

PACIFIC ENERGY RESOURCES LTD.

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**Pacific Energy Resources Ltd. Announces
First Quarter 2009 Financial and Operating Results**

Long Beach, California, May 15, 2009 – Pacific Energy Resources Ltd. (TSX:PFE) (the “Company”) announces its first quarter financial and operating results for the quarter ended March 31, 2009.

Financial Results:

The Company's net loss from continuing operations was \$41.2 million for the first quarter of 2009 compared to a net loss of \$88.7 million in the first quarter of 2008. Included in the net loss for the 2009 period was \$9.6 million of restructuring expenses and an inventory write down of \$3.2 million. Included in the first quarter of 2008 results were the acceleration of expensing of accretion and amortization of deferred financing costs of \$48.4 million. Net loss from continuing operations for the fourth quarter of 2008 was \$185.1 million, including impairment charges of \$131.4 million.

Adding the results of discontinued operations in the prior quarters resulted in a net loss of \$88.2 million for the quarter ended March 31, 2008 and \$185.3 million for the quarter ended December 31, 2008.

The net loss for the quarter ended March 31, 2009 was adversely affected by low oil prices, reduced production and sales volumes in the Company's Alaskan operations, restructuring costs and high interest expense.

Oil and gas production revenue was \$20.5 million before hedging income for the first quarter of 2009, down 61.1% from the year ago quarter due to a 7.8% decrease in sales volumes and a 60.1% decrease in realized price of oil before hedging gains (losses). Despite the increase in volume resulting from Platform Eureka partially returning to production in April 2008, the decline in oil sales was due to a 44.8% decrease in Alaska sales, attributable to mechanical issues and timing of oil sales.

Production volumes were down 8.0% from the quarter ended December 31, 2008, due to Alaskan mechanical problems. Sales volumes were off 22.9% due to lower production. The Company estimates that 1,100 boe/d are currently down in its operated assets in Alaska due to mechanical failures at four wells with an estimated cost of \$9 million to return the wells to producing status. These could be repaired during the summer timeframe, contingent on additional funding.

Realized prices before hedging were \$37.01 per barrel of oil in the first quarter of 2009, down 27.9% in the first quarter of 2009 compared to the fourth quarter of 2008 and down 60.1% from the first quarter of 2008.

The realized gain on derivatives was \$3.0 million in the first quarter of 2009 compared to \$2.2 million in the fourth quarter of 2008 and a loss of \$10.5 million in the first quarter of 2008. Adding the realized price included in oil and gas production revenues above with the hedging gain or loss, resulted in average prices realized after hedging gains (losses) of \$42.89 per boe for the first quarter of 2009, compared to \$54.63 per boe in the fourth quarter of 2008 and \$74.99 per boe in the year ago period.

Royalty expense of \$2.6 million for the first quarter of 2009 decreased 74.2% and 63.2% from the first and fourth quarters of 2008, respectively, as a result of significantly lower oil prices and lower production. Royalty expense is a function of oil and gas prices, production and royalty rates. With lower oil prices, the Company benefited from a lower royalty rate at the Beta Unit. In addition, the first quarter of 2009 benefited from a \$1.4 million credit from prior periods to correct certain royalties in Alaska. However,

additional overriding royalties were granted to the Company's lenders in mid-July 2008 in connection with the divestiture of its onshore California properties, resulting in an increase in the royalty burden.

Lease operating expenses ("LOE") decreased 9.8% to \$38.26 per boe, compared to the first quarter of 2008, due to the increased production from the Beta Unit's Platform Eureka which more than offset lower production in Alaska. Beta's lease operating expenses declined 59.7% to \$16.48 per boe from the year ago period, while Alaska's lease operating expenses increased 44.4% to \$62.26 per boe due to the 24.9% decline in production from the year ago period.

Compared to the fourth quarter of 2008, lease operating expenses decreased 4.6% to \$38.26 per boe, with the Beta Unit's decrease of 31.8% to \$16.48 per boe more than offsetting Alaska's 13.5% increase to \$62.26 per barrel.

General and administrative expense of \$4.1 million in the first quarter of 2009 was down from the year ago period by 2.2% and from the fourth quarter of 2008 by 29.5%. The fourth quarter of 2008 included \$2.5 million of legal and other costs associated with the forbearance agreement. The restructuring costs for the first quarter of 2009 are reported separately in reorganization expenses.

