IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	)	Chapter 11
	)	
PACIFIC ENERGY RESOURCES LTD., *et al.*,[1]	)	Case No. 09-10785 (KJC)
	)	(Jointly Administered)
Debtors.	)	
	)	**Related Docket No. 18**

FINAL ORDER PURSUANT TO 11 U.S.C. §§ 105, 361, 362, 363, 364, 365 AND 507: (1) APPROVING SENIOR SECURED SUPERPRIORITY POSTPETITION FINANCING; (2) AUTHORIZING USE OF CASH COLLATERAL; (3) GRANTING LIENS AND PROVIDING SUPERPRIORITY ADMINISTRATIVE EXPENSE STATUS; (4) GRANTING ADEQUATE PROTECTION; AND (5) MODIFYING AUTOMATIC STAY;

THIS MATTER having come before the Court upon the motion (the "DIP Motion") of the debtors and debtors in possession (the "Debtors") in the above-captioned chapter 11 cases (collectively, with any Successor Cases, the "Cases"), pursuant to sections 105, 361, 362, 363, 364(c)(1), 364(c)(2), 364(c)(3), 365 and 507 of title 11 of the United States Code, 11 U.S.C. §§ 101 *et seq.* (as amended, the "Bankruptcy Code"), Rules 2002, 4001 and 9014 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), and Del Bankr. L.R. 4001-2, seeking entry of a final order (this "Final Order") *inter alia*:

(i) authorizing Pacific Energy Resources Ltd. ("PERL"), Pacific Energy Alaska Holdings, LLC ("PEAH") and Pacific Energy Alaska Operating LLC ("PEAO"), jointly and severally, as debtors and debtors in possession (collectively, the "Borrowers") to obtain

[1] The Debtors in these cases, along with the last four digits of each of the Debtors' federal tax identification number, are: Pacific Energy Resources Ltd. (3442) ("PERL"); Petrocal Acquisition Corp. (6249); Pacific Energy Alaska Holdings, LLC (tax I.D. # not available) ("PEAH"); Carneros Acquisition Corp. (5866); Pacific Energy Alaska Operating LLC (7021) ("PEAO"); San Pedro Bay Pipeline Company (1234); Carneros Energy, Inc. (9487); and Gotland Oil, Inc. (5463). The mailing address for all of the Debtors is 111 W. Ocean Boulevard, Suite 1240, Long Beach, CA.

secured, superpriority postpetition financing pursuant to the terms and conditions of that certain Senior Secured Super Priority Priming Debtor in Possession Credit and Guaranty Agreement (as may be amended, supplemented, restated, or otherwise modified from time to time, the "DIP Agreement") by and among the Borrowers and certain subsidiaries of PERL, each as a debtor and debtor in possession, who are signatories thereto (the "Guarantors"), J. Aron & Company, as lead arranger, administrative agent (in such capacity, the "DIP Administrative Agent"), collateral agent (in such capacity, and solely with respect to the Beta Collateral, as defined herein, the "Beta Collateral Agent"), syndication agent and lender, and Silver Point Finance, LLC, as collateral agent (in such capacity, and solely with respect to the PEA Collateral, as defined herein, the "PEA Collateral Agent" and together with the Beta Collateral Agent, the "DIP Collateral Agents" and, together with the DIP Administrative Agent, the "DIP Agents"), and certain other lenders party thereto (collectively, including J. Aron & Company, the "DIP Lenders"), a copy of which has been filed with the Court [docket no. 167]:

(A) a term loan (the "PERL DIP Term Facility") in an amount equal to the Prepetition Beta Obligations, as defined herein, but excluding any make-whole payments payable as a result of the prepayment thereof (the "PERL Refunding Amount"), (B) a term loan (the "PEAO DIP Term Facility" and, together with the PERL DIP Term Facility, the "DIP Term Facilities") in an amount equal to the Prepetition Alaska First Lien Obligations, as defined herein, but excluding any make-whole payments payable as a result of the prepayment thereof (the "PEAO Refunding Amount" and, together with the PERL Refunding Amount, the "Refunding Amount"), and (C) a revolving loan facility, with advances thereunder of up to $44,000,000 in the aggregate upon entry of this Final Order (as defined herein) (the "DIP Revolving Facility" and, together with the PERL DIP Term Facility and the PEAO DIP Term

Facility, the "DIP Facility");

(ii) authorizing the Debtors on a final basis to perform under the DIP Agreement and other related loan documents or hedging contracts (collectively, and together with the Amendments (as defined below), the "DIP Documents") and to perform such other acts as may be necessary or desirable in connection with the DIP Documents;

(iii) granting to the DIP Agents and the DIP Lenders allowed superpriority administrative expense claims in the Cases and any Successor Cases (as defined herein) for the DIP Facility and all obligations owing thereunder and under the DIP Documents (collectively, and including all "Obligations" as described in the DIP Agreement, the "DIP Obligations"), subject to the priorities set forth in paragraph 8 herein;

(iv) granting to the applicable DIP Collateral Agent, for the benefit of itself, the DIP Lenders, and the Postpetition Hedge Provider (as defined herein) automatically perfected security interests in and liens on all of the applicable DIP Collateral (as defined herein), including, without limitation, all property constituting "cash collateral" (as defined in section 363(a) of the Bankruptcy Code, "Cash Collateral"), which liens shall be subject to the priorities set forth in paragraph 7 herein;

(v) authorizing and directing the Debtors to pay (in cash or in kind as applicable) the principal, interest, fees, expenses and other amounts payable under each of the DIP Documents as they become due, including, without limitation, commitment fees, unused facility fees, closing fees, servicing fees, audit fees, structuring fees, administrative agent's fees, collateral agent's fees, the fees and disbursements of the DIP Agents' attorneys, advisers, accountants, and other consultants, and the legal expenses of the DIP Lenders, all to the extent provided by and in accordance with the terms of the DIP Documents;

(vi) authorizing the Debtors' use of the Cash Collateral of the Prepetition Agents and Prepetition Lenders (each as defined herein);

(vii) providing adequate protection to the Prepetition Agents and Prepetition Lenders for any diminution in value of their interests in the Prepetition Collateral (as defined herein), including the Cash Collateral; and

(viii) vacating and modifying the automatic stay imposed by section 362 of the Bankruptcy Code to the extent necessary to implement and effectuate the terms and provisions of the DIP Documents and this Final Order.

The Court having considered the DIP Motion, the Affidavit of Gerry Tywoniuk in support of the chapter 11 petitions and first day motions, the exhibits attached thereto, the DIP Documents, and the evidence submitted or adduced and the arguments of counsel made at the interim hearing held on March 10, 2009 (the "Interim Hearing") and the final hearing held on June 3, 2009 (the "Final Hearing"); and the Court having entered on March 10 [docket no. 42] an interim order authorizing the Debtors to obtain secured postpetition financing on an interim basis and granting adequate protection on account of the interests of holders of liens on the property of the estate on which liens are to be granted; and adequate notice of the Final Hearing having been provided in accordance with Bankruptcy Rules 2002, 4001(b), (c) and (d), and 9014; and the Final Hearing to consider the interim relief requested in the DIP Motion having been held and concluded; and all objections to the interim relief requested in the DIP Motion having been withdrawn, resolved or overruled by the Court; and after due deliberation and consideration, and for good and sufficient cause appearing therefor;

BASED UPON THE RECORD ESTABLISHED AT THE INTERIM HEARING AND FINAL HEARING BY THE DEBTORS, THE COURT HEREBY MAKES THE FOLLOWING

FINDINGS OF FACT AND CONCLUSIONS OF LAW:

A. *Petition Date:* On March 9, 2009 (the "Petition Date"), the Debtors filed voluntary petitions under chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the District of Delaware (the "Court") commencing these Cases.

B. *Debtors in Possession.* The Debtors are continuing in the management and operation of their businesses and properties as debtors in possession pursuant to sections 1107 and 1108 of the Bankruptcy Code. No trustee or examiner has been appointed in these Cases.

C. *Jurisdiction and Venue.* This Court has jurisdiction, pursuant to 28 U.S.C. §§ 157(b) and 1334, over these proceedings, and over the property affected hereby. Consideration of the DIP Motion constitutes a core proceeding under 28 U.S.C. § 157(b)(2). Venue for the Cases and proceeding on the DIP Motion is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409.

D. *Statutory Committee.* On March 19, 2009, the United States Trustee (the "U.S. Trustee") appointed an official committee of unsecured creditors in these Cases pursuant to section 1102 of the Bankruptcy Code (the "Statutory Committee").

E. *Interim Order.* Based upon the DIP Motion, the Affidavit of Gerry Tywoniuk, the DIP Documents and the evidence submitted by the Debtors at the Interim Hearing, the Court approved the Debtors' entry into and performance under the DIP Documents and DIP Facility and, on March 10, 2009, entered that certain Interim Order Pursuant to 11 U.S.C. §§ 105, 361, 362, 363, 364 and 507 (1) Approving Senior Secured Superpriority Postpetition Financing, (2) Authorizing Use of Cash Collateral, (3) Granting Liens and Providing Superpriority Administrative Expense Status, (4) Granting Adequate Protection, (5) Modifying Automatic Stay, and (6) Scheduling a Final Hearing (the "Interim Order"). Pursuant to the Interim Order

and Bankruptcy Rule 4001, the Debtors were authorized, among other things, to incur secured borrowings from the DIP Lenders pursuant to the terms of the DIP Documents and the Interim Order pending the Final Hearing on the DIP Motion.

F. *Amendments*. The Debtors and DIP Lenders entered into that certain Amendment No. 1 to Senior Secured Super Priority Priming Debtor In Possession Credit And Guaranty Agreement effective as of April 7, 2009 ("First Amendment"), which, among other things, provided that the Final Order must be entered on or before May 15, 2009 and extended the Budget to provide for funding through this period. The Debtors and the DIP Lenders intend to enter into that certain Amendment No. 2 to Senior Secured Super Priority Priming Debtor In Possession Credit And Guaranty Agreement effective as of May 15, 2009 ("Second Amendment" and together with the First Amendment, the "Amendments"), whereby additional changes to the DIP Agreement will be made, including a further amendment to the Budget, certain changes to the Final Order requested by the Statutory Committee and the inclusion of certain milestones related to the sale of certain assets of the Debtors. The Budget permits certain amounts relating to Production Payments[2] to be placed in reserve accounts, as set forth in paragraph 37 herein.

G. *Debtors' Stipulations*. After consultation with their attorneys and financial advisors, and without prejudice to the rights of parties in interest as set forth in paragraph 34 herein, the Debtors (for themselves and, subject to the provisions of paragraph 34 hereof, their estates) admit, stipulate, acknowledge, agree and shall be immediately bound by the following (collectively, paragraphs G(i) through G(xi) below are referred to herein as the "Debtors'

[2] "Production Payments" refers to any such production payments or overriding royalty interests alleged to be owed by the Debtors pursuant to an adversary proceeding (or otherwise raised with the Court) by or on behalf of Aera Energy LLC, Noble Energy Inc, the Medema Family Trust, John M. and Debra Robinson or LAB Properties.

Stipulations"):

(i) *Prepetition Beta Facility:* Pursuant to that certain Credit and Guaranty Agreement dated as of November 30, 2006 (as amended, supplemented, restated or otherwise modified prior to the Petition Date, the "Prepetition Beta Credit Agreement", and together with all other loan and security documents related to, referenced in or executed in connection with the Prepetition Beta Credit Agreement, including the PERL ISDA Agreement (as defined herein), the "Prepetition Beta Credit Documents"), among PERL, certain subsidiaries of PERL as guarantors (the "Beta Facility Prepetition Guarantors"), J. Aron & Company, as Administrative Agent (in such capacity, the "Prepetition Beta Facility Agent"), Lender, Lead Arranger and Syndication Agent, and SPF CDO I, LLC, Field Point I, Ltd. and SPCP Group, LLC, each as Lenders (collectively and together with J. Aron & Company, the "Prepetition Beta Facility Lenders"), the Prepetition Beta Facility Lenders provided credit facilities to PERL and provided other financial accommodations to or for the benefit of PERL (collectively, the "Prepetition Beta Facility");

(ii) *Prepetition Beta Obligations:* As of the Petition Date, the outstanding principal amount of all loans under the Prepetition Beta Credit Agreement was $44,199,560.95 (which amount includes all accrued interest on the outstanding loans made thereunder that prior to the Petition Date was capitalized into such loans), and collectively, together with any amounts paid, incurred or accrued prior to the Petition Date in accordance with the Prepetition Beta Credit Documents, principal, accrued and unpaid interest, any make-whole payments payable as a result of the prepayment thereof, fees, expenses, and disbursements (including, without limitation, attorneys' and other professional fees, related expenses and disbursements), reimbursement obligations, indemnification obligations and other charges of whatever nature, whether or not

contingent, whenever arising, due or owing in respect thereof, including all "Obligations" as described in the Prepetition Beta Credit Agreement, the "Prepetition Beta Obligations";

