

EARLY WARNING REPORT AND PRESS RELEASE
Report Pursuant to

SECTION 111 OF THE SECURITIES ACT (BRITISH COLUMBIA)
SECTION 176 OF THE SECURITIES ACT (ALBERTA)
SECTION 101 OF THE SECURITIES ACT (ONTARIO)
NATIONAL INSTRUMENT 62-103

1. Name and address of the offeror

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| The Goldman Sachs Group, Inc. (“GS Group”), 85 Broad Street, New York, NY, 10004 | Goldman, Sachs & Co. (“GS & Co.”), 85 Broad Street, New York, NY, 10004 |
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GS Group and GS & Co. are hereinafter referred to collectively as the “Offeror”.

2. The designation and number or principal amount of securities and the offeror’s securityholding percentage in the class of securities of which the offeror acquired ownership or control in the transaction or occurrence giving rise to the obligation to file the news release, and whether it was ownership or control that was acquired in those circumstances.

On November 30, 2006 the Offeror acquired ownership and control of warrants (the “Warrants”) issued by Pacific Energy Resources Ltd. (the “Company”) carrying rights to acquire a total of 16,543,387 common shares of the Company at a price of \$1.42 per common share, such Warrants having an expiry date five years from the date of closing. The Warrants represent approximately 20.38% of the issued and outstanding common shares of the Company on a partially diluted basis (i.e. where the common shares issuable on the exercise of the Offeror’s Warrants are deemed to be outstanding common shares of the Company, but no other shares issuable on the exercise or conversion of convertible securities held by persons other than the Offeror are deemed to be outstanding).

3. The designation and number or principal amount of securities and the offeror’s securityholding percentage in the class of securities immediately after the transaction or occurrence giving rise to the obligation to file a news release.

After giving effect to the acquisition noted in item 2 above, the Offeror owned and controlled Warrants carrying rights to acquire a total of 16,543,387 common shares of the Company, in the aggregate representing approximately 20.38% of the issued and outstanding common shares of the Company on a partially diluted basis (i.e. where the common shares of the Company issuable on the exercise of the Offeror’s Warrants are deemed to be outstanding common shares of the Company, but no other shares issuable on the exercise or conversion of convertible securities held by persons other than the Offeror are deemed to be outstanding).

4. The designation and number or principal amount of securities and the percentage of outstanding securities of the class of securities referred to in paragraph 3 over which:

- (i) **the offeror, either alone or together with joint actors, has ownership and control,**

After giving effect to the acquisition noted in item 2 above, the Offeror owned and controlled Warrants carrying rights to acquire 16,543,387 common shares of the Company, in the aggregate representing approximately 20.38% of the issued

and outstanding common shares of the Company on a partially diluted basis. See item 8, below.

- (ii) **the offeror, either alone or together with joint actors, has ownership but control is held by other persons or companies other than the offeror or any joint actor.**

Not applicable.

- (iii) **the offeror, either alone or together with joint actors, has exclusive or shared control but does not have ownership.**

Not applicable.

5. **The name of the market in which the transaction or occurrence that gave rise to the news release took place.**

The Warrants were acquired directly by the Offeror from the Company on a private placement basis.

6. **The purpose of the offeror and any joint actors in effecting the transaction or occurrence that gave rise to the news release, including any future intention to acquire ownership of, or control over, additional securities of the reporting issuer.**

The Offeror entered into a loan agreement with the Company in connection with the provision of a senior credit facility to the Company. As partial consideration for entering into the loan agreement, the Company issued the Offeror the securities described in item 2 above.

The securities were acquired in the ordinary course of the Offeror's investment activities. The Offeror may exercise the Warrants and may sell the underlying securities of the Company in the future on the open market or in private transactions, depending on market conditions and other factors material to the Offeror's investment decisions. The Offeror may purchase securities of the Company in the future depending on market conditions and other factors material to the Offeror's investment decisions, however the Offeror does not intend to acquire ownership of, or control over, additional securities of the Company where such acquisition of ownership of or control over additional securities would trigger the take-over bid rules under applicable Canadian securities laws.

7. **The general nature and the material terms of any agreement, other than lending arrangements, with respect to securities of the reporting issuer, entered into by the offeror, or any joint actor, and the issuer of the securities or any other entity in connection with the transaction or occurrence giving rise to the news release, including agreements with respect to the acquisition, holding, disposition or voting of any securities.**

The Offeror entered into a loan agreement with the Company in connection with the provision of a senior credit facility to the Company. As partial consideration for entering into the loan agreement, the Company issued the Offeror the securities described in item 2 above.

8. **The names of any joint actors in connection with the disclosure required by this form.**

The securities being reported on by GS Group, as a parent holding company, are owned, or may be deemed to be beneficially owned, by GS & Co. GS & Co. is a direct and indirect wholly-owned subsidiary of GS Group.

In accordance with Section 5.1 of National Instrument 62-103 (the “National Instrument”), this filing reflects the securities beneficially owned or controlled by certain business units of GS Group and its subsidiaries and affiliates which include business units engaged in principal investing activities, managing discretionary accounts and customer facilitation trading (collectively, the “Goldman Sachs Reporting Unit”). This filing does not reflect securities, if any, beneficially owned or controlled by any business units of GS Group whose beneficial ownership of or control over securities is disaggregated from that of the Goldman Sachs Reporting Unit in accordance with the National Instrument.

The Goldman Sachs Reporting Unit disclaims beneficial ownership of the securities beneficially owned by (i) any client accounts with respect to which the Goldman Sachs Reporting Unit or its employees have voting or investment discretion, or both and (ii) certain investment entities of which the Goldman Sachs Reporting Unit acts as the general partner, managing general partner or other manager, to the extent interests in such entities are held by persons other than the Goldman Sachs Reporting Unit.

9. **In the case of a transaction or occurrence that did not take place on a stock exchange or other market that represents a published market for the securities, including an issuance from treasury, the nature and value of the consideration paid by the offeror.**

The securities described in item 2 above were issued as partial consideration for the Offeror entering into a loan agreement with the Company in connection with the provision of a senior credit facility to the Company. No additional consideration was payable by the Offeror for the issuance of the securities described in item 2 above.

10. **If applicable, a description of any change in any material fact set out in a previous report by the entity under the early warning requirements or Part 4 in respect of the reporting issuer’s securities.**

Not applicable.

DATED December 1, 2006

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