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**SOUTHERN PACIFIC CLOSES \$52 MILLION BOUGHT-DEAL FINANCING**

October 23, 2009

Southern Pacific Resource Corp. (the “Corporation”) (STP – TSX Venture) is pleased to announce that it has closed its bought-deal financing to a syndicate of underwriters led by BMO Capital Markets and including Canaccord Capital Corporation, Raymond James Ltd. and Byron Capital Markets (the “Underwriters”) announced on October 9, 2009. The Corporation issued 104 million subscription receipts at an issue price of \$0.50 per subscription receipt for gross proceeds to Southern Pacific of \$52 million. Each subscription receipt represents the right to acquire one common share in the capital of the Corporation upon exercise, without additional consideration, upon the closing of the acquisition of heavy oil assets announced on October 9, 2009 (the “Senlac Acquisition”). The Subscription Receipts and the underlying Common Shares are subject to a resale restriction until February 24, 2010.

The Corporation is also pleased to announce that it has received the final approval from BMO Capital Markets on its \$45 million credit facility. This facility along with the closing of the financing ensures the Corporation has the funds in place to close the Senlac Acquisition.

**Acquisition Update**

Southern Pacific has now completed the majority of the work needed to ensure that the Senlac Acquisition closes on schedule on or about November 2, 2009. The Senlac Acquisition was described in detail in news releases on October 9 and 13. With the recent strengthening in commodity prices and the continued strong performance of the Senlac assets, the Corporation is aggressively moving forward to become a significant in-situ heavy oil producer.

The Corporation continues to focus on its 12,000 barrel per day SAGD oil sands project at STP-McKay as well as plan its winter exploration program at its Hangingstone and South McKay project areas.

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.

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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 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, the completion of the transactions contemplated by the Acquisition, the equity financing and the credit facility, the inherent risks involved in the exploration and development of conventional oil and gas properties, of oil sands properties and the assets to be acquired pursuant to the Acquisition, 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 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 including those relating to the Acquisition, 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.*

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