

FORM 51-102F3
MATERIAL CHANGE REPORT

1. **Name and Address of Company**

Southern Pacific Resource Corp. ("Southern Pacific" or the "Company")
Suite 1700, 205 - 5th Avenue SW
Calgary, AB
T2P 2V7

2. **Date of Material Change**

September 28, 2012

3. **News Release**

A press release was disseminated on September 28, 2012 via Marketwire.

4. **Summary of Material Change**

Southern Pacific has closed its previously announced bought deal financing with a syndicate of underwriters co-led by BMO Capital Markets (joint bookrunner), RBC Capital Markets (joint bookrunner), FirstEnergy Capital Corp. and TD Securities Inc., and including Raymond James Ltd., AltaCorp Capital Inc. and Canaccord Genuity Corp. (the "Underwriters"). Pursuant to its short form prospectus dated September 21, 2012, the Corporation issued 55,625,000 common shares ("Common Shares") at a price of \$1.45 per Common Share for gross proceeds of \$80.65 million. This amount includes 3,900,000 Common Shares exercised under the previously announced over-allotment option.

5.1 **Full Description of Material Change**

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The over-allotment option continues to allow the Underwriters to acquire up to an additional up to 3,858,750 Common Shares at a price of \$1.45 per Common Share. The remainder of this option is exercisable, in whole or in part, by the Underwriters, in their sole discretion, at any time up to 30 days after the closing date.

Southern Pacific expects to use the net proceeds of this offering for the long lead equipment orders and engineering on the STP-McKay Phase 1 Expansion, to improve its working capital position, for working capital required to manage the recently announced rail marketing arrangement and for a discretionary corehole exploration program over the winter of 2012/13.

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.

Reader Advisory

This report may contain forward-looking statements with respect to the Company, the Offering, the expected closing date and the expected use of proceeds from the Offering. The actual results and timelines discussed herein could differ materially from those expressed or implied by such statements. Such statements are qualified in their entirety by the inherent risks and uncertainties surrounding future expectations. Important factors that could cause actual results to differ materially from expectations include, among other things, general economic and market factors, competition, changes in government regulations, regulatory delays and other factors described under "Risk Factors" in the most recent Preliminary Prospectus, Management's Discussion and Analysis and Annual Information Form of the Company which are available at www.sedar.com. The cautionary statements qualify all forward-looking statements attributable to the Company and persons acting on their behalf. Unless otherwise stated, all forward-looking statements speak only as of the date of this report and the Company has no obligation to update such statements.

This document shall not constitute an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any sale of securities in any state in the United States in which such offer, solicitation or sale would be unlawful. The securities referred to herein 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 an applicable exemption from registration requirements.

NOT FOR DISTRIBUTION TO UNITED STATES NEWSWIRE SERVICES OR FOR DISSEMINATION IN THE UNITED STATES.

5.2 Disclosure for Restructuring Transactions

Not Applicable.

6. Reliance on Section 7.1(2) of National Instrument 51-102

Not Applicable.

7. Omitted Information

Not Applicable.

8. **Executive Officer**

The name and business numbers of the executive officers of Southern Pacific who are knowledgeable about the material change and this report are:

Byron Lutes, President & CEO
403-269-1529

Howard Bolinger, CFO
403-269-2640

9. **Date of Report**

September 28, 2012