

**PACIFIC ENERGY RESOURCES LTD.**

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January 3, 2007

**NEWS RELEASE**

**PACIFIC ENERGY RESOURCES LTD. ANNOUNCES  
2<sup>nd</sup> CLOSING OF US\$10.3 MILLION FINANCING**

**Long Beach, California, January 3, 2007 – Pacific Energy Resources Ltd. (TSX: PFE)** (the “Corporation”) announces that further to its news release of December 6, 2006, the Corporation has completed a second tranche closing of its equity private placement in the amount of US\$10.3 million of which US\$9.4 million (CAD\$11 million) was placed in Canada with D&D Securities Company and Octagon Capital Corporation acting as agents, resulting in the issuance of 8,457,361 subscription receipts @ CAD\$1.30 per subscription receipt to Canadian resident investors, which subscription receipts have the same terms as those issued in the first tranche closing. In relation to this portion of the financing, the Corporation issued 845,736 broker warrants on the same terms as the broker warrants issued in the first closing. The broker warrants and the proceeds from this portion of the private placement have been placed in escrow and will be released upon completion of certain conditions (refer to December 6, 2006 news release).

In addition, US\$900,000 was placed with an offshore investor, resulting in the issuance of 802,800 units @ CAD\$1.30 per unit, with the units having the same terms as the units issued in the first tranche closing. The proceeds from this portion of the placement have been retained by the Corporation as general working capital.

*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](http://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](http://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.