(iii) *Prepetition Alaska First Lien Facility and Guarantee:* Pursuant to (A) that certain First Lien Credit Agreement dated as of August 24, 2007 (as amended, supplemented, restated or otherwise modified prior to the Petition Date, the "Prepetition Alaska First Lien Credit Agreement," and together with all other loan and security documents related to, referenced in or executed in connection with the Prepetition Alaska First Lien Credit Agreement, including the Prepetition Alaska First Lien Guarantee (as defined herein), the "Prepetition Alaska First Lien Credit Documents"), among PEAO, PEAH, Silver Point Finance, LLC, as administrative agent (in such capacity, the "Prepetition Alaska First Lien Facility Agent"), Collateral Agent (in such capacity, the "PEAO First Lien Collateral Agent"), Sole Lead Arranger, Sole Bookrunner and Syndication Agent, and J. Aron & Company, as Documentation Agent and Lender (together with SPF CDO I, Ltd. and SPCP Group, L.L.C., the "Prepetition Alaska First Lien Facility Lenders"), the Prepetition Alaska First Lien Facility Lenders provided credit facilities to PEAO and provided other financial accommodations to or for the benefit of PEAO (collectively, the "Prepetition Alaska First Lien Facility") and (B) that certain First Lien Guarantee and Collateral Agreement, dated as of August 24, 2007 (as amended, restated, supplemented or otherwise modified from time to time), among PEAH, PEAO and the PEAO First Lien Collateral Agent, PEAH guaranteed the Prepetition Alaska First Lien Obligations (as defined herein) of PEAO (the "Prepetition Alaska First Lien Guarantee");

(iv) *Prepetition Alaska First Lien Obligations:* As of the Petition Date, the outstanding principal amount of all loans under the Prepetition Alaska First Lien Credit Agreement was $98,446,809.82 (which amount includes all accrued interest on the outstanding

loans made thereunder that prior to the Petition Date was capitalized into such loans) and collectively, together with any amounts paid, incurred or accrued prior to the Petition Date in accordance with the Prepetition Alaska First Lien Credit Documents, principal, accrued and unpaid interest, any make-whole payments payable as a result of the prepayment thereof, any fees, expenses, and disbursements (including, without limitation, attorneys' and other professional fees, related expenses and disbursements), reimbursement obligations, indemnification obligations and other charges of whatever nature, whether or not contingent, whenever arising, due or owing in respect thereof, including all "Obligations" as described in the Prepetition Alaska First Lien Credit Agreement, the "Prepetition Alaska First Lien Obligations";

(v) *Prepetition Alaska Second Lien Facility and Guarantees:* Pursuant to (A) that certain Second Lien Credit Agreement dated as of August 24, 2007 (as amended, supplemented, restated or otherwise modified prior to the Petition Date, the "Prepetition Alaska Second Lien Credit Agreement", and together with all other loan and security documents related to, referenced in or executed in connection with the Prepetition Alaska Second Lien Credit Agreement, including the Prepetition Alaska Second Lien Guarantee and the Prepetition PEAO Second Lien Guarantee (each as defined herein), the "Prepetition Alaska Second Lien Credit Documents" and together with the Prepetition Beta Credit Documents and the Prepetition Alaska First Lien Credit Documents, the "Prepetition Credit Facility Documents"), among PEAO, PEAH, Silver Point Finance, LLC, as administrative agent (in such capacity, the "Prepetition Alaska Second Lien Facility Agent"), Collateral Agent (in such capacity, the "PEAO Second Lien Collateral Agent" and, together with the Prepetition Beta Facility Agent, the Prepetition Alaska First Lien Facility Agent, the Prepetition Alaska Second Lien Facility Agent and the PEAO First Lien Collateral Agent, the "Prepetition Agents"), Sole Lead Arranger, Sole

Bookrunner and Syndication Agent, and J. Aron & Company, as Documentation Agent and Lender (together with SPCP Group, L.L.C., Field Point I. Ltd., Field Point II, Ltd., Field Point IV, Ltd., Broad Point I, B.V. and SPF CDO I, Ltd., the "Prepetition Alaska Second Lien Facility Lenders", and collectively with the Prepetition Beta Lenders and the Prepetition Alaska First Lien Facility Lenders, the "Prepetition Lenders"), the Prepetition Alaska Second Lien Facility Lenders provided credit facilities to PEAO and provided other financial accommodations to or for the benefit of PEAO (collectively, the "Prepetition Alaska Second Lien Facility" and together with the Prepetition Beta Facility and the Prepetition Alaska First Lien Facility, the "Prepetition Credit Facilities"); (B) that certain Second Lien Guarantee and Collateral Agreement, dated as of August 24, 2007 (as amended, restated, supplemented or otherwise modified from time to time), among PEAH, PEAO and the PEAO Second Lien Collateral Agent, PEAH guaranteed the Prepetition Alaska Second Lien Obligations (as defined herein) of PEAO (the "Prepetition Alaska Second Lien Guarantee"); and (C) that certain Second Lien Guaranty, dated as of August 24, 2007, as amended and in effect from time to time, among PERL and certain of its subsidiaries as guarantors (together with PEAH, the "PEAO Second Lien Prepetition Guarantors" and together with the Beta Facility Prepetition Guarantors and PEAH, in its capacity as a guarantor pursuant to the Prepetition Alaska First Lien Guarantee and the Prepetition Alaska Second Lien Guarantee, the "Prepetition Guarantors"), the PEAO Second Lien Prepetition Guarantors guaranteed the Prepetition Alaska Second Lien Obligations (the "Prepetition PEAO Second Lien Guarantee");

(vi) *Prepetition Alaska Second Lien Obligations:* As of the Petition Date, the outstanding principal amount of all loans under the Prepetition Alaska Second Lien Credit Agreement was $347,347,100.65 (which amount includes all accrued interest on the outstanding

loans made thereunder that prior to the Petition Date was capitalized into such loans) and collectively, together with any amounts paid, incurred or accrued prior to the Petition Date in accordance with the Prepetition Alaska Second Lien Credit Documents, principal, accrued and unpaid interest, any fees, expenses, and disbursements (including, without limitation, attorneys' and other professional fees, related expenses and disbursements), reimbursement obligations, indemnification obligations and other charges of whatever nature, whether or not contingent, whenever arising, due or owing in respect thereof, including all "Loan Document Obligations" as described in the Prepetition Alaska Second Lien Credit Agreement, the "Prepetition Alaska Second Lien Obligations" and collectively with the Prepetition Beta Obligations and the Prepetition Alaska First Lien Obligations, the "Prepetition Obligations";

(vii) *Prepetition PERL Hedging Agreement:* Pursuant to that certain ISDA Master Agreement, dated as of November 30, 2006 (together with any schedules, exhibits (including credit support documents) and amendments thereto (including the Derivative Transaction Agreement dated as of December 19, 2008, by and between PERL and J. Aron, as hedge provider), and all confirmations exchanged pursuant to transactions entered into in connection therewith, the "PERL ISDA Agreement" or "Prepetition Hedging Contract"), PERL and J. Aron & Company, as hedge provider (in such capacity, the "PERL Hedge Provider"), have entered into certain hedging transactions;

(viii) *Prepetition Liens and Prepetition Collateral.* As more fully set forth in the Prepetition Credit Documents, prior to the Petition Date:

(a) PERL and its subsidiaries (other than PEAH and PEAO) granted first priority security interests and liens (the "Prepetition Beta Liens") on substantially all assets of PERL and its subsidiaries (other than PEAH and PEAO) (the "Prepetition Beta Collateral") to

the Prepetition Beta Agent, for itself, the Prepetition Beta Lenders and the PERL Hedge Provider (collectively, the "Prepetition PERL Secured Parties");

(b) PEAO and PEAH granted first priority security interests and liens (the "Prepetition Alaska First Liens") on, substantially all assets of PEAO and PEAH (the "Prepetition PEA Collateral" and together with the Prepetition Beta Collateral, the "Prepetition Collateral") to the PEAO First Lien Collateral Agent, for itself and the Prepetition Alaska First Lien Facility Lenders (collectively, the "Prepetition PEAO First Lien Secured Parties"); and

(c) PEAO and PEAH granted second priority security interests and liens on the Prepetition PEA Collateral and PERL and its subsidiaries (other than PEAH and PEAO) granted second priority security interests and liens on the Prepetition Beta Collateral (collectively, the "Prepetition Alaska Second Liens" and together with the Prepetition Beta Liens and the Prepetition Alaska First Liens, the "Prepetition Liens") to the PEAO Second Lien Collateral Agent, for itself and the Prepetition Alaska Second Lien Facility Lenders (collectively, the "Prepetition PEAO Second Lien Secured Parties" and, together with the Prepetition PERL Secured Parties and the Prepetition PEAO First Lien Secured Parties, the Prepetition Secured Parties").

(ix) *Validity, Perfection and Priority of Prepetition Liens and Prepetition Obligations.* Subject to the provisions of paragraph 34 of this Final Order, the Debtors acknowledge and agree that: (a) as of the Petition Date, the Prepetition Liens on the Prepetition Collateral were valid, binding, enforceable, non-avoidable and properly perfected; (b) as of the Petition Date, except as otherwise set forth in clause (c) below, the Prepetition Liens were senior in priority over any and all other liens on the Prepetition Collateral, subject only to certain liens otherwise permitted by the Prepetition Credit Documents (to the extent any such permitted liens

were valid, properly perfected, non-avoidable and senior in priority to the Prepetition Liens as of the Petition Date, the "Permitted Prior Liens");[3] (c) as of the Petition Date, with respect to the PEA Collateral, the Prepetition Alaska Second Liens were junior to the Prepetition Alaska First Liens and Permitted Prior Liens and otherwise had priority over any and all other liens on the Prepetition PEA Collateral; (d) as of the Petition Date, with respect to the Beta Collateral, the Prepetition Alaska Second Liens were junior to the Prepetition Beta Liens and Permitted Prior Liens and otherwise had priority over any and all other liens on the Beta Collateral; (e) as of the Petition Date, the Prepetition Obligations constitute legal, valid, binding, and non-avoidable obligations of the Debtors; (f) as of the Petition Date, no offsets, challenges, objections, defenses, claims or counterclaims of any kind or nature to any of the Prepetition Liens or Prepetition Obligations exist, and no portion of the Prepetition Liens or Prepetition Obligations is subject to any challenge or defense including, without limitation, avoidance, disallowance, disgorgement, recharacterization, or subordination (whether equitable or otherwise) pursuant to the Bankruptcy Code or applicable non-bankruptcy law; (g) as of the Petition Date, the Debtors and their estates have no claims, objections, challenges, causes of actions, and/or choses in action, including without limitation, avoidance claims under chapter 5 of the Bankruptcy Code, against the Prepetition Agents or Prepetition Lenders or any of their respective affiliates, agents, attorneys, advisors, professionals, officers, directors and employees arising out of, based upon or related to their loans to the Debtors; (h) the Prepetition Beta Obligations are allowed secured claims within the meaning of section 506 of the Bankruptcy Code, in a principal amount of not

[3] Nothing herein shall constitute a finding or ruling by this Court that any such Permitted Prior Liens are valid, senior, enforceable, prior, perfected or non-avoidable. Moreover, nothing shall prejudice the rights of any party in interest including, but not limited, to the Debtors, the Prepetition Agents, the Prepetition Lenders, the DIP Agents, the DIP Lenders, and the Statutory Committee to challenge the validity, priority, enforceability, seniority, avoidability, perfection or extent of any such Permitted Prior Liens and/or security interest.

less than $44,199,560.95 (which amount includes all accrued interest on the outstanding loans made thereunder that prior to the Petition Date was capitalized into such loans), together with accrued and unpaid interest, any make-whole payments payable as a result of the prepayment thereof, fees (including, without limitation, attorneys' and other professional fees and related expenses), expenses, reimbursement obligations, and any and all other charges of whatever nature owing in respect of such Prepetition Beta Obligations; (i) the Prepetition Alaska First Lien Obligations are allowed secured claims within the meaning of section 506 of the Bankruptcy Code, in a principal amount of not less than $98,446,809.82 (which amount includes all accrued interest on the outstanding loans made thereunder that prior to the Petition Date was capitalized into such loans), together with accrued and unpaid interest, any make-whole payments payable as a result of the prepayment thereof, fees (including, without limitation, attorneys' and other professional fees and related expenses), expenses, reimbursement obligations, and any and all other charges of whatever nature owing in respect of such Prepetition Alaska First Lien Obligations; and (j) as of the Petition Date, any payments made on account of the Prepetition Obligations to or for the benefit of the Prepetition Agents or the Prepetition Lenders prior to the Petition Date were payments out of the Prepetition Collateral and such payments did not diminish any property otherwise available for distribution to unsecured creditors;

(x) *Cash Collateral.* The Debtors represent that except the segregated production payments described in paragraph 36 and amounts to be deposited into Production Payment Reserve Accounts (as defined herein) pursuant to paragraph 37, all of the Debtors' cash, including the cash in their deposit accounts, wherever located, whether as original collateral or proceeds of other Prepetition Collateral, constitutes the Cash Collateral of the Prepetition Agents and Prepetition Lenders;

(xi) *Default by the Debtors.* The Debtors acknowledge and stipulate that the Debtors are in default of their debts and obligations under the Prepetition Credit Documents and that the Prepetition Alaska First Lien Facility has matured; and

H. *Findings Regarding the Postpetition Financing.*

(i) *Need for Postpetition Financing and Use of Cash Collateral.* The Debtors cannot operate solely on Cash Collateral. The Debtors' need to obtain credit pursuant to the DIP Facility and to use Cash Collateral has been and continues to be immediate and critical in order to enable the Debtors to continue operations and to administer and preserve the value of their estates. The ability of the Debtors to maintain business relationships with their vendors, suppliers and customers, to pay their employees, and to otherwise finance their operations has required and continues to require the availability of working capital from the DIP Facility and the use of Cash Collateral, the absence of either of which would immediately and irreparably harm the Debtors, their estates, their creditors and equity holders, and the possibility for a successful reorganization. The Debtors have not had and do not have sufficient available sources of working capital and financing to operate their businesses or maintain their properties in the ordinary course of business without the DIP Facility and authorized use of Cash Collateral.

