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PACIFIC ENERGY RESOURCES LTD.

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January 23, 2008

NEWS RELEASE

**PACIFIC ENERGY RESOURCES LTD. COMPLETES
INCENTIVE WARRANT FINANCING**

Long Beach, California, January 23, 2008 – Pacific Energy Resources Ltd. (TSX: PFE) (the “*Corporation*”) announces that further to its news release of January 10, 2008, the Corporation has completed its incentive warrant financing (the “*Offering*”) pursuant to which it has raised approximately \$20,690,710 through the issue of an aggregate of 12,171,006 shares of common stock and 12,171,006 new incentive warrants (the “*Incentive Warrants*”).

In relation to this Offering, the Corporation has paid an advisory fee of CAD\$827,628.39 to D&D Securities Company and Octagon Capital Corporation.

One (1) non-management insider of the Corporation participated in the exercise of the Initial Warrants and was issued 4,850,000 shares of common stock, representing 2.4% of the currently issued shares of the Corporation, and 4,850,000 Incentive Warrants.

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 also announces that it has entered into amendments of its loan agreements with J. Aron & Company (an affiliate of Goldman, Sachs & Co.) and certain affiliates of Silver Point Capital whereby the lenders agreed to extend the maturity date under the Corporation’s August 2007 Second Lien Credit Agreement (which relates to the financing provided in connection with the Corporation’s acquisition of Forest Oil Corporation’s Alaska assets and operations) to February 24, 2012 and to extend the time for a mandatory prepayment of a portion of that loan until March 31, 2009.

“We are very satisfied with the outcome of the transaction” remarked Darren Katic, the Corporation’s President. “This has minimized dilution and costs to the shareholders and puts in place a more permanent capital structure by which the company has increased flexibility and time to execute its development program. We thank the shareholders for their participation in the Incentive Warrant Offering and their continued support of our company.”

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.

“Darren Katic”

President

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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.