

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**

December 11, 2013

3. **News Release**

A press release was disseminated on December 11, 2013 via Marketwired.

4. **Summary of Material Change**

Southern Pacific announced that its Board of Directors has initiated a process to identify, examine and consider strategic and financial alternatives available to the Company with the ultimate view of enhancing shareholder value.

5.1 **Full Description of Material Change**

Strategic and financial alternatives may include, but are not limited to, the sale of the Company, merger or other business combination, recapitalization, sale of all or a portion of the Company's assets, or any combination thereof, and continued execution of its business plan, among all other alternatives. The Board of Directors has established a Special Committee comprised of independent directors to oversee the process and RBC Capital Markets have been retained to assist the Special Committee and the Company with this process.

It is the Company's current intention not to disclose developments with respect to the strategic review process until the Board of Directors has approved a specific transaction or otherwise determines that disclosure is necessary or appropriate. The Company will provide quarterly financial and material operational updates. The Company cautions that there are no assurances or guarantees that the process will result in a transaction or, if a transaction is undertaken, the terms or timing of such a transaction.

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
blutes@shpacific.com

9. Date of Report

December 11, 2013