

PACIFIC ENERGY RESOURCES LTD.

111 West Ocean Blvd.

Long Beach, California 90802

Telephone: (562) 628-1526; Fax: (562) 628-1536

Pacific Energy enters into Agreement for the purchase of Alaska Oil and Gas Assets

LONG BEACH, CALIFORNIA--(CCNMatthews – May 29th, 2007) - Pacific Energy Resources Ltd. (TSX:PFE) (the "Corporation") is pleased to announce the execution of definitive purchase agreements with Forest Oil Corporation (NYSE:FST) ("Forest") and Forest Alaska Holding LLC ("Forest Holding") with respect to the purchase of all of oil and gas properties and operations owned by Forest and Forest Holding in Alaska. The Corporation will acquire 100% of the membership interests in Forest Alaska Operating LLC ("FAO"), which owns the majority of the Alaska properties and operations, plus certain additional Alaska assets owned by Forest, including an interest in the Cook Inlet Pipeline Company. The terms of the purchases consist of approximately US\$448,000,000 plus the issuance of 5,500,000 shares of the Corporation's common stock. Approximately US\$380,000,000 will be used to pay existing debt encumbering the properties, approximately US\$58,000,000, subject to customary closing adjustments for title and environmental issues, will be paid to Forest Holding for the equity value of the FAO membership interests, and approximately US\$10,000,000 plus the 5,500,000 shares will be paid to Forest for the additional Alaska assets. The purchase agreements contain customary representations, warranties, covenants and closing conditions, including deposits totaling \$5,200,000 paid to Forest that may be forfeited under circumstances that include the inability of the Corporation to obtain the necessary financing.

The Corporation has also arranged for a financing commitment pursuant to which the financing source has agreed to provide up to US\$465,000,000 in acquisition financing for the transaction, subject to standard terms and conditions, including the receipt of appropriate consents under the Corporation's existing senior secured financing facility, satisfactory documentation and the completion of the financing source's due diligence review and examination of the Corporation and the acquired business. Among other things, the financing source will receive 3,750,000 shares of the Corporation's common stock, in addition to customary cash fees and reimbursement of expenses. Energy Capital Solutions, LP is serving as the Corporation's financial advisor related to the acquisition including the delivery of a fairness opinion to the Corporation's Board of

Directors, and is acting as placement agent in arranging the financing to fund the acquisition.

The Corporation enlisted the services of LaRoche Petroleum Consultants, Ltd. ("LaRoche") for the purpose of providing independent third party preliminary reserve estimates of the oil and gas reserves associated with the FOA acquisition. The report was prepared on April 21, 2007 and reflects FAO oil and gas production and reserve volumes as of January 1, 2007. LaRoche estimates total proved reserves of 15.8 MMBOE, of which 13.2 MMBOE are currently producing. In addition, preliminary reserve estimates have been provided related to 7.2 MMBOE of probable and 37.5 MMBOE of possible reserves for an aggregate 60.6 MMBOE of net 3P reserves.

The FAO assets include nine fields located in the Cook Inlet area, Alaska covering the major fields of McArthur River, Redoubt Shoal, West McArthur River and Trading Bay; and (ii) the minor fields of West Foreland, Three Mile Creek, Sabre, Kustatan and Cosmopolitan producing approximately 5,900 BOE/day net to the interests being acquired. In addition to the producing properties, the Forest assets to be acquired include nearly one million net acres covering three offshore fields of Corsair, Raptor and Valkyrie and the onshore field of Susitna Basin and other onshore fields, plus an equity interest in Cook Inlet Pipe Line Company.

"This represents a tremendous opportunity to build a new position that fits well within our business strategy and expertise. These large legacy assets have exactly the kind of characteristics we look for when pursuing acquisition opportunities. The established production, with long life reserves, generates strong predictable cash flow. The multiple infill drilling opportunities provide a low risk means to grow production through redevelopment. Significant undeveloped acreage with multiple high quality exploration targets including Corsair, which alone has 200 million barrel potential, provides large exploration upside," said Darren Katic the Corporation's president.

The Corporation will be 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 operate various oil and gas leases, platforms, facilities, equipment, pipelines, rights-of-way, permits, and licenses which are part of the Alaska properties being acquired. Forest will continue to be the operator with respect to the Alaska properties pursuant to an existing services agreement with FAO until such time as the Corporation has been approved as operator by the Department of Natural Resources of the State of Alaska ("DNR"). In connection with the filing of the requisite transfer documents and regulatory compliance forms, the Corporation will submit any required lease development bonds, right-of-way bonds, a statewide bond, and other bonds or securities acceptable to the applicable governmental agency. The Corporation will also submit Certificates of Financial Responsibility and certificates of

insurance to the applicable state and local agencies having regulatory authority over state lands offshore of the Alaska coast and other state and public lands onshore located in the Cook Inlet area of Alaska.

In addition to the governmental regulatory approvals affecting Forest's Alaska assets, the issuance of any securities by the Corporation is subject to TSX acceptance and approval.

The Corporation has obtained approval from its board of directors and authority to proceed with the proposed transaction.

Darren Katic further remarked, "We are very excited about the possibility of expanding our operations into a new area where we have the potential to add value as well as complement the existing asset base and expertise of the Company. We also feel comfortable with the integration of these assets into our organization and the fact that half the assets are non-operated should aid in this transition. Furthermore, we are looking forward to the possibility of a considerable increase in production from the non-operated interests as the operator, Chevron, embarks on a planned three year drilling program in McArthur River and Trading Bay Field. Low oil prices at the start of the decade and recent mergers have limited capital spending despite the fact that the last wells drilled yielded an average of over 3,400 barrels of oil per day, with one well flowing at over 7,000 barrels of oil per day."

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.

Mr. Darren Katic, President

T : 562 628 1526

E: dkatic@pacenergy.com

www.pacenergy.com

Boardmarker Group

T: 403 517 2270

E: ir@boardmarket.net

www.boardmarker.net

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,” “potentially”, “looking forward”, “possibility”, 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. In particular, statements with respect to the Corporation’s expectations that it will be able to close under agreements with respect to the acquisition of the Beta Unit interests, that it will be able to obtain regulatory approvals and that it will be able to obtain necessary financing are forward-looking statements, and the Corporation can provide no assurance that any of these transactions will occur. 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.