(ii) *No Credit Available on More Favorable Terms.* Given their current financial condition, financing arrangements, and capital structure, the Debtors have been unable to obtain financing from sources other than the DIP Lenders on terms more favorable than the DIP Facility. The Debtors have been unable to obtain unsecured credit allowable under Bankruptcy Code section 503(b)(1) as an administrative expense. The Debtors have also been unable to obtain credit: (a) having priority over administrative expenses of the kind specified in sections 503(b), 507(a) and 507(b) of the Bankruptcy Code; or (b) secured by a lien on property

of the Debtors and their estates that is not otherwise subject to a lien. Financing on a postpetition basis is not otherwise available without granting the applicable DIP Collateral Agent, for the benefit of itself and the DIP Lenders, (i) perfected security interests in and liens on (each as provided herein) all of the Debtors' existing and after-acquired assets with the priorities set forth in paragraph 7 herein, (ii) superpriority claims with the priorities set forth in paragraph 8 herein, and (iii) the other protections set forth in this Final Order and the DIP Documents.

(iii) *Use of Proceeds of the DIP Facility.* As a condition to the entry into the DIP Agreement, the extension of credit under the DIP Facility and the agreement for the use of Cash Collateral, the DIP Agents and DIP Lenders required, and the Debtors agreed that proceeds of the DIP Facility shall be used in a manner consistent with the terms and conditions of the DIP Documents, as follows: (A) the proceeds of the PERL DIP Term Facility and the PEAO DIP Term Facility were used exclusively to repay the Refunding Amount on the Closing Date (as defined in the DIP Credit Documents) as provided in those certain payoff letters by the Prepetition Beta Facility Agent and the Prepetition Alaska First Lien Facility Agent, respectively (collectively, the "Payoff Letter") and (B) the proceeds of the DIP Revolving Facility have been and shall continue be used in accordance with and to the extent set forth in the budget (as the same may be modified from time to time with the consent of the Required DIP Lenders (as defined herein) and consistent with the terms of the DIP Documents, the "Budget") solely for (1) working capital, capital expenditures and other general corporate purposes; (2) permitted payment of costs of administration of the Cases; (3) payment of such prepetition expenses as are consented to by the Required DIP Lenders, and are approved by the Court; and (4) as otherwise permitted under the DIP Facility. The repayment of the Refunding Amount in accordance with this Final Order and the Payoff Letter is necessary as the Prepetition Agents and the Prepetition

Secured Parties have not otherwise consented to the use of their Cash Collateral or the subordination of their liens to the DIP Liens. Such payment will not prejudice the Debtors or their estates, because payment of such amounts is subject to the rights of parties in interest under paragraph 34 herein.

(iv) *Application of Proceeds of Collateral.* As a condition to the entry into the DIP Documents, the extension of credit under the DIP Facility and the authorization to use Cash Collateral and other Prepetition Collateral, the Debtors agreed that as of and commencing on the date of the Interim Hearing, the Debtors shall apply the proceeds of DIP Collateral as set forth in paragraph 21 herein.

l. *Adequate Protection.* The Prepetition Agents, for the benefit of themselves and the Prepetition Secured Parties, are entitled to receive adequate protection on account of their interests in the Prepetition Collateral pursuant to sections 361, 362, and 363 of the Bankruptcy Code to the extent of any diminution in the value of their interests in the Prepetition Collateral (including Cash Collateral) resulting from the subordination to the Carve Out (as defined herein), the priming of the Prepetition Liens, the Debtors' use, sale or lease of such Prepetition Collateral, and the imposition of the automatic stay (collectively, and to the extent of any such diminution in value, the "Diminution in Value"). Pursuant to sections 361, 363, and 507(b) of the Bankruptcy Code, as adequate protection, the Prepetition Agents, for the benefit of themselves and the Prepetition Secured Parties, will receive: (i) adequate protection liens and superpriority claims, as more fully set forth in paragraphs 13 and 14 herein; (ii) accrual of interest, fees and other amounts due under the Prepetition Credit Documents; (iii) ongoing payment of the reasonable fees, costs and expenses, including, without limitation, legal and other professionals' fees and expenses, of the Prepetition Agents and Prepetition Secured Parties under the Prepetition Credit

Documents, as required therein; and (iv) the agreement of the Debtors, the DIP Lenders, the DIP Agents, and the Prepetition Agents that the Debtors shall not, sell, transfer, lease, or otherwise dispose of all or substantially all of the assets of the properties of the Debtors without the prior written consent of the Prepetition Agents and the Required Prepetition Lenders. Notwithstanding anything to the contrary herein, all rights solely with respect to adequate protection are preserved, including without limitation, rights to seek recharacterization under section 506 of the Bankruptcy Code or other applicable law.

J. *Interim Financing*. After the Interim Hearing, and pursuant to the Interim Order, the Court authorized, among other things, (a) extensions of credit up to an aggregate principal amount of $9,500,000 at any one time outstanding under the DIP Facility (the "Interim Financing"). Based upon the record of the Interim Hearing, the Court authorized the Debtors to execute and deliver the DIP Documents and authorized and directed the Debtors after execution to perform all of the DIP Obligations in accordance with the terms of the Interim Order and DIP Documents, including, without limitation, the payment of commitment fees, unused facility fees, closing fees, servicing fees, audit fees, structuring fees, administrative agent's fees, collateral agent's fees, the fees and disbursements of the DIP Agents' attorneys, advisers, accountants, and other consultants, and the legal expenses of the DIP Lenders, all to the extent provided by and in accordance with the terms of the DIP Documents. On March 11, 2009, the DIP Documents were executed, and the Debtors were authorized to borrow on the terms and conditions set forth in those documents and in the Interim Order.

K. *Sections 506(c) and 552(b)*. In light of: (i) the DIP Agents' and DIP Secured Parties' (as defined herein) agreement to subordinate their liens and superpriority claims to the Carve Out (as defined herein); (ii) the Prepetition Agents' and Prepetition Secured Parties'

agreement to subordinate their liens and claims to the Carve Out and the DIP Liens, and to permit the use of their Cash Collateral in accordance with the Budget and this Final Order; and (iii) the Prepetition Agents' and Prepetition Secured Parties' agreement to the priming of the Prepetition Liens, the Debtors believe that each of the DIP Agents, DIP Secured Parties, Prepetition Agents and Prepetition Secured Parties are entitled to, and the Debtors agree to grant the following: (a) a waiver of any "equities of the case" claims under section 552(b) of the Bankruptcy Code; and (b) a waiver of the provisions of section 506(c) of the Bankruptcy Code.

L. *Good Faith of the DIP Agents and the DIP Lenders.*

(i) *Willingness to Provide Financing.* The DIP Secured Parties each are willing to provide financing to the Debtors subject to: (a) the entry of the Interim Order and this Final Order; (b) approval of the terms and conditions of the DIP Facility and the DIP Documents and satisfaction of all conditions precedent in the DIP Documents; and (c) entry of findings by this Court that such financing is essential to the Debtors' estates, that the DIP Agents and DIP Secured Parties have extended and are extending credit to the Debtors pursuant to the DIP Documents in good faith, and that the DIP Agents' and DIP Secured Parties' claims, superpriority claims, security interests, liens, rights, and other protections granted pursuant to the Interim Order, this Final Order and the DIP Documents will have the protections provided in section 364(e) of the Bankruptcy Code and will not be affected by any subsequent reversal, modification, vacatur, amendment, reargument or reconsideration of the Interim Order, this Final Order or any other order, or by the filing or pendency of any motion or appeal seeking to reverse, modify, vacate, amend, reargue, or reconsider the Interim Order, this Final Order or any other order.

(ii) *Business Judgment and Good Faith Pursuant to Section 364(e).* The

terms and conditions of the DIP Facility and the DIP Documents, and the fees paid and to be paid thereunder, are fair, reasonable, and the best available to the Debtors under the circumstances, reflect the Debtors' exercise of prudent business judgment consistent with their fiduciary duties, and are supported by reasonably equivalent value and consideration. The DIP Facility, the use of Cash Collateral and the agreement by the Prepetition Agents and Prepetition Secured Parties to the priming of the Prepetition Liens, were negotiated in good faith and at arms' length among the Debtors, DIP Agents, DIP Secured Parties, Prepetition Agents and Prepetition Secured Parties. Use of Cash Collateral and credit to be extended under the DIP Facility shall be deemed to have been so allowed, advanced, made, used or extended in good faith, and for valid business purposes and uses, within the meaning of section 364(e) of the Bankruptcy Code, and the DIP Agents and DIP Secured Parties are therefore entitled to the protection and benefits of section 364(e) of the Bankruptcy Code and this Final Order.

M. *Notice*. Notice of the Final Hearing and the emergency relief requested in the DIP Motion was provided by the Debtors, whether by fax, email, overnight courier or hand delivery, to certain parties in interest, including: (i) the U.S. Trustee; (ii) each of the Debtors' thirty largest unsecured creditors; (iii) counsel to the Prepetition Agents for themselves and for the Prepetition Lenders; and (vi) counsel to the DIP Agents for themselves and for the DIP Lenders. The parties have made reasonable efforts to afford the best notice possible under the circumstances to permit the interim relief set forth in this Final Order, and no other or further notice is or shall be required.

Based upon the foregoing findings and conclusions, the DIP Motion and the record before the Court with respect to the DIP Motion, and good and sufficient cause appearing therefor,

IT IS HEREBY ORDERED that:

1. DIP Motion Approved. The DIP Motion is granted on a final basis, subject to the terms and conditions set forth in this Final Order.

2. Objections Overruled. All objections, if any, to the extent not withdrawn or resolved are hereby overruled.

DIP Facility Authorization

3. Ratification of Interim Order Authorization of the DIP Financing and DIP Documents. The terms of the Interim Order and the Payoff Letter are hereby ratified and confirmed, except to the extent amended or modified by this Final Order, and all DIP Obligations incurred and borrowings and payments made thereunder are ratified and confirmed on a final basis and shall be deemed made in accordance with and pursuant to this Final Order. The DIP Documents are hereby approved on a final basis. The Debtors are expressly and immediately authorized and empowered to execute and deliver the Second Amendment and to incur and to perform the DIP Obligations in accordance with this Final Order and the DIP Documents. The Debtors are hereby authorized to pay, and if necessary, to incur additional indebtedness (in cash or in kind as applicable), the principal, interest, fees, expenses and other amounts described in the DIP Documents and all other documents comprising the DIP Facility as such become due and without need to obtain further Court approval, including, without limitation, closing fees, unused facility fee, commitment fees, servicing fees, audit fees, structuring fees, administrative agent's fees, the fees and disbursements of the DIP Agents and DIP Lenders (including the fees and expenses of the DIP Agents' and DIP Secured Parties' attorneys, advisers, accountants, and other consultants, collateral examination, monitoring and appraisal fees, financial advisory fees, indemnification, and any other reimbursement of fees and expenses, all of which fees and expenses shall constitute DIP Obligations), whether or not the

transactions contemplated hereby are consummated, all to the extent provided in the DIP Documents. All collections and proceeds, whether from ordinary course collections, asset sales, debt or equity issuances, insurance recoveries (unless otherwise agreed by the DIP Agents, DIP Secured Parties, Prepetition Agents and Prepetition Secured Parties that such recoveries shall be used to replace certain assets), condemnations or otherwise, shall be deposited and applied as required by paragraphs 21, 35, 36 and 37 of this Final Order and the DIP Documents. Upon execution and delivery, the DIP Documents shall represent valid and binding obligations of the Debtors, enforceable against the Debtors and their estates in accordance with the terms of the DIP Documents. Pursuant to the DIP Agreement and upon entry of the Interim Order, the Prepetition Hedging Contract, as amended, was deemed an assumed executory contract pursuant to the relevant provisions of section 365 of the Bankruptcy Code, without further action of the Debtors, subject only to the execution of the amendment (the "Postpetition Hedge Amendment") contemplated by the DIP Agreement, with J. Aron & Company, as hedge provider (the "Postpetition Hedge Provider" and together with the DIP Lenders, the "DIP Secured Parties"). The Postpetition Hedge Amendment was entered into by PERL and the Postpetition Hedge Provider. As set forth in the Interim Order, (a) the automatic stay shall not apply to preclude, impair or delay the exercise by the Postpetition Hedge Provider of any right arising under the Postpetition Hedge Agreement or applicable non-bankruptcy law including, but not limited to, the exercise of all available remedies in the event of default; and (b) any obligations of the Debtors thereunder shall be treated as having arisen subsequent to the Petition Date.

