

PACIFIC ENERGY RESOURCES LTD.
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**Pacific Energy Resources Ltd. announces
the sale of its California assets and provides bankruptcy update**

Long Beach, California, December 31, 2009

Sale of California Assets

Pacific Energy Resources Ltd. (TSX:PFE) (the "Company") announces the closing of the sale of its California assets (the Beta field and the San Pedro Bay pipeline) to entities formed by its secured lenders. As consideration for the sale, the lenders effectively tendered all of their debt. The Company will continue to operate these assets until the buyers' operating company receives necessary regulatory approvals, and the existing team of employees will transition to the new operating company.

Bankruptcy Update

Earlier in December 2009, subsidiaries of the Company sold their "Group 1" assets for a purchase price of \$2.25 million to Cook Inlet Energy LLC. The bankruptcy court approved a motion to reverse the previous abandonment in order to consummate a sale. The Group 1 assets included interests in the West McArthur River Unit, the Redoubt Unit, the Kustatan Field, the Kustatan production facility, the West Foreland Field, the Three Mile Creek Field and certain other properties in the Cook Inlet region of Alaska.

These two transactions complete the sale of the Company's properties. There will be no recovery for shareholders. The Company will proceed to the claims administration phase of the bankruptcy process as well as other administrative steps to complete its liquidation.

Additional information relating to the Company, including links to court filings relating to the above matters, can be found on www.pacenergy.com.

ON BEHALF OF THE BOARD OF DIRECTORS

PACIFIC ENERGY RESOURCES LTD.

"Gerry Tywoniuk"
Acting Chief Executive Officer and Chief Financial Officer

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