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NEWS RELEASE

**PACIFIC ENERGY RESOURCES LTD. ANNOUNCES CLOSING OF US\$128,874,985
FINANCING AND FUNDING OF THE ESCROW ACCOUNT FOR THE PURCHASE
OF THE INTERESTS IN THE BETA OIL FIELD**

Long Beach, California, December 6, 2006 – Pacific Energy Resources Ltd. (TSX: PFE) (The “*Corporation*”) wishes to announce that it has entered into a Senior Secured Credit Facility (the “*Facility*”) with affiliates of Goldman, Sachs & Co. and Silver Point Capital. The Corporation’s initial draw under the Facility was US\$65,000,000. In connection with the Facility, affiliates of the lenders also acquired warrants to purchase shares of the Corporation’s common stock and received various overriding royalty and net profit interests. The Facility is secured by the Company’s assets located in Los Angeles and Orange County California and will be secured by the Beta Oil Field assets once the purchase escrow is closed.

The Corporation further wishes to announce the closing of equity private placement in the amount of US\$63,874,985.55, of which US\$51,348,735.55 (CAD\$58,891,880) was placed in Canada with D&D Securities Company and Octagon Capital Corporation acting as agents; and US\$12,526,250.00 was placed in the United States with Energy Capital Solutions acting as agent. Energy Capital Solutions also served as the Company’s advisor on the Credit Facility. All of the equity funds as well as a portion of the loan proceeds have been placed into escrow pursuant to the terms and conditions of the previously signed purchase and sale agreements between the Corporation, as Buyer, and Aera Energy LLC (“*Aera*”) and SWEPI LP (“*SWEPI*”) as Sellers. In connection with those purchase and sale agreements, a definitive escrow agreement (“*PSA Escrow Agreement*”) was signed by the Corporation, Aera, SWEPI, J. Aron & Company, Field Point I, Ltd., SPF CDO I, LLC, D&D Securities Company and U. S. Bank National Association. In accordance with the PSA Escrow Agreement, funds in the amount of \$93,700,000 (“*Escrow Funds*”) were delivered to U.S. Bank National Association as escrow agent. The Escrow Funds and other documents were deposited with the escrow agent to satisfy certain obligations under the purchase and sale agreements. Before the acquisition is completed, the Corporation is required to satisfy a number of financial and regulatory requirements.

As part of the regulatory approval process in connection with the acquisitions, the Corporation is required to submit to certain federal, state, and local regulatory governmental agencies executed transfer documents and other regulatory compliance

forms sufficient to allow the Corporation to own and operate those certain federal oil and gas leases, platforms, facilities, equipment, pipelines, rights-of-way, permits, and licenses which are part of the Beta Oil Field. The Minerals Management Service (MMS) of the US Department of the Interior is the primary federal regulatory agency responsible for the management of federal lands, subsoil and seabeds located on the Outer Continental Shelf off of the California coast. In connection with the filing of the requisite transfer documents and compliance forms, the Corporation will submit lease development bonds, a right-of-way bond, supplemental abandonment bonds and other securities acceptable to the MMS in an amount of \$91,800,000 along with Certificates of Financial Responsibility evidencing insurance coverage. The filings of these documents with the MMS are part of the agency's review process leading to the ultimate approval of the transfer of ownership and operatorship of the Beta Field. Final sign off by the sellers that all contractual obligations have been met or waived, as well as receipt of all regulatory approvals, must be achieved on or before March 31st, 2007. Once these closing requirements are achieved the effective date of the sale will be November 1st 2006.

The Beta Field is located in San Pedro Area, in Federal waters nine miles offshore Long Beach, California. The federal oil and gas leases in question are POCS 300, 301 and 306. A complex of two production platforms (Eureka and Ellen) and a facilities Platform (Elly) handle production from these leases. The Beta Field was discovered in 1976 by Shell Oil Company. Production started in 1981 from Platform Ellen. Production began on Platform Eureka in 1985. Peak production from the Beta Field was 20,800 barrels of oil per day in 1986. Cumulative production through 2004 for Platforms Ellen and Eureka is estimated at 76,000,000 barrels. Eureka accounted for nearly 38,000,000 barrels of oil from 1985 until the production was idled in 1999, at which time it was averaging over 4,400 barrels of oil per day. Currently, production from Ellen is about 2,100 BOE/day. Netherland Sewell & Associates (NSA) estimated Proved Reserves of 19,780,000 barrels of 14° API oil and 3.23 Bcf of gas as of May 1, 2006 for the Unit. It also estimated 11,610,000 barrels of Probable oil reserves, 1.93 Bcf of Probable gas reserves, 31,260,000 barrels of possible oil reserves and 4.84 Bcf of Possible gas reserves.

US\$28,174,985.55 of the loan proceeds were funded directly to the Corporation. These funds will be used to pay transaction costs, repay debt and pay insurance premiums related to the Beta transaction, as well as fund onshore development/exploration activities through the first quarter of 2007 in both the Corporation's Wilmington oil field acreage and Wyoming Green River Basin Project.

With respect to the equity financing disclosed above, the Corporation issued units (comprising 1 share and ½ warrant) to US investors, the securities of which have been placed in escrow with the equity funds, as disclosed above. In order to comply with Canadian standard practice, the Corporation issued subscription receipts to the Canadian investors, each of which subscription receipt will automatically convert into a unit (comprising 1 share and ½ warrant) upon release of funds and the other securities from escrow. The Corporation also issued broker warrants to the brokers involved in

this financing, which broker warrants have also been placed in escrow as described above. If the conditions of escrow are not met within the time required under the escrow agreement, the funds will be returned to the investors with interest and all securities will be cancelled.

All securities issued by the Corporation with respect to the above transactions are subject to resale restrictions as required under applicable U.S. securities laws. In addition, all securities issued to Canadian residents are subject to a Canadian hold period expiring March 16, 2006.

About Pacific Energy Resources Ltd.

The Corporation 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 on SEDAR at www.sedar.com.

**ON BEHALF OF THE BOARD OF DIRECTORS OF
PACIFIC ENERGY RESOURCES LTD.**

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Note: This release contains forward-looking statements that involve risks and uncertainties. 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 concerning the timing, terms and amounts of the planned private placement and credit facility. For this purpose, statements of historical fact may be deemed to be forward-looking statements. In addition, forward-looking statements include statements in which the Corporation uses words such as "continue," "efforts," "expect," "believe," "anticipate," "confident," "intend," "strategy," "plan," "will," "estimate," "project," "goal," "target," "prospects," "optimistic" or similar expressions. These statements by their nature involve risks and uncertainties, and actual results may differ materially depending on a variety of important factors, including, among others, the parties' ability to satisfy conditions precedent to the proposed transactions, including without limitation, obtaining regulatory and stockholder approval, the Corporation's ability to meet its obligations under its existing and anticipated contractual obligations, the impact of changes in market conditions and the Corporation's business environment, including actions of competitors; the occurrence of acts of terrorism or acts of war; changes in governmental laws and regulations, including income and other taxes; and other factors as may be discussed in the documents filed by the Corporation on SEDAR (www.sedar.com), including the most recent reports that identify important risk factors that could cause actual results to differ from those contained in the forward-looking statements. The Corporation undertakes no obligation to review or confirm analysts' expectations or estimates or to release publicly any revisions to any forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.