4. Authorization to Borrow. Subject to the terms and conditions set forth in the DIP Documents, DIP Facility, and this Final Order, the Debtors are hereby authorized on a final basis (i) to request extensions of credit of up to an aggregate principal amount of $44,000,000 at any

one time outstanding under the DIP Revolving Facility (the "DIP Revolver Amount"), (ii) to borrow an aggregate principal amount equal to the PERL Refunding Amount, which shall be used to fully and completely satisfy the Prepetition Beta Obligations, and (iii) to borrow an aggregate principal amount equal to the PEAO Refunding Amount.

5. DIP Obligations. The DIP Documents and this Final Order shall constitute and evidence the validity and binding effect of the Debtors' DIP Obligations, which DIP Obligations shall be enforceable against the Debtors, their estates and any successors thereto, including without limitation, any trustee or other estate representative appointed in the Cases, or any case under chapter 7 of the Bankruptcy Code upon the conversion of any of the Cases, or in any other proceedings superseding or related to any of the foregoing (each a "Successor Case"). Upon entry of this Final Order, the DIP Obligations will include all loans, reimbursement obligations, and any other indebtedness or obligations, contingent or absolute, which may now or from time to time be owing by the Debtors to the DIP Agents or DIP Secured Parties under the DIP Documents and whether borrowed under the terms of the Interim Order or this Final Order, including, without limitation, all principal, accrued interest, costs, fees, expenses and other amounts owed pursuant to the DIP Documents and this Final Order. The DIP Obligations shall be due and payable, without notice or demand on the earlier to occur of the Commitment Termination Date (as defined herein) and the Termination Declaration Date (as defined herein).

6. DIP Liens and DIP Collateral. Effective immediately upon the execution of the Interim Order, pursuant to sections 361, 362, 364(c)(2), 364(c)(3) and 364(d) of the Bankruptcy Code, in order to secure the payment of the DIP Obligations in the priorities set forth in the DIP Agreement and paragraph 21 hereof: (i) the Beta Collateral Agent was granted (and such grant is hereby ratified, confirmed and approved on a final basis), for the benefit of itself and the DIP

Secured Parties, continuing, valid, binding, enforceable, non-avoidable and automatically and properly perfected postpetition security interests in and liens on (the "Beta DIP Liens") any and all presently owned and hereafter acquired personal property, real property and other assets of PERL and the Guarantors, whether owned or consigned by or to, or leased from or to PERL or the Guarantors, regardless of where located, including, without limitation, the assets set forth in clauses (1) through (7) below (collectively, the "Beta DIP Collateral") and (ii) the PEA Collateral Agent is hereby granted, for the benefit of itself and the DIP Secured Parties, continuing, valid, binding, enforceable, non-avoidable and automatically and properly perfected postpetition security interests in and liens on (the "Alaska DIP Liens" and, together with the Beta DIP Liens, the "DIP Liens") any and all presently owned and hereafter acquired personal property, real property and other assets of PEAO and PEAH, whether owned or consigned by or to, or leased from or to PEAO or PEAH, regardless of where located, including, without limitation, the following (collectively, the "Alaska DIP Collateral" and, together with the Beta DIP Collateral, the "DIP Collateral")[4]: (1) all presently owned and hereafter acquired assets of the applicable Debtors and their estates, and any proceeds and products thereof, including without limitation, accounts, deposit accounts, cash, as-extracted collateral, chattel paper, investment property, letter-of-credit rights, securities accounts, commercial tort claims, investments, instruments, documents, inventory, contract rights, franchise agreements, general intangibles, intellectual property, real property, fixtures, goods, equipment and other fixed assets and proceeds and products of all of the foregoing (including insurance proceeds), (2) proceeds of avoidance actions arising solely under Section 549 of the Bankruptcy Code, (3) any rights under

[4] All capitalized terms not otherwise defined herein used in clauses (1) through (6) of this paragraph shall have the meanings ascribed thereto in the DIP Documents. All terms not specifically defined in the DIP Documents shall have the meanings ascribed to such terms in Article 8 or 9 of the Uniform Commercial Code.

Section 506(c) of the Bankruptcy Code, (4) any unencumbered assets of the applicable Debtors, (5) a pledge, for the benefit of the DIP Secured Parties and the applicable DIP Collateral Agent, of one hundred percent (100%) of the capital stock or other equity interests of the Debtors (other than equity interests in PERL), and (6) a Lien on all assets of the applicable Debtors securing other Indebtedness, junior only to Permitted Prior Liens. The Prepetition Liens shall continue, shall inure to the benefit of the applicable DIP Collateral Agent and DIP Secured Parties in the priorities set forth in the DIP Agreement and paragraph 21 hereof, shall secure the DIP Obligations, and shall be included in the definition of "DIP Liens." The DIP Collateral Agents and the DIP Secured Parties' rights with respect to the DIP Collateral are not subject to any setoff, claims, withholdings or other defenses.

7. DIP Lien Priority. The DIP Liens securing the DIP Obligations shall be junior to the: (i) Carve Out and (ii) Permitted Prior Liens, and shall otherwise be senior in priority and superior to all other security interests, mortgages, collateral interests, liens or claims on or to any of the DIP Collateral, subject to the rights of parties in interest to assert a Challenge as set forth in paragraph 34 hereof. Other than as set forth herein, the DIP Liens shall not be made subject to or *pari passu* with any lien or security interest heretofore or hereinafter granted in the Cases or any Successor Cases. The DIP Liens shall be valid and enforceable against any trustee or other estate representative appointed in the Cases or any Successor Cases, upon the conversion of any of the Cases to a case under chapter 7 of the Bankruptcy Code (or in any other Successor Case), and/or upon the dismissal of any of the Cases or Successor Cases. No lien or interest avoided and preserved for the benefit of any estate pursuant to section 551 of the Bankruptcy Code shall be made *pari passu* with or senior to the DIP Liens.

8. DIP Superpriority Claim. Upon entry of the Interim Order, the DIP Agents and

DIP Secured Parties were granted (and such grant is hereby ratified, confirmed and approved on a final basis), pursuant to section 364(c)(1) and 507(b) of the Bankruptcy Code, an allowed superpriority administrative expense claim in the Cases and any Successor Cases (collectively, the "DIP Superpriority Claim") for all DIP Obligations, subject to the rights of parties in interest to assert a Challenge as set forth in paragraph 34 hereof. The DIP Superpriority Claim shall be subordinate only to the Carve Out, and shall otherwise have priority over any and all administrative expenses and unsecured claims against the Debtors or their estates in the Cases and any Successor Cases, at any time existing or arising, of any kind or nature whatsoever, including, without limitation, administrative expenses of the kinds specified in or ordered pursuant to Bankruptcy Code sections 105, 326, 328, 330, 331, 365, 503(a), 503(b), 506(c), 507(a), 507(b), 546(c), 546(d), 726 (to the extent permitted by law), 1113 and 1114, and any other provision of the Bankruptcy Code, and at all times be senior to the rights of the Debtors and their estates, any successor trustee or other estate representative to the extent permitted by law, or any other creditor in the Cases.

9. No Obligation to Extend Credit. None of the DIP Agents or DIP Lenders shall have any obligation to make any loan or advance under the DIP Documents, unless all of the conditions precedent to the making of such extension of credit under the applicable DIP Documents and this Final Order have been satisfied in full or waived in writing by each of the DIP Lenders.

10. Use of DIP Revolving Facility Proceeds. From and after the Petition Date, the Debtors shall use advances of credit under the DIP Revolving Facility only for the purposes specifically set forth in the Final Order, the DIP Documents and in compliance with the Budget. A copy of the current Budget is annexed as Exhibit A hereto.

11. Use of DIP Term Facility Proceeds. The Debtors used the proceeds of the PERL DIP Term Facility and the PEAO DIP Term Facility exclusively to repay the Refunding Amount on the Closing Date (as defined in the DIP Credit Documents) pursuant to the Payoff Letter and such repayment is hereby ratified, confirmed and approved on a final basis.

Authorization to Use Cash Collateral and for Adequate Protection

12. Authorization to Use Cash Collateral. Subject to the terms and conditions of this Final Order and the DIP Documents, and in accordance with the Budget, the Debtors are authorized to use Cash Collateral until the earlier to occur of the Termination Declaration Date and the Commitment Termination Date. Nothing in this Final Order shall authorize the disposition of any assets of the Debtors or their estates outside the ordinary course of business, or the Debtors' use of any Cash Collateral or other proceeds resulting therefrom, except as permitted in this Final Order, the DIP Facility, the DIP Documents, and in accordance with the Budget.

13. Adequate Protection Liens.

(a) *Adequate Protection Liens.* Effective immediately upon entry of the Interim Order and pursuant to section 361, 363(e) and 364(d) of the Bankruptcy Code, as adequate protection of the interests of the Prepetition Agents and Prepetition Secured Parties in the Prepetition Collateral against any Diminution in Value of such interests, the Debtors granted (and such grant is hereby ratified, confirmed and approved on a final basis) (a) to the extent of any such diminution, to the Prepetition Beta Facility Agent, for the benefit of itself and the Prepetition Beta Facility Lenders, continuing valid, binding, enforceable, non-avoidable and automatically perfected postpetition security interests in and liens on the Beta DIP Collateral (the "Beta Facility Adequate Protection Lien"); (b) to the extent of any such diminution, to the PEAO

First Lien Collateral Agent, for the benefit of itself and the Prepetition Alaska First Lien Lenders, continuing valid, binding, enforceable, non-avoidable and automatically perfected postpetition security interests in and liens on the Alaska DIP Collateral (the "PEAO Adequate Protection First Lien"; and (c) to the extent of any such diminution, to the PEAO Second Lien Collateral Agent, for the benefit of itself and the Prepetition Alaska Second Lien Facility Lenders, continuing valid, binding, enforceable, non-avoidable and automatically perfected postpetition security interests in and liens on the Alaska DIP Collateral and Beta DIP Collateral (the "Prepetition Alaska Adequate Protection Second Lien"; and together with the Beta Facility Adequate Protection Lien and the Prepetition Alaska Adequate Protection First Lien, the "Adequate Protection Liens").

(b) *Priority of Adequate Protection Liens.* The Adequate Protection Liens shall be junior only to: (i) the Carve Out, (ii) the DIP Liens, (iii) the Prepetition Liens and (iv) Permitted Prior Liens. The Adequate Protection Liens shall otherwise be senior to all other security interests, mortgages, collateral interests, liens or claims on or to any of the DIP Collateral. Except as provided herein, the Adequate Protection Liens shall not be made subject to or *pari passu* with any lien or security interest by any court order heretofore or hereafter entered in the Cases or any Successor Cases, and shall be valid and enforceable against any trustee appointed in the Cases or any Successor Cases, or upon the dismissal of the Cases or any Successor Cases. No lien or interest avoided and preserved for the benefit of any estate pursuant to section 551 of the Bankruptcy Code shall be made *pari passu* with or senior to the Adequate Protection Liens.

14. Adequate Protection Superpriority Claims.

(a) *Adequate Protection Superpriority Claims.* As further adequate protection

of the interests of the Prepetition Agents and Prepetition Secured Parties in the Prepetition Collateral against any Diminution in Value of such interests in the Prepetition Collateral, the Prepetition Agents and Prepetition Secured Parties were each granted (and such grant is hereby ratified, confirmed and approved on a final basis) as and to the extent provided by sections 503(b) and 507(b) of the Bankruptcy Code an allowed superpriority administrative expense claim in the Cases and any Successor Cases (the "Adequate Protection Superpriority Claim").

(b) *Priority of Adequate Protection Superpriority Claim.* The Adequate Protection Superpriority Claim shall be junior only to the Carve Out and the DIP Obligations. Except as set forth herein, the Adequate Protection Superpriority Claim shall have priority over all administrative expense claims and unsecured claims against the Debtors or their estates, now existing or hereafter arising, of any kind or nature whatsoever, including, without limitation, administrative expenses of the kinds specified in or ordered pursuant to sections 105, 326, 328, 330, 331, 365, 503(a), 503(b), 506(c), 507(a), 507(b), 546(c), 546(d), 726 (to the extent permitted by law), 1113 and 1114 of the Bankruptcy Code.