Reorganization expense of \$9.6 million in the first quarter of 2009 includes \$4.1 million of legal costs, restructuring advisory fees and investment banking costs associated with our chapter 11 filing and asset sales processes. In addition, this expense includes \$5.4 million of interest-related expenses consisting of \$1.6 million of accelerated accretion of discount for the senior subordinated accreting note and loan from a stockholder, and \$3.8 million for make-whole interest on repayment of the Beta senior secured facility with proceeds of debtor-in-possession financing.

Operational Update:

For the quarter ended March 31, 2009, compared to the first quarter of 2008 (for continuing operations):

- Production increased 9.6% to 6,514 barrels of oil equivalent per day ("boe/d"), with production from Beta increasing 88.3% to 3,415 boe/d.
- Lease operating expenses per boe for the quarter ended March 31, 2009 decreased on a company-wide basis by 9.8% to \$38.26, with Beta lease operating expenses decreasing by 59.7% to \$16.48 per boe.

Beta Field, California:

The Company returned three additional wells to production at the Beta Unit in late March and April 2009 with recent production levels peaking on certain days above 4,000 barrels per day. The Company made progress on its cost cutting initiatives in the first quarter of 2009 for its California and Alaskan operations, and in corporate costs (before considering the added costs of reorganization).

Including both Platforms Eureka and Ellen, total Beta Field production was 3,415 boe/d for the first quarter. The first quarter production level is up 88.3% from the first quarter of 2008 and was flat from the fourth quarter of 2008. The production increase is attributable to returning Platform Eureka to production in April 2008 and returning additional wells on Platform Eureka to production subsequently. LOE for the Beta Field was \$16.48/boe for the first quarter of 2009. First quarter 2009 LOE decreased 31.8% from the fourth quarter of 2008 and 59.7% from the first quarter of 2008, as a result of the production increases. Capital spending for the first quarter 2009 was \$1.4 million.

Cook Inlet, Alaska:

Lower production levels were caused by higher than average mechanical problems during the winter months which resulted in higher unit costs. Furthermore, as a result of volcanic activity at Mt. Redoubt interrupting normal operations at the Company's 50%-owned Cook Inlet Pipe Line Company ("CIPL") (which provides pipeline and terminaling services), Chevron was forced to shut in production on jointly-owned properties in early April 2009. The Company's 100% owned and operated properties have

sufficient storage to allow production to continue until the end of June 2009. Chevron operates CIPL and is evaluating opportunities to resume transportation of oil to market.

Production in Alaska was 3,099 boe/d for the first quarter of 2009. The first quarter production level is down 15.8% from the fourth quarter of 2008 and 24.9% from the first quarter of 2008. The decline is due to some mechanical pump failures. The failures are considered normal wear and tear and certain of the failures may be repaired in the summer season dependent on volcanic activity limitations; others for operated properties are also dependent on additional funding. LOE for the Alaska properties was \$62.26/boe for the first quarter of 2009. First quarter 2009 LOE increased 13.5% from the fourth quarter of 2008 and 44.4% from the first quarter of 2008. The increase is due to the decline in production and increased maintenance projects at the properties operated by Chevron. Capital spending for the first quarter of 2009 was \$3.6 million, including \$3.4 million on the Chevron-operated properties which amount was not currently funded by the Company. The Company estimates that \$9 million of capital will be required to return the down wells at its operated Alaskan assets to producing status representing an expected gain of approximately 1,100 boe/d. This could be achieved during the summer timeframe, contingent on receiving additional funding.

Insolvency Proceedings:

As previously announced, on March 9, 2009, the Company and its wholly-owned subsidiaries filed with the Delaware Bankruptcy Court voluntary petitions for reorganization under Chapter 11. The Company entered into a Debtor-In-Possession credit facility ("DIP Financing") with its secured lenders, which provides \$44.0 million in new funding, \$9.6 million of which was approved under an interim order, with the balance subject to a final hearing scheduled for May 21, 2009.

In addition to obtaining bankruptcy protection in the U.S., the Company obtained protection in Canada under the Companies' Creditors Arrangement Act ("CCAA") on March 12, 2009.

