

PACIFIC ENERGY RESOURCES LTD.

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California Acquisition

Long Beach, California, July 4, 2006 – Pacific Energy Resources Ltd. (TSX: PFE) (the “*Corporation*”) wishes to announce that further to its news release of May 19, 2006 it has, through a wholly-owned subsidiary, acquired all of the shares of Carneros Energy, Inc. (“*Carneros*”), which company, together with its wholly-owned subsidiary, Gotland Oil, Inc. (“*Gotland*”), owns oil and gas properties and leases located in Kern County, California in consideration for which the Corporation paid to the shareholders of Carneros an aggregate purchase price of approximately US\$25.2 million.

Carneros currently produces about 325 barrels per day of light gravity crude oil. It owns 165 wells in four oil fields in Kern County, California, about 90 of these are currently producing. The average working interest is 99.5% with an 82.5% Net Royalty Interest. Netherland Sewell & Associates estimated total Proved Reserve of 1.86 Million barrels (net 1.49 Million barrels). NSA also estimated Probable Reserves of 1.54 Million barrels (net 1.21 Million barrels) and Possible reserves of 5.36 Million barrels (net 4.35 Million barrels) with present values of US\$27.7 Million, US\$21.54 Million and US\$73.63 Million for the three reserve categories at 10% discount rate and under constant price scenario. Carneros has 10,905 gross undeveloped acres (8,792 net acres) of leasehold with 3-D seismic surveys and 8 ready-to-drill 3-D locations. The Corporation plans to start drilling additional wells in the near future.

Laurus Master Fund, Ltd. has assisted the Company in financing approximate US\$ 21.2 million of the acquisition cost, by way of a loan which is secured by all or substantially all of the assets of Carneros. In addition, Laurus will be entitled to certain warrants and overriding royalty interest.

The acquisition increases Pacific Energy and Subsidiaries total production to just less than 900 BOE per day and will increase gross revenues by more than 50%.

About Pacific Energy Resources Ltd.

Pacific Energy Resources Ltd. is headquartered in Long Beach, California, and is engaged in the acquisition and development of oil and gas properties, primarily in the United States. Pacific Energy currently owns and operates three oil fields in Southern California in the Los Angeles Basin and is developing a gas project in Wyoming. Addition information relating to Pacific Energy may be found on SEDAR at www.sedar.com.

ON BEHALF OF THE BOARD OF DIRECTORS

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Note: This release may contain forward-looking statements that involve risks and uncertainties. These statements may differ materially from actual future events or results. Readers are referred to the documents filed by the Corporation on SEDAR (www.sedar.com), specifically the most recent reports which 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.