15. Adequate Protection Payments and Protections. As further adequate protection, the Debtors were authorized and directed (and such authorization is hereby ratified, confirmed and approved on a final basis) to provide adequate protection to the Prepetition Agents and the Prepetition Secured Parties, in the form of: (a) accrual of interest at the non-default contract rate,[5] and fees and other amounts due under the Prepetition Credit Documents; (b) ongoing payment of the reasonable fees, costs and expenses, including, without limitation, legal and other

[5] Nothing herein shall impair or enhance any rights of the Prepetition Agents or Prepetition Lenders to assert a claim for default-rate interest under the terms of the Prepetition Credit Documents.

professionals' fees and expenses, as required under the Prepetition Credit Documents; (c) continued maintenance and insurance of the Prepetition Collateral and the DIP Collateral in amounts and for the risks, and by the entities, as required under the Prepetition Credit Documents and the DIP Documents; and the agreement of the Debtors, the DIP Lenders, the DIP Agents, and the Prepetition Agents that the Debtors shall not sell, transfer, lease, or otherwise dispose of all or substantially all of the assets of the properties of the Debtors without the prior written consent of the Prepetition Agents and the Required Prepetition Lenders. Notwithstanding anything to the contrary herein, all rights solely with respect to adequate protection are preserved, including without limitation, rights to seek recharacterization under section 506 of the Bankruptcy Code or other applicable law.

16. Section 507(b) Reservation. Nothing herein shall impair or modify the application of section 507(b) of the Bankruptcy Code in the event that the adequate protection provided to the Prepetition Agents and/or Prepetition Secured Parties is insufficient to compensate for any Diminution in Value of their interests in the Prepetition Collateral during the Cases or any Successor Cases.

Provisions Common to DIP Financing and Use of Cash Collateral Authorizations

17. Amendment of the DIP Documents. The DIP Documents may from time to time be amended, modified or supplemented by the parties thereto upon two (2) business days' advance notice to the Statutory Committee and the U.S. Trustee, without a hearing, if: (a) the amendment, modification, or supplement is: (i) in accordance with the DIP Documents; (ii) beneficial to the Debtors; and (iii) not prejudicial in any material respect to the rights of third parties; (b) a copy (which may be provided by fax or email) of the amendment, modification or supplement is provided to counsel for the Statutory Committee and the U.S. Trustee; and (c) the

amendment, modification or supplement is filed with the Court; provided, however, that consent of the Statutory Committee or the U.S. Trustee, and approval of the Court are not necessary to effectuate any such amendment, modification or supplement. Except as otherwise provided in this paragraph 17, no waiver, modification, or amendment of any of the provisions of any DIP Document shall be effective unless set forth in writing, signed on behalf of (i) the Debtors; (ii) one or more DIP Lenders having or holding loan exposure (including unutilized commitments) under the DIP Facility representing sixty-six and two-thirds percent (66⅔%) or more of the aggregate loan exposure (including unutilized commitments) of all DIP Lenders (collectively, the "Required DIP Lenders"); and (iii) the DIP Agents and approved by the Court on notice.

18. Budget Maintenance. The Budget and any modification to, or amendment or update of, the Budget shall be in form and substance acceptable to and approved by the Required DIP Lenders. The Budget may be amended or modified in writing from time to time only with the written consent of the Required DIP Lenders and without need for approval by this Court. Any amendment to the Budget shall be filed with the Court.

19. Modification of Automatic Stay. The automatic stay imposed under Bankruptcy Code section 362(a) is hereby modified as necessary to effectuate all of the terms and provisions of this Final Order, including, without limitation, to: (a) permit the Debtors to grant the DIP Liens, Adequate Protection Liens, DIP Superpriority Claims, and Adequate Protection Superpriority Claims; (b) permit the Debtors to perform such acts as the DIP Agents or the Prepetition Agents each may request in its sole discretion to assure the perfection and priority of the liens granted herein; (c) permit the Debtors to incur all liabilities and obligations to the DIP Agents, DIP Secured Parties, Prepetition Agents, and Prepetition Secured Parties under the DIP Documents, the DIP Facility and this Final Order; and (d) authorize the Debtors to pay, and the

DIP Agents, DIP Secured Parties, Prepetition Agents, and Prepetition Secured Parties to retain and apply, payments made in accordance with the terms of the Interim Order and this Final Order.

20. Perfection of DIP Liens and Adequate Protection Liens. This Final Order shall be sufficient and conclusive evidence of the validity, perfection, and priority of the DIP Liens and the Adequate Protection Liens without the necessity of filing or recording any financing statement, mortgage, notice, or other instrument or document which may otherwise be required under the law or regulation of any jurisdiction or the taking of any other action (including, for the avoidance of doubt, entering into any deposit account control agreement) to validate or perfect (in accordance with applicable non-bankruptcy law) the DIP Liens and the Adequate Protection Liens, or to entitle the DIP Agents, the DIP Secured Parties, the Prepetition Agents, and the Prepetition Secured Parties to the priorities granted herein. Notwithstanding the foregoing, each of the DIP Agents, DIP Collateral Agents and the Prepetition Agents are authorized to file, as it deems necessary or advisable in their sole discretion, such financing statements, mortgages, notices and other instrument or documents to perfect in accordance with applicable non-bankruptcy law or to otherwise evidence the applicable DIP Liens and/or Adequate Protection Liens, and all such financing statements, mortgages, notices and other documents shall be deemed to have been filed or recorded as of the Petition Date; provided, however, that no such filing or recordation shall be necessary or required in order to create, evidence or perfect the DIP Liens and/or the Adequate Protection Liens. The Debtors are authorized and directed to execute and deliver promptly upon demand to the DIP Agents and Prepetition Agents all such financing statements, mortgages, title insurance policies, notices, instruments, and other documents as the DIP Agents or Prepetition Agents may reasonably request. The DIP Collateral Agents, the

Prepetition Beta Facility Agent, the PEAO First Lien Collateral Agent and the PEAO Second Lien Collateral Agent, each in their sole discretion, may file a photocopy of this Final Order as a financing statement or notice with any filing or recording office or with any registry of deeds or similar office, in addition to or in lieu of such financing statements, mortgages, notices of lien, instrument, or similar document.

21. Application of Proceeds of Collateral, Payments and Collections. As a condition to entry into the DIP Documents, the extension of credit under the DIP Facility and the authorization to use Cash Collateral, the Debtors have agreed that proceeds of DIP Collateral, Prepetition Collateral, any amounts held on account of the DIP Collateral or Prepetition Collateral, and all payments and collections received by the Debtors shall be applied as follows:

(i) *first*, with respect to the Obligations (as defined in the DIP Credit Agreement) under the DIP Revolving Facility, and if no such Obligations in respect of the DIP Revolving Facility are outstanding, then:

(ii) *second*, (A) with respect to any proceeds of Beta Collateral or Beta DIP Collateral, first to the Obligations under the PERL DIP Term Facility, to be allocated among the PERL Term Lenders (as defined in the DIP Credit Agreement) in accordance with each such lender's PERL Term Pro Rata Share (as defined in the DIP Credit Agreement), second to the extent the PERL DIP Term Facility has been paid in full, to the Prepetition Alaska Second Lien Obligations, to be allocated among the Prepetition Alaska Second Lien Lenders in accordance with each such lender's PEAO Second Lien Pro Rata Share (as defined in the DIP Credit Agreement), and third to the extent the Prepetition Alaska Second Lien Facility has been paid in full, to the Obligations under the PEAO DIP Term Facility, to be allocated among the PEAO Term Lenders (as defined in the DIP Credit Agreement) in accordance with each such lender's

PEAO Term Pro Rata Share (as defined in the DIP Credit Agreement), and (B) any proceeds of PEA Collateral or Alaska DIP Collateral shall be applied first to the Obligations under the PEAO DIP Term Facility, to be allocated among the PEAO Term Lenders (as defined in the DIP Credit Agreement) in accordance with each such lender's PEAO Term Pro Rata Share (as defined in the DIP Credit Agreement), second to the extent the PEAO DIP Term Facility has been paid in full, to the Prepetition Alaska Second Lien Obligations, to be allocated among the Prepetition Alaska Second Lien Lenders in accordance with each such lender's PEAO Second Lien Pro Rata Share (as defined in the DIP Credit Agreement), and third to the extent the PEAO DIP Term Facility has been paid in full, to the Obligations under the PERL DIP Term Facility, to be allocated among the PERL Term Lenders (as defined in the DIP Credit Agreement) in accordance with each such lender's PERL Term Pro Rata Share (as defined in the DIP Credit Agreement) until the PERL DIP Term Facility has been paid in full, then:

(iii) *third,* to the Debtors.

The provisions of this paragraph 21 and the corresponding sections of the DIP Documents shall be the exclusive method of application of proceeds of Collateral and shall not be affected or otherwise modified by any prepetition intercreditor agreement solely among the Prepetition Secured Parties.

22. Proceeds of Subsequent Financing. If any of the Debtors, any trustee, any examiner with enlarged powers, any responsible officer or any other estate representative subsequently appointed in these Cases or any Successor Cases, shall obtain credit or incur debt pursuant to Bankruptcy Code sections 364(b), 364(c) or 364(d) in violation of the DIP Documents at any time prior to the indefeasible repayment in full in cash of all DIP Obligations and Prepetition Obligations and the termination of the DIP Agents' and DIP Lenders' obligation

to extend credit under the DIP Facility, including subsequent to the confirmation of any plan with respect to the Debtors and the Debtors' estates, and such financing is secured by any DIP Collateral, then all the cash proceeds derived from such credit or debt shall immediately be turned over to the applicable DIP Collateral Agent to be applied as set forth in paragraph 21 herein.

23. Maintenance of DIP Collateral and Cash Management System. Until the indefeasible payment in full in cash of all DIP Obligations and the termination of the DIP Agents' and the DIP Lenders' obligation to extend credit under the DIP Facility, the Debtors shall: (a) insure the DIP Collateral as required under the DIP Facility; and (b) maintain the cash management system in effect as of the Petition Date, as modified by any order that may be entered by the Court which has been first agreed to by the Required DIP Lenders, or as otherwise agreed to by the Required DIP Lenders, or as otherwise required by the DIP Documents.

24. Disposition of DIP Collateral; Rights of DIP Agents and DIP Lenders. The Debtors shall not sell, transfer, lease, or otherwise dispose of any portion of the DIP Collateral without the prior written consent of the Required DIP Lenders (and no such consent shall be implied, from any other action, inaction or acquiescence) or as expressly permitted in the DIP Documents, it being understood that any sale, transfer, lease or other disposition of any of the Debtors or all or substantially all of the assets or properties of any or all of the Debtors shall at all times require the prior written consent of the Required DIP Lenders and the lenders holding not less than 66 2/3% of the aggregate principal amount of each of the loans under the Prepetition Credit Facilities (the "Required Prepetition Lenders"), and it being further understood that each Prepetition Lender may consent, withhold consent, or object to such sale in its sole discretion notwithstanding the terms of any prepetition intercreditor agreement solely among the

Prepetition Secured Parties.

25. Postpetition Financing Termination. Upon the earlier to occur of the Maturity Date and the date by which the DIP Lenders' Commitments (as defined in the DIP Agreement) are terminated (the "Commitment Termination Date"): (a) all DIP Obligations shall be immediately due and payable and all commitments to extend credit under the DIP Facility will terminate; and (b) all authority to use Cash Collateral shall cease, provided, however, that during the Remedies Notice Period (as defined herein), the Debtors may use Cash Collateral solely as set forth in paragraph 12 herein.

26. Events of Default. The occurrence of an "Event of Default" under the DIP Agreement, as set forth therein shall constitute an event of default under this Final Order, unless waived in writing by the Required DIP Lenders (the "Events of Default").

