

**FORM 51-102F3**

**MATERIAL CHANGE REPORT**

**Item 1 - Name and Address of Company**

**SOUTHERN PACIFIC RESOURCE CORP.**

500, 816 - 7<sup>th</sup> Avenue SW  
Calgary, AB T2P 1A1

**Item 2 – Date of Material Change**

The material change occurred on November 22, 2006.

**Item 3 – News Release**

A news release was issued on November 22, 2006 by CCN Matthews.

**Item 4 – Summary of Material Change**

Southern Pacific Resource Corp. (“Southern Pacific” or the “Corporation”) announced that it has closed the acquisition of 80% of Bounty Developments Ltd.’s (“Bounty”) interest in its Leismer South Oil Sands Assets (the “Acquisition”). Bounty and Southern Pacific are now joint venture partners in the development of the Leismer South Oil Sands Assets.

The Corporation closed its private placement of 14,000,000 of subscription receipts and on closing the Acquisition, an aggregate of 14,000,000 Units were issued upon conversion of the subscription receipts. Each Unit is comprised of one common share (“Common Share”) and one half of one common share purchase warrant (“Warrant”) which entitles the holder to acquire one Common Share at a price \$0.75 per Common Share until November 22, 2007.

The Corporation also closed its private placement of an aggregate of 5,454,545 flow-through Units at a price of \$0.55 per Unit for gross proceeds of \$3,000,000. Each Unit is comprised of one Common Share and one half of one common share purchase Warrant entitling the holder to acquire one Common Share at a price \$0.80 per Common Share until November 22, 2007.

The total of the two placements generated gross proceeds for the Corporation of \$10,000,000 and the Corporation now has 35,681,556 Common Shares issued and outstanding.

The Corporation has also issued 2,475,000 options to purchase Common Shares to eligible participants, of which 2,100,000 were granted to officers and directors of the Corporation. The options to purchase Common Shares are exercisable at a price of \$0.50 per Common Share for five years from the date of issuance. The stock option grant is subject to regulatory approval

All matters to be decided on at the shareholders meeting held on November 17, 2006 were approved including the continuance the Corporation into Alberta and the election of new directors. The new directors and management are Arun K. Dey (Director and President), David

M. Antony (Director and CFO), Jon P. Clark (Director), Tibor Fekete (Director), J. Ward Mallabone (Director) and Trevor P. Wong-Chor (Corporate Secretary).

### **Item 5 – Full Description of Material Change**

The Corporation announced that it has closed the acquisition of 80% of Bounty Developments Ltd.'s interest in its Leismer South Oil Sands Assets originally announced on September 10, 2006 and September 28, 2006. Bounty and Southern Pacific are now joint venture partners for the development of the Leismer South Oil Sands Assets, which are comprised of 25 contiguous sections in Townships 75-76, Rge. 10 W4M.

The Corporation announced that it has closed two previously announced private placements. The Corporation closed its private placement of 14,000,000 of subscription receipts at a price of \$0.50 per subscription receipt. Upon closing the Acquisition, an aggregate of 14,000,000 Units were issued upon conversion of the subscription receipts. Each Unit is comprised of one common share ("Common Share") and one half of one common share purchase warrant ("Warrant"). Each Warrant entitles the holder to acquire one Common Share at a price \$0.75 per Common Share until November 22, 2007.

The Corporation closed its previously announced private placement of flow-through Units. An aggregate of 5,454,545 flow-through Units at a price of \$0.55 per Unit were issued for gross proceeds of \$3,000,000. Each Unit is comprised of one Common Share (issued on a flow through basis) and one half of one regular common share purchase Warrant. Each Warrant entitles the holder to acquire one Common Share at a price \$0.80 per Common Share until November 22, 2007.

A cash commission in the amount of \$312,720 was paid to eligible parties in connection with the private placements.

The total of the two placements generated gross proceeds for the Corporation of \$10,000,000. These proceeds were used for payment of the purchase price for the Acquisition, and will be used for the completion of evaluation and development drilling, of the seismic, and for general working capital purposes.

In connection with the Acquisition, the Corporation paid cash consideration of \$5,752,235 and issued 6,000,000 Common Shares to Bounty. As a result of the Acquisition, Bounty of Calgary, Alberta, now holds 6,000,000 Common Shares (16.8%). All of these 6,000,000 Common Shares are being held in escrow in accordance with TSX Venture Exchange policy. The Corporation also issued 400,000 Common Shares to arm's length parties as a finder's fee in connection with the Acquisition. The securities issued in connection with the private placement, finder's fee and Acquisition are subject to a four month statutory resale restriction.

The Corporation has also issued 2,475,000 options to purchase Common Shares to eligible participants, of which 2,100,000 were granted to officers and directors of the Corporation. The options to purchase Common Shares are exercisable at a price of \$0.50 per Common Share for five years from the date of issuance. The stock option grant is subject to regulatory approval. The Corporation has determined that exemptions from the various requirements of TSX Venture Exchange Policy 5.9 are available for the grant of options.

In anticipation of this closing, and to ensure the Corporation was able to carry out its planned winter exploration program, Southern Pacific has begun the necessary regulatory approval and local consultation process for drilling of up to 12 vertical exploration wells and the scheduled seismic program. The drilling and seismic program is expected to be completed during the 1<sup>st</sup> quarter of 2007. This program will enable the Corporation to establish its further delineation and development initiatives.

After giving effect to the Acquisition, Private Placements and related transactions, the Corporation now has 35,681,556 Common Shares issued and outstanding.

At the shareholders meeting held on November 17, 2006, all matters placed before the shareholders were approved including the discontinuance of the Corporation from the Province of British Columbia and the continuance the Corporation into the Province of Alberta and the election of new directors. The new directors and management are Arun K. Dey (Director and President), David M. Antony (Director and CFO), Jon P. Clark (Director), Tibor Fekete (Director), J. Ward Mallabone (Director) and Trevor P. Wong-Chor (Corporate Secretary). Biographies for these individuals are contained the Management Information Circular of the Corporation dated October 20, 2006.

**Item 6 – Reliance on subsection 7.1(2) or (3) of National Instrument 51-102**

Not applicable.

**Item 7 – Omitted Information**

Not applicable.

**Item 8 - Executive Officer**

The name of a Executive Officer of the Corporation who is knowledgeable about the material change and who can be contacted by the Commission is:

Dave Antony  
Telephone: (403) 531-1710  
Facsimile: (403) 265-3565

**Item 9 - Date of Report**

This report is dated this 23rd day of November, 2006.