The Company and its secured lenders continue to evaluate options for both operated and non-operated Alaskan properties, given their ongoing cash losses. Our DIP Financing contains only limited funding both in dollars and duration. No capital is being provided to repair certain operated wells. Options going forward include an extension of DIP funding of cash losses on operated properties (if the lenders agree), sale of some or all of the properties, and restructuring of the Company through the Chapter 11 process to allow sufficient working capital to repair certain wells to get to cash breakeven.

The Company is currently marketing for sale both its asset groups in California and Alaska. In addition, the Company is pursuing the alternative of a significant equity infusion. There is no assurance that any of these alternatives will realize sufficient proceeds to repay the Company's secured lenders and pre-petition unsecured creditors in full, nor is there assurance the Company will recover the carrying value of its assets.

About Pacific Energy Resources Ltd.:

Pacific Energy Resources Ltd. is an oil and gas exploration and development company based in Long Beach, California, U.S.A. Additional information relating to the Company may be found on SEDAR at www.sedar.com.

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Forward Looking Statements:

This press release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. In particular, statements by Pacific Energy Resources Ltd. and its subsidiaries (the "Company") regarding future events and developments and the Company's future performance, including statements regarding proceedings relating to the Company's petitions for relief under Chapter 11 of Title 11 of the United States Code and the Company's operations and funding during the chapter 11 process, as well as other statements of management's expectations, anticipations, beliefs, plans, intentions, targets, estimates, or projections and similar expressions relating to the future, are forward-looking statements within the meaning of these laws. Forward-looking statements in some cases can be identified by their being preceded by, followed by or containing words such as "estimate," "plan," "project," "forecast," "intend," "expect," "anticipate," "believe," "seek," "target" and other similar expressions. Forward-looking statements are based on assumptions and assessments made by the Company's management in light of their experience and their perception of historical trends, current conditions, expected future developments and other factors they believe to be appropriate. Any forward-looking statements are not guarantees of the Company's future performance and are subject to risks and uncertainties that could cause actual results, developments and business decisions to differ materially from those contemplated by any forward-looking statements. Except as required by law, the Company undertakes no obligation to update any forward-looking statements. Factors that could cause actual results to vary materially from results anticipated by such forward looking information include risk factors discussed in the Annual Information Form for the year ended December 31, 2008 for the Company available at www.sedar.com. Additional factors that may cause actual results, developments and business decisions to differ materially from those contemplated by any forward-looking statements include the following: the ability of the Company to continue as a going concern; the ability of the Company to operate pursuant to the terms of its debtor-in-possession financing; the Company's ability to obtain court approval with respect to motions in the chapter 11 proceeding prosecuted by it from time to time, including approval of motions relating to the priority of the lender's security interest under any debtor-in-possession financing; the ability of the Company to develop, prosecute, confirm and consummate one or more plans of reorganization with respect to the chapter 11 cases; risks associated with third parties seeking and obtaining court approval to terminate or shorten the exclusivity period for the Company to propose and confirm one or more plans of reorganization, for the appointment of a chapter 11 trustee or to convert the cases to chapter 7 cases; the ability of the Company to obtain and maintain normal terms with vendors and service providers; the Company's ability to maintain contracts that are critical to its operations; the potential adverse impact of the chapter 11 cases on the Company's liquidity or results of operations; the ability of the Company to fund and execute its business plan; the ability of the Company to attract, motivate and/or retain key executives and employees; the ability of the Company to attract and retain customers and suppliers; the volatility and uncertainty of oil and other commodities prices; the Company's ability to generate sufficient liquidity to fund its operations and capital expenditures; the results of the Company's hedging transactions and other risk mitigation strategies; risk of potential goodwill and other intangible impairment; operational disruptions at the Company's facilities; the effects of vigorous competition and excess capacity in the industry in which the Company operates; the effects of mergers and consolidations in the industry in which the Company operates; the possibility of the market in which the Company competes being impacted by political, legal and regulatory changes or other external factors over which the Company has no control; changes in or elimination of governmental laws, credits, tariffs, trade or other controls or enforcement practices; the Company's ability to comply with various environmental, health, and safety laws and regulations; the success of the Company's marketing and sales efforts; the Company's reliance on key management personnel; the Company's ability to secure additional financing; the Company's ability to implement additional financial and management controls. Similarly, these and other factors, including the terms of any reorganization plan ultimately confirmed, can affect the value of the Company's various pre-petition liabilities and common stock. No assurance can be given as to what values, if any, will be ascribed in the chapter 11 proceeding to each of these constituencies. Accordingly, the Company urges that the appropriate caution be exercised with respect to existing and future investments in any of these liabilities and/or securities.