27. Rights and Remedies Upon Event of Default. Immediately upon the occurrence and during the continuation of an Event of Default: (a) the DIP Administrative Agent at the request of (or with the consent of) the Required DIP Lenders shall declare: (i) all DIP Obligations owing under the DIP Documents to be immediately due and payable; (ii) the termination, reduction or restriction of any further commitment to extend credit to the Debtors to the extent any such commitment remains; and/or (iii) the termination of the DIP Agreement and any other DIP Document as to any future liability or obligation of the DIP Agents and the DIP Secured Parties, but without affecting any of the DIP Liens or the DIP Obligations; and (b) the DIP Agents and/or the Prepetition Agents (with the consent of the Required DIP Lenders or, in the case of the Prepetition Credit Facilities, the Required Prepetition Lenders) may declare a termination, reduction or restriction on the ability of the Debtors to use Cash Collateral during the Remedies Notice Period defined below (any such declaration, shall be referred to herein as a

"Termination Declaration"). The Termination Declaration shall be given by fax or email to counsel to the Debtors, counsel to the Prepetition Agents, counsel to the Statutory Committee, and the U.S. Trustee (the earliest date any such Termination Declaration is made shall be referred to herein as the "Termination Declaration Date"). The DIP Obligations shall be due and payable, without notice or demand, and the use of Cash Collateral shall automatically cease on the Termination Declaration Date. Any automatic stay otherwise applicable to the DIP Agents or the DIP Lenders is hereby modified so that five (5) business days after the Termination Declaration Date (the "Remedies Notice Period"), (A) the DIP Agents (at the direction of the Required DIP Lenders) and the Postpetition Hedge Provider shall be entitled to: (i) exercise all rights and remedies against the DIP Collateral in accordance with the DIP Documents and this Final Order and shall be permitted to satisfy the DIP Obligations, DIP Superpriority Claim and DIP Liens, subject to paragraph 21 and the Carve Out; or (ii) upon entry of the Final Order, the DIP Administrative Agent shall upon direction of the Required DIP Lenders, with the full cooperation of the Borrowers, and without any objection by the Borrowers, complete the Proposed Asset Sale (as defined in the DIP Agreement) in accordance with section 363 of the Bankruptcy Code, in which case the DIP Administrative Agent shall have a power of attorney from the Borrowers to take all steps necessary or advisable to complete the sale process commenced during the Case in accordance with §363 of the Bankruptcy Code and applicable orders of the Bankruptcy Court (it being understood that such Proposed Asset Sale may not be consummated without the prior written consent of the Required DIP Lenders and the Required Prepetition Lenders); and (B) the DIP Agents (at the direction of the Required DIP Lenders) and the Postpetition Hedge Provider shall be entitled to exercise their rights and remedies to satisfy the Prepetition Obligations, Adequate Protection Superpriority Claims and Adequate Protection

Liens. During the Remedies Notice Period, the Debtors and the Statutory Committee shall be entitled to seek an emergency hearing with the Court for the sole purpose of contesting whether an Event of Default has occurred and/or is continuing. Unless the Court determines during the Remedies Notice Period that an Event of Default has not occurred and/or is not continuing, unless the DIP Administrative Agent (with the consent of or at the direction of the Required DIP Lenders and the Required Prepetition Lenders) has elected to complete Proposed Asset Sale in accordance with section 363 of the Bankruptcy Code, the automatic stay shall terminate at the end of the Remedies Notice Period without further action, notice or order and the DIP Agents, DIP Secured Parties, Prepetition Agents, and Prepetition Secured Parties shall be permitted to exercise all remedies set forth herein, in the DIP Agreement, the DIP Documents, Prepetition Credit Agreements and Prepetition Credit Documents, as applicable, and as otherwise available at law or in equity against the DIP Collateral and/or Prepetition Collateral, without further order of or application or motion to the Court, and without restriction or restraint by any stay under sections 362 or 105 of the Bankruptcy Code, or otherwise, against the enforcement of the liens and security interests in the DIP Collateral and Prepetition Collateral or any other rights and remedies granted to the DIP Agents and the DIP Secured Parties with respect thereto pursuant to the DIP Agreement, DIP Documents, or this Final Order. Any remedies taken affecting any leases or premises subject to any leases shall be in accordance with applicable federal and state law, the Bankruptcy Code, the governing leases, consent of the applicable landlord (if required), or as otherwise ordered by the Court.

28. Good Faith Under Section 364(e) of the Bankruptcy Code; No Modification or Stay of this Final Order. The DIP Agents, DIP Secured Parties, Prepetition Agents and Prepetition Secured Parties each have acted in good faith in connection with the Interim Order

and this Final Order and their reliance on the Interim Order and this Final Order is in good faith. Based on the findings set forth in this Final Order and the record made during the Interim Hearing and Final Hearing, in the event any or all of the provisions of this Final Order are hereafter modified, amended or vacated by a subsequent order of this Court or any other court, the DIP Agents and DIP Secured Parties are each entitled to the protections provided in section 364(e) of the Bankruptcy Code. Any such modification, amendment or vacatur shall not affect the extent, validity, perfection, priority, allowability, enforceability or non-avoidability of any advances previously made or made hereunder, or lien, claim or priority granted, perfected, authorized or created previously or hereby. Any liens or claims granted to the DIP Agents or DIP Secured Parties hereunder arising prior to the effective date of any such modification, amendment or vacatur of the Interim Order or this Final Order shall be governed in all respects by the original provisions of this Final Order, including entitlement to all rights, remedies, privileges and benefits granted herein.

29. Indemnification of DIP Agents and DIP Secured Parties. The Debtors shall indemnify and hold harmless the DIP Agents and each DIP Secured Party and their respective shareholders, directors, agents, officers, subsidiaries and affiliates, successors and assigns, attorneys and professional advisors, in their respective capacities as such, from and against any and all damages, losses, settlement payments, obligations, liabilities, claims, actions or causes of action, whether groundless or otherwise, and reasonable costs and expenses incurred, suffered, sustained or required to be paid by an indemnified party of every nature and character arising out of or related to the DIP Documents, or the DIP Facility or the transactions contemplated thereby and by this Final Order, whether such indemnified party is party thereto, as provided in and pursuant to the terms of the DIP Documents and as further described therein and herein, except

to the extent resulting from such indemnified party's gross negligence or willful misconduct as finally determined by a final non-appealable order of a court of competent jurisdiction. The indemnity includes indemnification for the DIP Agents' and each DIP Secured Party's exercise of discretionary rights granted under the DIP Facility. In all such litigation, or the preparation therefor, the DIP Agents and each DIP Secured Party shall be entitled to select their own counsel and, in addition to the foregoing indemnity, the Debtors agree to promptly pay the reasonable fees and expenses of such counsel.

30. Proofs of Claim. The DIP Agents, DIP Secured Parties, Prepetition Agents and Prepetition Secured Parties shall not be required to file proofs of claim in any of the Cases or any Successor Cases, and the Debtors' Stipulations in paragraph G of this Final Order shall be deemed to constitute a timely filed proof of claim. Any order entered by the Court in connection with the establishment of a bar date for any claim (including, without limitation, administrative expense claims) in the Cases or any Successor Cases shall not apply to the DIP Agents, the DIP Secured Parties, Prepetition Agents, or the Prepetition Secured Parties.

31. Rights of Access and Information. Without limiting the rights of access and information afforded the DIP Agents and DIP Secured Parties under the DIP Documents or the Prepetition Agents and Prepetition Secured Parties under the Prepetition Credit Documents, the Debtors shall be, and hereby are, required to afford representatives, agents and/or employees of the DIP Agents, DIP Secured Parties, Prepetition Agent and Prepetition Secured Parties reasonable access to the Debtors' premises and their books and records in accordance with the DIP Documents and Prepetition Documents, as the case may be, and shall reasonably cooperate, consult with, and provide to such persons all such information as may be reasonably requested. In addition, by consenting to entry of this Order, the Debtors have authorized their independent

certified public accountants, financial advisors, restructuring advisers, investment bankers and consultants to cooperate, consult with, and provide to the DIP Agents and Prepetition Agents (and so long as an Event of Default has occurred and is continuing, each DIP Secured Party and Prepetition Secured Party) all such information as may be reasonably requested with respect to the business, results of operations and financial condition of the Debtors.

32. Carve Out.

(a) *Carve Out.* As used in this Final Order and the DIP Agreement, the "Carve Out" means, upon the earliest to occur of the Termination Declaration Date or Commitment Termination Date, the following expenses: (i) statutory fees payable to the United States Trustee pursuant to 28 U.S.C. § 1930(a)(6); and (ii) Priority Professional Expenses. As defined in the DIP Agreement, the term "Priority Professional Expenses" means allowed and unpaid fees, costs and expenses of professionals retained in these Cases pursuant to Sections 327, 328 and 1103 of the Bankruptcy Code consisting of any attorneys, accountants, financial advisors, and consultants retained by Debtors or a Statutory Committee (the "Case Professionals"); provided, however, that (i) the term "Priority Professional Expenses" shall not include any Ineligible Professional Expenses (as defined below) and (ii) the amount of Priority Professional Expenses incurred in any period shall not exceed the Professional Expense Cap. As defined in the DIP Agreement, the term "Professional Expense Cap" means, with respect to fees, costs and expenses of professionals retained in the Case pursuant to Sections 327, 328 and 1103 of the Bankruptcy Code prior to the occurrence of an Event of Default, the cumulative amounts set forth for such fees, costs and expenses in the Budget on an accrual basis, to the extent such fees, costs and expenses are actually incurred prior to an Event of Default, and from and after the occurrence of an Event of Default, $1,000,000 in the aggregate (inclusive of any holdbacks

required by the Bankruptcy Court), provided, however, that from and after the occurrence of an Event of Default, all amounts expended thereafter for Priority Professional Expenses shall reduce the Professional Expense Cap dollar for dollar. For the avoidance of doubt, the amount provided in the Budget with respect to costs and expenses of professionals retained in these Cases pursuant to Sections 327, 328 and 1103 of the Bankruptcy Code consisting of any attorneys, accountants, financial advisors, and consultants retained by the Statutory Committee shall be no less than $1,200,000 ("Committee Professional Fee Amount"), provided, however, to the extent that any such amounts are not used to satisfy such obligations, any remaining amount shall revert to the Estate.

(b) *No Direct Obligation to Pay Professional Fees; No Waiver of Right to Object to Fees.* The DIP Agents, DIP Secured Parties, Prepetition Agents, and Prepetition Secured Parties shall not be responsible for the direct payment or reimbursement of any fees or disbursements of any Case Professionals or Committee Expenses incurred in connection with the Cases or any Successor Cases under any chapter of the Bankruptcy Code. Nothing in this Final Order or otherwise shall be construed: (i) to obligate the DIP Agents, DIP Secured Parties, Prepetition Agents or Prepetition Secured Parties, in any way to pay compensation to or to reimburse expenses of any Case Professional or the Committee Expenses, or to guarantee that the Debtors have sufficient funds to pay such compensation or reimbursement; (ii) to increase the Carve Out if actual Allowed Professional Fees are higher in fact than the estimated fees and disbursements of Case Professional reflected in the Budget; (iii) as consent to the allowance of any professional fees or expenses of any Case Professionals; or (iv) as consent to the allowance of any Committee Expenses. Any funding of the Carve Out shall be added to and made a part of the DIP Obligations and secured by the DIP Collateral and otherwise entitled to the protections

granted under this Final Order, the DIP Documents, the Bankruptcy Code and applicable law.

33. Limitations on the DIP Facility, the DIP Collateral, the Cash Collateral and the Carve Out. The DIP Facility, the DIP Collateral, the Cash Collateral, and the Carve Out may not be used to pay Ineligible Professional Expenses. As defined in the DIP Agreement, "Ineligible Professional Expenses" means any fees or expenses incurred by any Person, including a Statutory Committee or any Debtor in (A) preventing, hindering or delaying the applicable Collateral Agent's enforcement or realization upon any of the Collateral once an Event of Default has occurred, (B) using or seeking to use cash collateral not in compliance with the Budget and the Interim Order or the Final Order, whichever is in effect at the time of reference thereto, or selling any other Collateral, in each case without the Required DIP Lenders' consent, (C) incurring Indebtedness not permitted by Section 6.1 of the DIP Credit Agreement and (D) objecting to or contesting in any manner, or in raising any defenses to, the validity, extent, amount, perfection, priority or enforceability of the Prepetition Lender Debt or the Obligations or any mortgages, Liens or security interests with respect thereto or any other rights or interests of the Agents and the Lenders, or in asserting any claims or causes of action, including, without limitation, any actions under Chapter 5 of the Bankruptcy Code, against the Agents or the Lenders, provided, however, that the process of investigating or analyzing any of the foregoing items listed in clause (D) hereof prior to the filing of an objection or a lawsuit, or the commencement of a contested matter or adversary proceeding, with respect to the Prepetition Lender Debt, the Obligations, the Liens or any potential claims or causes of action against the Agents or the Lenders shall not constitute Ineligible Professional Expenses up to the amount of $100,000.

34. Reservation of Certain Third Party Rights and Bar of Challenges and Claims. The

Statutory Committee may seek to object to or to challenge the findings or Debtors' Stipulations regarding: (a) the validity, extent, priority, or perfection of the mortgages, security interests, and liens of the Prepetition Agents or any Prepetition Secured Party; (b) the validity, allowability, priority, fully secured status or amount of the Prepetition Obligations; or (c) the validity, allowability, priority, fully secured status or amount of the PERL DIP Term Facility, PERL Refunding Amount, PEAO DIP Term Facility, or PEAO Refunding Amount. The Statutory Committee must commence, as appropriate, a contested matter or adversary proceeding raising such claim, objection, defense, or other challenge, including, without limitation, any claim against any Prepetition Agent or Prepetition Secured Party in the nature of a setoff, counterclaim or defense to the applicable Prepetition Obligations or the Prepetition Liens (each, a "Challenge") on or before July 13, 2009 (the "Challenge Period"). Upon the occurrence of the expiration of the Challenge Period (the "Challenge Period Termination Date"): (A) any and all Challenges by any party (including, without limitation, the Statutory Committee, any chapter 11 trustee, and/or any examiner or other estate representative appointed or elected in these Cases, and any chapter 7 trustee and/or examiner or other estate representative appointed or elected in any Successor Cases), shall be deemed to be forever waived and barred; and (B) all of the Debtors' Stipulations, waivers, releases, affirmations and other stipulations as to the priority, extent, and validity as to the Prepetition Agents' and each Prepetition Secured Party's, claims, liens, and interests shall be of full force and effect and forever binding upon all the Debtors' estate and all creditors, interest holders, and other parties in interest in these Cases and any Successor Cases. This is without prejudice for the Statutory Committee to ask for a further extension of the Challenge Period, which the Lenders shall have no requirement to grant.

