



SOUTHERN PACIFIC SUBMITS STP-McKAY PHASE 2 EXPANSION APPLICATION TO INCREASE TOTAL PROJECT PRODUCTION CAPACITY TO 36,000 BBL/D

CALGARY, Alberta – November 14, 2011 – Southern Pacific Resource Corp. (“Southern Pacific” or the “Company”) (TSX:STP) is pleased to announce that it submitted an application on November 10, 2011 to the Alberta Energy Resources Conservation Board (ERCB) and Alberta Environment and Water (AENV) to expand its STP-McKay Phase 1 project area. Approval would allow the Company to construct a second-steam assisted gravity drainage (SAGD) facility within the project area capable of producing an additional 24,000 barrels per day (bbl/d) of bitumen.

STP-McKay Phase 2 would increase Southern Pacific’s operations in the area from the approved Phase 1 capacity of 12,000 bbl/d to a total design capacity of 36,000 bbl/d of bitumen. Significantly, upon the filing of the application, Southern Pacific expects to receive a revised Proved plus Probable (2P) reserve classification based on a total project production capacity of 36,000 bbl/d versus the previously eligible capacity of 12,000 bbl/d. This should allow the 2P forecast to be accelerated and also recognize additional contingent resources from within the project area to be assigned as 2P. The resulting increase in net present value should be reflected in a December 31, 2011 reserves and resource update that Southern Pacific has retained its independent engineers, GLJ and Associates Ltd., to complete.

Technical details of the expansion are available in the application, which is posted on Southern Pacific’s website at www.shppacific.com. Highlights of the expansion include:

- Adds 24,000 bbl/d of oil treating capacity
- Allows for financial and operational flexibility and efficiencies during construction and operation by designing the central process facilities as two 12,000 bbl/d integrated components
- Provides access to a high quality resource, as demonstrated through 43 delineation coreholes within the Phase 2 project area (~8 wells/section), with no top gas, bottom water, lean zones or shale barriers within the average 19 metres of bitumen pay
- The facility is designed to generate 84,000 bbl/d of steam (equivalent to a daily steam-oil ratio of 3.5), which the Company expects will provide ample steam over the project life
- Supplies all electrical requirements for Phase 2 through integrated co-generation facilities

Southern Pacific has engaged AMEC-BDR to complete the engineering for this project. AMEC-BDR also completed the engineering for STP-McKay Phase 1. Initially, they prepared a scoping study at STP-McKay Phase 2 to meet the engineering requirements for the application submission. Now they are working on the Design Basis Memorandum (DBM), a more detailed level of engineering on the entire Phase 2 project. The DBM is expected to be completed in March 2012, at which time a detailed cost estimate on the project will be available.

STP-McKay Phase 2 will have the benefit of all the information obtained from the construction and preliminary operations at STP-McKay Phase 1, a 12,000 bbl/d project under construction and scheduled for first steam in the second quarter of 2012. The Company is budgeting 18 months for regulatory approval of Phase 2, based on the 15 months required for approval of Phase 1.

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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Advisory

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. Risk factors related to STP-McKay Phase 2 include, but are not limited to, the timeline for completion of the DBM, the anticipated approval of the application, the expected increase in the P+P reserves and net present value, development plans and the anticipated geological characteristics. Risk factors related to STP-McKay Phase 1 include the expected date of first steam.

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 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.