture Exchange Policy 5.9 are available for the Acquisition. The Acquisition is subject to TSX Venture Exchange acceptance.

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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.

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.