35. Settlement Proceeds. Provided solely in the event that the Statutory Committee

does not bring a Challenge as defined in Paragraph 34, the Prepetition Lenders and DIP Lenders shall leave the following assets (the "Settlement Proceeds") to the Estate (subject to paragraph 38 herein): First $2 million (in aggregate) from cash proceeds received with respect to either (i) any cash proceeds received by the Debtors as a result of the Adversary Proceeding (as defined herein) or (ii) any cash proceeds received by the Debtors as a result of the recovery of Production Payments, as provided in paragraph 37 herein.

36. Adversary Proceeding. The Debtors shall file an adversary proceeding (the "Adversary Proceeding") against Union Oil Company of California ("Chevron") to (i) challenge the lien rights asserted by Chevron in that certain Motion of Union Oil Company of California filed March 23, 2009 [docket No. 100] and (ii) recover proceeds in the amount of $5,510,263 (plus interest) which amounts have been segregated pursuant to that certain Order Governing Further Proceedings on Motion of Union Oil Company of California For Relief From Automatic Stay entered by the Court on April 28, 2009 [docket No. 230]. The Debtors shall include the Prepetition Lenders and the DIP Lenders as parties to the Adversary Proceeding. The Debtors shall have no obligation to file the Adversary Proceeding if Chevron has filed an adversary proceeding on or before June 10.

37. Production Payments. In accordance with the DIP Budget attached hereto, the Debtors shall create three separate, interest-bearing reserve accounts (each, a "Production Payment Reserve Account"), which shall be used solely to make Production Payments upon a final and non-appealable order by the Court allowing such Production Payments to be paid to (i) Aera Energy LLC and SWEPI LP, (ii) Noble Energy Inc., and (iii) the Medema Family Trust, John N. and Debra Robinson or LAB Properties (each of the separate entities named in clauses (i) through (iii) herein, a "Production Payment Recipient"), as the case may be. If the Court

determines pursuant to a final and non-appealable order that any of such Production Payments are not due and owing, then any amounts in the applicable Production Payment Reserve Account may be used to satisfy paragraph 35(ii) above, subject to the limit set forth therein. Each Production Payment Reserve Account shall be funded in the amounts set forth in the DIP Budget attached hereto that are attributable to the Production Payment reserved by such Production Payment Recipient. The ultimate determination of the amount of any Production Payment Recipient's Production Payments shall not be limited to the amounts funded into the applicable Production Payment Reserve Account. Funding of the Production Payment Reserve Accounts shall occur promptly after the entry of this Order.

38. Deficiency Claim. The Prepetition Lenders and the DIP Lenders shall subordinate their unsecured deficiency claims to the claims of the general unsecured creditors solely with respect to the Settlement Proceeds, if any, avoidance actions under chapter 5 of the Bankruptcy Code (except those arising under section 549 of the Bankruptcy Code) (collectively, the "Avoidance Actions") and the proceeds of Avoidance Actions, if any, and any remainder from the Committee Professional Fee Amount pursuant to paragraph 32 herein; provided, however, that such subordination shall arise solely in the event that the Statutory Committee does not bring a Challenge. The Prepetition Lenders and the DIP Lenders shall assign to the Estate, solely with respect to the Settlement Proceeds, if any, and the proceeds of the Avoidance Actions, if any, for the benefit of the holders of general unsecured claims, the subordination rights it currently has vis a vis the claims of Forest Oil Corporation, provided, however, that such assignment shall occur solely in the event that the Statutory Committee does not bring a Challenge. Nothing in this Final Order shall determine any party's rights and obligations under that certain Subordination Agreement dated as of August 24, 2007 among the Prepetition

Lenders and Forest Oil Corporation.

39. Avoidance Actions. For avoidance of doubt, no liens, priority claims or superpriority claims granted herein or in the Interim Order shall attach to Avoidance Actions or the proceeds thereof (except those arising under section 549 of the Bankruptcy Code).

40. Reservation of Rights With Respect to Union Oil Company of California. Notwithstanding any other provision, recital, finding or conclusion in this Final Order, nothing in this Final Order or the DIP Documents (A) determines the validity or relative priority of the liens and security interests Union Oil Company of California ("Union") asserts in (i) that certain property in the Trading Bay area in Cook Inlet, Alaska known as the Trading Bay Unit ("TBU") and Trading Bay Field ("TBF"), (ii) oil extracted from TBU and/or TBS, and/or (iii) proceeds from the sale of such oil including, without limitation, "Proceeds" as defined in the Order Governing Further Proceedings On Motion of Union Oil Company of California For Relief from Automatic Stay [docket no. 230], or (B) authorized the use of such Proceeds.

41. Reservation of Rights With Respect to Production Payments. Notwithstanding any other provision, recital, finding or conclusion in this Final Order, nothing in this Final Order, the creation of the Production Payment Reserve Accounts, or the DIP Documents is with prejudice to and does not constitute a waiver of, expressly or implicitly, any claim, right, title or interest of parties claiming ownership of Production Payments, including but not limited to (i) Noble Energy, Inc.'s rights to its Production Payment and the relief sought in Adversary No. 09-51009, Noble Energy, Inc. v. Pacific Energy Resources Ltd.; (ii) the Medema Family Trust's rights to its Production Payment; (iii) Aera Energy LLC's rights (including its assigned interest from SWEPI LP) to its Production Payment and any relief sought from the Court by Aera, including without limitation, in any adversary proceeding; and (iv) any other Production

Payment Recipient.

42. No Third Party Rights. Except as explicitly provided for herein, this Final Order does not create any rights for the benefit of any third party, creditor, equity holder or any direct, indirect, or incidental beneficiary.

43. Section 506(c) Claims. No costs or expenses of administration which have been or may be incurred in the Cases at any time shall be charged against the DIP Agents, DIP Secured Parties, Prepetition Agents or Prepetition Secured Parties or any of their respective claims, the DIP Collateral or the Prepetition Collateral pursuant to section 105 or 506(c) of the Bankruptcy Code, or otherwise, without the prior express written consent of the affected DIP Agent, DIP Secured Party, Prepetition Agent or Prepetition Secured Party, and no such consent shall be implied, directly or indirectly, from any action, inaction, or acquiescence by any such agents or lenders.

44. No Marshaling/Applications of Proceeds. The DIP Agents, DIP Secured Parties, Prepetition Agents, and Prepetition Secured Parties shall not be subject to the equitable doctrine of "marshaling" or any other similar doctrine with respect to any of the DIP Collateral or the Prepetition Collateral.

45. Section 552(b). The DIP Agents, DIP Secured Parties, Prepetition Agents, and Prepetition Secured Parties shall each be entitled to all of the rights and benefits of section 552(b) of the Bankruptcy Code, and the "equities of the case" exception under section 552(b) of the Bankruptcy Code shall not apply to any of the Prepetition Agents or Prepetition Secured Parties with respect to proceeds, product, offspring or profits of any of the Prepetition Collateral.

46. Discharge Waiver. The Debtors expressly stipulate, and the Court finds and adjudicates that, the DIP Obligations shall not be discharged by the entry of an order confirming

any plan of reorganization, notwithstanding the provisions of section 1141(d) of the Bankruptcy Code, unless the DIP Obligations have been paid in full in cash on or before the effective date of a confirmed plan of reorganization.

47. Rights Preserved.

(a) Notwithstanding anything herein to the contrary, the entry of this Final Order is without prejudice to, and does not constitute a waiver of, expressly or implicitly: (a) the DIP Agents', any DIP Secured Party's, the Prepetition Agents' or any Prepetition Secured Party's right to seek any other or supplemental relief in respect of any Debtor, including the right to seek additional adequate protection (without prejudice to any other person's right to object to or otherwise oppose such additional adequate protection); or (b) any of the rights of the DIP Agents, any DIP Secured Party, the Prepetition Agents or any Prepetition Secured Party under the Bankruptcy Code or under non-bankruptcy law, including, without limitation, the right to (i) request modification of the automatic stay of section 362 of the Bankruptcy Code, (ii) request dismissal of any of the Cases or any Successor Cases, conversion of any of the Cases to a case under chapter 7, or appointment of a chapter 11 trustee or examiner with expanded powers, or (iii) propose, subject to the provisions of section 1121 of the Bankruptcy Code, a chapter 11 plan or plans.

(b) Other than as expressly set forth in this Final Order, any other rights, claims or privileges (whether legal, equitable or otherwise) of the DIP Agents, DIP Secured Parties, Prepetition Agents, and Prepetition Secured Parties are preserved.

48. No Waiver by Failure to Seek Relief. The failure of any DIP Agent, any DIP Secured Party, any Prepetition Agent or any Prepetition Secured Party to seek relief or otherwise exercise its respective rights and remedies under the Interim Order, this Final Order, the DIP

Documents, the Prepetition Credit Documents or applicable law, as the case may be, or to file an objection to the Debtors' use of Cash Collateral except in accordance with this Final Order, shall not constitute a waiver of any of the rights hereunder, thereunder, or otherwise of the applicable DIP Agent, DIP Secured Party, Prepetition Agent or Prepetition Secured Party.

49. Binding Effect of Final Order. Immediately upon entry by this Court (notwithstanding any applicable law or rule to the contrary), the terms and provisions of this Final Order shall become valid and binding upon and inure to the benefit of the Debtors, the DIP Agents, the DIP Secured Parties, the Prepetition Agents, the Prepetition Secured Parties, all other creditors of the Debtors, the Statutory Committee or any other court appointed committee appointed in the Cases, and all other parties in interest and their respective successors and assigns, including any trustee or other fiduciary hereafter appointed in any of the Cases, any Successor Cases, or upon dismissal of any of the Cases or any Successor Cases.

50. No Modification of Final Order. Until and unless the DIP Obligations and Prepetition Obligations have been indefeasibly paid in full in cash (such payment being without prejudice to any terms or provisions contained in the DIP Facility which survive such discharge by their terms) and all commitments to extend credit under the DIP Facility have been terminated, the Debtors irrevocably waive the right to seek and shall not seek or consent to, directly or indirectly: (a) without the prior written consent of the DIP Agents (which consent shall be provided only at the direction or with the consent of the Required DIP Lenders) and Prepetition Agents (i) any modification, stay, vacatur or amendment to this Final Order (and no such consent shall be implied by any other action, inaction or acquiescence of the applicable DIP Agent, DIP Secured Parties, Prepetition Agent or Prepetition Secured Parties); or (ii) a priority claim for any administrative expense or unsecured claim against the Debtors (now existing or

hereafter arising of any kind or nature whatsoever, including, without limitation any administrative expense of the kind specified in sections 503(b), 507(a) or 507(b) of the Bankruptcy Code) in the Cases or any Successor Cases equal or superior to the DIP Superpriority Claim or Adequate Protection Superpriority Claim, other than the Carve Out; (b) without the prior written consent of the Required DIP Lenders, DIP Agents and Prepetition Agents, any order allowing use of Cash Collateral; and (c) without the prior written consent of the Required DIP Lenders, DIP Agents and the Prepetition Agents, any lien on any of the DIP Collateral with priority equal or superior to the DIP Liens, Prepetition Liens, or Adequate Protection Liens.

51. Final Order Controls. In the event of any inconsistency between the terms and conditions of the DIP Documents, the Interim Order and this Final Order, the provisions of this Final Order shall govern and control.

52. Survival. The provisions of this Final Order and any actions taken pursuant hereto shall survive entry of any order which may be entered: (a) confirming any plan of reorganization in any of the Cases; (b) converting any of the Cases to a case under chapter 7 of the Bankruptcy Code; (c) dismissing any of the Cases or any Successor Cases, to the extent authorized by applicable law; or (d) pursuant to which this Court abstains from hearing any of the Cases or any Successor Cases. The terms and provisions of this Final Order, including the claims, liens, security interests and other protections granted to the DIP Agents, DIP Secured Parties, Prepetition Agents and Prepetition Secured Parties pursuant to this Final Order and/or the DIP Documents, notwithstanding the entry of any such order, shall continue in the Cases, in any Successor Cases, or following dismissal of any of the Cases or any Successor Cases, and shall maintain their priority as provided by this Final Order until all DIP Obligations and

Prepetition Obligations have been indefeasibly paid in full in cash and all commitments to extend credit under the DIP Facility are terminated. The terms and provisions concerning the indemnification of the DIP Agents and DIP Secured Parties shall continue in each of the Cases, in any Successor Cases, following dismissal of any of the Cases or any Successor Cases, and following termination of the DIP Documents and/or the repayment of the DIP Obligations.

53. Effect of this Final Order. This Final Order shall constitute findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052 and shall take effect and be enforceable *nunc pro tunc* to the Petition Date immediately upon execution hereof.

