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PACIFIC ENERGY RESOURCES LTD.

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NEWS RELEASE

**PACIFIC ENERGY RESOURCES LTD. ANNOUNCES PRIVATE PLACEMENT
FINANCING TO DECREASE TO CAD\$75 MILLION**

Long Beach, California, August 21, 2007 – Pacific Energy Resources Ltd. (TSX: PFE) (the “Corporation”) announces that further to its press release dated August 20, 2007, and upon further discussions with its agents, the Corporation has decreased its private placement from up to CAD\$100 million to up to CAD\$75 million. All other terms of the financing, including the use of proceeds, are as previously announced on August 20, 2007.

As previously disclosed, the number of possible shares to be issued under this transaction totals greater than 25% of the Corporation’s currently issued and outstanding shares. Accordingly, the TSX requires that the Corporation obtain approval from stockholders holding a majority of the issued shares of the Corporation. While this approval would normally require a stockholder’s meeting to obtain stockholder approval, the Corporation is availing itself of the exemption in 604(d) of the TSX Company Manual to allow it to obtain the written consent of stockholders holding a majority of the shares of the Corporation. The Corporation is in the process of collecting executed consent forms from stockholders in order to obtain the requisite approval to the above share issuances.

The above transactions are also subject to final regulatory approval. All securities issued with respect to the above transactions will be subject to resale restrictions as required under applicable U.S. and Canadian securities laws.

The securities proposed to be offered in the private placement have not been registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements. The Corporation intends to enter into a registration rights agreement obligating the Corporation to use its reasonable best efforts to file, obtain and maintain effectiveness of a resale registration statement with the U.S. Securities and Exchange Commission.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any sale of the securities in any state or other jurisdiction in which such offer, solicitation or sale would be unlawful.

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

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.