Pacific Energy Resources Ltd. Operating and Financial Highlights
As of and for the Three Months Ended March 31, 2009 and 2008
(thousands except volumes, per barrel and per share)
(US\$) (Unaudited) ^(1,2)

	As of or for the Three Months Ended			% Change From	
	March 31, 2009	December 31, 2008	March 31, 2008	December 31, 2008	March 31, 2008
Operating					
Total oil equivalent production (boe/d)					
California	3,415	3,404	1,814	0.3%	88.3%
Alaska	3,099	3,680	4,127	-15.8%	-24.9%
Total	<u>6,514</u>	<u>7,083</u>	<u>5,941</u>	-8.0%	9.6%
Oil sales (bbls/d)					
California	3,415	3,404	1,814	0.3%	88.3%
Alaska	2,310	4,048	4,329	-42.9%	-46.6%
Total	<u>5,725</u>	<u>7,452</u>	<u>6,143</u>	-23.2%	-6.8%
Natural gas sales (mcf/d)					
Alaska	1,735	2,096	2,266	-17.2%	-23.4%
Total oil equivalent sales (boe/d)					
California	3,415	3,404	1,814	0.3%	88.3%
Alaska	2,599	4,397	4,707	-40.9%	-44.8%
Total	<u>6,015</u>	<u>7,801</u>	<u>6,521</u>	-22.9%	-7.8%
Average NYMEX light sweet crude oil per barrel	\$ 43.08	\$ 58.73	\$ 97.90	-26.7%	-56.0%
Realized price per barrel of oil					
Before hedging	\$ 37.01	\$ 51.35	\$ 92.80	-27.9%	-60.1%
After hedging	\$ 42.89	\$ 54.63	\$ 74.99	-21.5%	-42.8%
Lease operating expenses (per boe produced)					
California	\$ 16.48	\$ 24.16	\$ 40.84	-31.8%	-59.7%
Alaska	\$ 62.26	\$ 54.85	\$ 43.12	13.5%	44.4%
Weighted average	\$ 38.26	\$ 40.10	\$ 42.42	-4.6%	-9.8%
Income statement and other					
Total revenue before hedging gain (loss)	\$ 20,482	\$ 36,480	\$ 52,704	-43.9%	-61.1%
Hedging gain (loss)	3,029	2,246	(10,486)	34.9%	N/M
Total revenue after hedging gain (loss)	<u>\$ 23,511</u>	<u>\$ 38,726</u>	<u>\$ 42,218</u>	-39.3%	-44.3%
Selected expenses					
Production ⁽³⁾	\$ 17,649	\$ 26,546	\$ 26,087	-33.5%	-32.3%
Royalties	2,591	7,050	10,050	-63.2%	-74.2%
Transportation	828	1,281	1,072	-35.4%	-22.8%
General and administrative	4,061	5,763	4,153	-29.5%	-2.2%
Reorganization	9,553	-	-	N/A	N/A
Interest - cash	12,908	8,916	21,002	44.8%	-38.5%
Interest - non-cash - paid in kind	9,041	24,667	5,769	-63.3%	327.6%
Interest - accretion of discounts and amortization of deferred financing costs	1,061	1,096	6,601	-3.2%	-83.9%
Impairment	3,238	131,407	-	-100.0%	N/A
Net income					
Net income (loss) from continuing operations, after tax	<u>\$ (41,200)</u>	<u>\$ (185,115)</u>	<u>\$ (88,743)</u>	-77.7%	-53.6%
Income (loss) from discontinued operations, after tax	-	-	556	N/A	-100.0%
Gain on sale of discontinued operations, after tax	-	(187)	-	-100.0%	N/A
Total income (loss) from discontinued operations, after tax	<u>-</u>	<u>(187)</u>	<u>556</u>	-100.0%	-100.0%
Net income (loss), after tax	<u><u>\$ (41,200)</u></u>	<u><u>\$ (185,302)</u></u>	<u><u>\$ (88,187)</u></u>	-77.8%	-53.3%
Weighted average shares (basic and diluted)	205,469	205,469	200,587	0.0%	2.4%
Basic and diluted income (loss) per share from continuing operations	\$ (0.20)	\$ (0.91)	\$ (0.44)	-78.0%	-54.5%
Basic and diluted income (loss) per share from discontinued operations	-	-	-	N/A	N/A
Basic and diluted income (loss) per share	<u>\$ (0.20)</u>	<u>\$ (0.91)</u>	<u>\$ (0.44)</u>	-78.0%	-54.5%
Adjusted EBITDA ⁽⁴⁾	\$ (1,551)	\$ (1,890)	\$ 888	-17.9%	-274.7%
Capital expenditures					
California	\$ 1,354	\$ 699	\$ 7,227	93.7%	-81.3%
Alaska	3,604	5,635	3,671	-36.0%	-1.8%
Total	<u>\$ 4,958</u>	<u>\$ 6,334</u>	<u>\$ 10,898</u>	-21.7%	-54.5%
Balance sheet					
Cash	\$ 885	\$ 1,319	\$ 7,821	-32.9%	-88.7%
Total assets	527,931	536,370	693,224	-1.6%	-23.8%
Total notes payable	502,309	501,725	494,481	0.1%	1.6%
Shareholders' equity (deficit) including accumulated other comprehensive income	(123,052)	(82,108)	(22,607)	49.9%	444.3%
Shareholders' equity (deficit) excluding accumulated other comprehensive income	(142,182)	(102,902)	59,351	38.2%	-339.6%

