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Update on Heavy Lift Vessel Contract and Corsair Leases

Long Beach, California, December 16, 2008 – As previously announced, Pacific Energy Resources Ltd. (TSX:PFE) (the “Company”), submitted to the State of Alaska a conditional contract as evidence of a heavy lift vessel required to transport a jackup rig to the Cook Inlet, Alaska, in time for the 2009 drilling season. In order for the contract to become effective, the Company and a third party requested the extension of certain Corsair leases for a period of up to two years as well as reinstating some previously expired Corsair leases. Corsair is a natural gas and oil exploration prospect in the Cook Inlet.

The State of Alaska, Department of Natural Resources, Division of Oil and Gas has denied the Company’s request and stated it has placed the Company’s leases in default subject to a 90 day cure period. The denial was based on the grounds that the conditions for the contract to become effective were unacceptable for the following reasons: (i) the Department of Natural Resources does not have the authority to extend the leases or otherwise reinstate certain leases; (ii) the contract did not specify departure date for the heavy lift vessel; and (iii) a lack of a meaningful deposit made with the signing of the conditional contract. The Company intends to file an administrative appeal with the Commissioner of the Department of Natural Resources on or before December 20, 2008. In addition, prior to March 1, 2009, the Company may elect to cure the default by submitting a signed heavy lift contract which satisfies the Department of Natural Resources’ concerns.

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 Corporation may be found at www.sedar.com or the Company web site at www.PacEnergy.com.

ON BEHALF OF THE BOARD OF DIRECTORS

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Note: This release contains forward-looking statements that involve risks and uncertainties certain of which are beyond the Company’s control, including: the impact of general economic conditions, industry conditions, changes in laws and regulations including the adoption of new environmental laws and regulations and changes in how they are interpreted and enforced, increased competition, the lack of availability of qualified personnel or management,

fluctuations in commodity prices, foreign exchange or interest rates, stock market volatility and obtaining required approvals of regulatory authorities. These statements may differ materially from actual future events or results, are based on current expectations or beliefs and include, but are not limited to, statements made by Company President Darren Katic and statements concerning our ability to successfully win an appeal with the State of Alaska DNR, retain legal title to the Corsair and expansion leases or fund an exploration plan if an appeal is won. Comply These statements are based on assumptions made by the Company based on its experience, perception of historical trends, current conditions, expected future developments and other factors it believes are appropriate in the circumstances. The Company's actual results, performance or achievement could differ materially from those expressed in, or implied by, these forward-looking statements.