GAAP RECONCILIATION

In addition to net income (loss) determined in accordance with Canadian GAAP, we have provided in this release Adjusted EBITDA for recent periods. Adjusted EBITDA is a non-GAAP financial measure that we use as a supplemental measure of our performance.

We define Adjusted EBITDA as net income (loss) from continuing operations before (i) interest expense, cash and non-cash, (ii) interest income, (iii) income tax provision (benefit), (iv) depreciation, depletion and amortization expense, (v) stock compensation expense, (vi) non-cash liquidated damage expense for shares issued for the delay in registering certain securities, (vii) general exploration expense, (viii) impairment, (ix) loss from equity investment and (x) reorganization expense. Because the use of Adjusted EBITDA facilitates comparisons of our historical operating performance on a more consistent basis, we use this measure for business planning and analysis purposes and in determining how potential external financing sources are likely to evaluate our business.

We present Adjusted EBITDA because we consider it to be an important supplemental measure of our performance. Adjusted EBITDA is not a measurement of our financial performance under GAAP and it should not be considered as an alternative to net income (loss), operating income or any other performance measure derived in accordance with GAAP, as an alternative to cash flow from operating activities or as a measure of our liquidity. You should not assume that the Adjusted EBITDA amount shown is comparable to similarly named measured disclosed by other companies.

Adjusted EBITDA	For the Three Months Ended		
	March 31, 2009	December 31, 2008	March 31, 2008
Net income (loss) from continuing operations	\$ (41,200)	\$ (185,115)	\$ (88,743)
Interest expense - cash	12,908	8,916	21,002
Interest expense - non cash - paid in kind	9,041	24,667	5,769
Interest - accretion of discounts and amortization of deferred financing costs	1,061	1,096	6,601
Interest - accelerated expensing of accretion and amortization of deferred financing costs	-	-	48,398
Interest income	(641)	(1,121)	(2,191)
Income tax expense	-	-	-
Depreciation, depletion and amortization expense	3,367	15,212	6,428
Stock compensation expense	1,483	1,572	1,343
Liquidated damages expense	-	-	1,840
General exploration	97	434	221
Impairment	3,238	131,407	-
(Income) loss from equity investment	(458)	1,042	220
Reorganization	9,553	-	-
Adjusted EBITDA	<u>\$ (1,551)</u>	<u>\$ (1,890)</u>	<u>\$ 888</u>

NOTES

- (1) For further information, see Financial Statements and Management's Discussion & Analysis on www.sedar.com.
- (2) Excludes discontinued operations, except where indicated.
- (3) Production expenses include lease operating expenses, direct costs and inventory change.
- (4) Reference "GAAP Reconciliation" above - reconciliation of net income from continuing operations to Adjusted EBITDA.

DEFINITIONS

bbls/d	barrels per day
boe	barrels of oil equivalent with natural gas converted at 6:1
boe/d	barrels of oil equivalent per day with natural gas converted at 6:1
mcf/d	thousand cubic feet per day
NYMEX	New York Mercantile Exchange
N/A	Not applicable
N/M	Not meaningful