54. Retention of Jurisdiction. The Court has and will retain jurisdiction to enforce this Final Order according to its terms.

SO ORDERED by the Court this 4th day of June, 2009.

The Honorable Kevin J. Carey
Chief United States Bankruptcy Judge

Exhibit A

Budget

Pacific Energy Resources Ltd.
Weekly DIP Forecast
(US $'s in thousands)

Revised Budget

	3/13	3/20	3/27	4/3	4/10	4/17	4/24	5/1	5/8	5/15	5/22	5/29	6/5	6/12
Thera and San Pedro Bay Pipeline														
Barrels produced	22,050	24,111	24,069	25,427	25,382	16,565	17,390	17,340	17,291	27,242	27,193	27,145	27,098	27,050
Revenue receipts	$ -	$ 2,418	$ -	$ -	$ -	$ -	$ 4,509	$ -	$ -	$ -	$ 5,005	$ -	$ -	$ -
Royalty payments	-	-	-	-	-	-	-	-	2,723	-	-	1,184	-	1,147
LOE	392	144	479	190	335	408	656	415	633	404	640	495	614	403
SG&A / performance bond	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Critical vendor payments	250	250	-	-	30	30	-	-	-	-	-	-	-	-
Operating outflows	642	394	479	290	365	438	656	415	3,356	404	640	1,588	614	1,550
Operating cash flow	(642)	2,024	(479)	(290)	(365)	(438)	3,853	(415)	(3,356)	(404)	4,365	(1,588)	(614)	(1,550)
Growth CapEx	247	247	247	134	134	134	134	134	25	25	25	25	-	-
Maintenance CapEx	280	280	190	127	127	127	127	127	99	99	99	99	293	293
Total Cash Flow	(1,169)	1,497	(936)	(551)	(626)	(699)	3,592	(676)	(3,482)	(528)	4,241	(1,712)	(907)	(1,843)
Alaska Operations														
Barrels produced	3,850	3,846	3,843	3,839	2,275	2,449	2,089	1,573	2,495	2,483	2,800	2,797	2,624	2,622
Revenue receipts	$ -	$ 611	$ -	$ -	$ 1,032	$ -	$ -	$ -	$ -	$ 279	$ -	$ -	$ -	$ 36
Royalty payments	-	-	-	-	-	-	-	-	-	333	-	-	-	76
LOE	185	79	251	101	155	148	199	131	173	73	160	60	160	69
SG&A / performance bond	237	27	74	227	40	19	58	246	48	10	48	44	48	10
Unified Command	-	-	-	-	-	-	-	50	-	-	-	-	-	-
Critical vendor payments	150	150	-	-	30	40	40	-	-	-	-	-	-	-
Operating outflows	595	255	105	332	225	207	297	407	220	416	208	104	208	146
Operating cash flow	(595)	355	(105)	(332)	807	(207)	(297)	(407)	(220)	(137)	(208)	(104)	(208)	(109)
Growth CapEx	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Maintenance CapEx	-	-	-	-	22	69	69	69	20	20	16	16	39	19
Total Cash Flow	$ (595)	$ 355	$ (105)	$ (332)	$ 785	$ (276)	$ (365)	$ (475)	$ (240)	$ (157)	$ (223)	$ (120)	$ (226)	$ (128)
Corporate Overhead & Other														
Corporate SG&A & Other	659	156	291	632	467	47	169	184	268	47	169	92	268	47
Contingency Capex	25	25	25	25	25	25	25	25	25	25	25	25	25	25
Professional Fees	30	127	30	25	25	490	27	30	25	1,506	567	320	266	127
Monthly Interest Payment	-	-	343	-	-	-	475	-	-	-	562	-	-	-
Total Receipts	-	3,029	-	-	1,032	-	4,509	-	-	279	5,005	-	-	36
Total Operating Disbursements	1,891	805	1,075	1,214	1,077	691	1,123	1,106	3,846	867	1,087	1,784	1,109	1,742
Net Operating Cash Flow	(1,891)	2,224	(1,075)	(1,214)	(46)	(691)	3,386	(1,106)	(3,846)	(588)	3,918	(1,784)	(1,109)	(1,706)
Cumulative Net Operating Cash Flow	(1,891)	331	(745)	(1,958)	(2,004)	(2,716)	670	(435)	(4,281)	(4,969)	(981)	(2,765)	(3,874)	(5,579)
Rolling Cumulative Net Operating Cash Flow	(1,891)	2,224	(1,075)	(1,958)	(131)	(1,047)	1,445	1,443	(2,357)	(2,253)	(1,651)	(2,229)	508	(610)
Swap Settlements - Beta	-	-	-	-	310	-	-	-	307	-	-	-	304	-
Total Capex	(533)	(352)	(462)	(386)	(308)	(355)	(355)	(355)	(169)	(169)	(165)	(165)	(337)	(337)
Total Professional Fees	(30)	(127)	(30)	(25)	(25)	(490)	(27)	(30)	(25)	(1,506)	(567)	(320)	(266)	(127)
Monthly Interest Payment	-	-	(343)	-	-	-	(475)	-	-	-	(562)	-	-	-
Total Cash Flow (Need)	$ (2,475)	$ 1,545	$ (1,910)	$ (1,565)	$ (69)	$ (1,536)	$ 2,530	$ (1,490)	$ (3,733)	$ (3,262)	$ 2,894	$ (2,268)	$ (1,409)	$ (2,170)
Cumulative Cash Flow (Need)	$ (2,475)	$ (930)	$ (2,840)	$ (4,404)	$ (4,473)	$ (6,009)	$ (3,480)	$ (5,050)	$ (8,783)	$ (12,045)	$ (9,151)	$ (11,419)	$ (12,828)	$ (14,998)
Cash Balance By Entity														
PERL Balance	500	775	1,940	840	865	772	814	3,280	760	817	788	3,444	782	841
Net Cash Flow	(2,065)	1,190	(1,727)	(1,213)	(978)	(1,261)	2,771	(1,185)	(3,631)	(2,806)	2,780	(2,349)	(1,330)	(9,184)
PERL Borrowings	3,000	-	2,600	1,600	1,000	1,600	-	1,600	3,800	2,300	-	2,300	1,500	9,400
PEAO Funding	(710)	-	(181)	(332)	-	(276)	(244)	(475)	(102)	(157)	(85)	(120)	(88)	(128)
Cash Sweep	-	(25)	(1,199)	(90)	(55)	(32)	(64)	(2,530)	(10)	(67)	(38)	(2,694)	(32)	(91)
Ending Balance	775	1,940	840	865	772	814	3,280	760	817	788	3,444	782	841	838
PEAO Balance	250	500	855	500	500	1,409	500	500	500	500	500	500	500	500
Net Cash Flow	(470)	355	(183)	(312)	909	(276)	(244)	(475)	(102)	(157)	(85)	(120)	(88)	(128)
PERL Funding	720	-	183	312	-	276	244	475	102	157	85	120	88	128
Cash Sweep	-	-	(355)	-	-	(909)	-	-	-	-	-	-	-	-
Ending Balance	500	855	500	500	1,409	500	500	500	500	500	500	500	500	500
Beta Earn Out Segregated Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-
AERA Restricted Cash Contribution	-	-	-	-	-	-	-	-	-	-	-	-	-	(6,300)
Noble Restricted Cash Contribution	-	-	-	-	-	-	-	-	-	-	-	-	-	(806)
Ending Balance	-	-	-	-	-	-	-	-	-	-	-	-	-	7,106
AK Segregated Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restricted Cash Contribution	-	-	-	-	-	-	-	-	-	-	-	-	-	(36)
Ending Balance	-	-	-	-	-	-	-	-	-	-	-	-	-	36
PERL borrowings net of sweep	3,000	(25)	455	1,510	945	669	(64)	(930)	3,790	2,233	(38)	(394)	1,468	9,309

Footnote
The sum of $350,000 of the Interim Order Amount is restricted and will only be made available in the event of a delay or disruption due to third party actions of any scheduled receipt of oil revenues during the interim period.

Pacific Energy Resources Ltd.
Weekly DIP Forecast — Revised Budget
(US $'s in thousands)

	6/19	6/26	7/3	7/10	7/17	7/24	7/31	8/7	8/14	8/21	8/28	9/4	9/11	Total
Beta and Nat Pelican Bay Pipeline														
Barrels produced	27,003	26,956	26,909	26,862	26,815	26,768	26,721	26,675	26,628	26,582	26,535	26,489	26,443	712,738
Revenue receipts	$ -	$ 5,859	$ -	$ -	$ -	$ 4,287	$ -	$ -	$ -	$ 4,396	$ -	$ -	$ -	$ 26,473
Royalty payments	-	-	1,346	-	-	-	1,035	-	-	-	1,061	-	-	3,457
LOE	633	483	632	401	631	411	630	399	630	398	1,464	398	843	84,134
SG&A / performance bond	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Critical vendor payments	-	-	-	-	-	-	-	-	-	-	-	-	-	560
Operating outflows	633	483	1,978	401	631	411	1,665	399	630	398	2,525	398	843	23,181
Operating cash flow	(633)	5,446	(1,978)	(401)	(631)	1,876	(1,665)	(399)	(630)	3,998	(2,525)	(398)	(843)	3,292
Growth CapEx	-	-	-	-	-	-	-	-	-	-	-	-	-	1,519
Maintenance CapEx	293	293	125	125	125	125	125	166	166	166	166	117	117	4,472
Total Cash Flow	(926)	5,153	(2,103)	(525)	(756)	3,751	(1,790)	(565)	(795)	3,832	(2,691)	(514)	(960)	$ (2,699)
Alaska Operated														
Barrels produced	2,619	2,617	348	348	347									45,865
Revenue receipts	$ -	$ -	$ -	$ -	$ -									$ 1,958
Royalty payments	-	-	-	-	-									409
LOE	255	394	160	80	160									2,937
SG&A / performance bond	48	44	48	10	48									1,350
Unified Command	-	-	-	-	-									50
Critical vendor payments	-	-	-	-	-									410
Operating outflows	302	438	208	70	208									5,146
Operating cash flow	(302)	(438)	(208)	(70)	(208)									(3,188)
Growth CapEx	-	-	-	-	-									-
Maintenance CapEx	19	19	62	62	62									561
Total Cash Flow	$ (321)	$ (457)	$ (270)	$ (132)	$ (270)									$ (3,750)
Corporate Overhead & Other														
Corporate SG&A & Other	2,244	176	169	47	826	47	299	47	169	554	313	47	644	9,277
Contingency Capex	25	25	25	25	25	25	25	25	25	25	25	25	25	675
Professional Fees	1,443	563	755	336	421	369	989	525	40	759	470	525	135	10,923
Monthly Interest Payment	-	495	-	-	-	563	-	-	-	615	-	-	335	3,388
Total Receipts	-	5,859	-	-	-	4,287	-	-	-	4,396	-	-	-	28,431
Total Operating Disbursements	3,179	5,927	3,395	518	1,665	458	1,964	446	799	952	2,838	444	3,490	37,605
Net Operating Cash Flow	(3,179)	4,832	(2,355)	(518)	(1,665)	3,829	(1,964)	(446)	(799)	3,444	(2,838)	(444)	(3,490)	(9,173)
Cumulative Net Operating Cash Flow	(8,759)	(3,927)	(6,282)	(6,800)	(8,465)	(4,636)	(6,600)	(7,046)	(7,845)	(4,401)	(7,239)	(7,684)	(9,173)	
Rolling Cumulative Net Operating Cash Flow	(7,778)	(1,162)	(2,409)	(1,221)	294	(709)	(318)	(246)	628	235	(639)	(637)	(1,328)	
Swap Settlements - Beta	-	-	-	101	-	-	-	298	-	-	-	-	295	1,814
Total Capex	(337)	(337)	(212)	(212)	(212)	(150)	(150)	(191)	(191)	(191)	(191)	(142)	(142)	(7,218)
Total Professional Fees	(1,443)	(563)	(755)	(336)	(421)	(369)	(989)	(525)	(40)	(759)	(470)	(525)	(133)	(10,923)
Monthly Interest Payment	-	(495)	-	-	-	(563)	-	-	-	(615)	-	-	(335)	(3,388)
Total Cash Flow (Need)	$ (4,959)	$ (3,496)	$ (3,322)	$ (765)	$ (2,297)	$ 2,748	$ (3,102)	$ (864)	$ (1,030)	$ 1,879	$ (3,499)	$ (1,116)	$ (1,806)	$ (28,888)
Cumulative Cash Flow (Need)	$ (19,154)	$ (15,720)	$ (19,042)	$ (19,807)	$ (22,104)	$ (19,357)	$ (22,459)	$ (23,322)	$ (24,353)	$ (22,473)	$ (25,972)	$ (27,088)	$ (28,888)	
Cash Balance By Entity														
PERL Balance	838	791	3,957	827	785	753	3,324	848	786	820	2,505	751	839	500
Net Cash Flow	(4,776)	3,666	(3,191)	(632)	(2,166)	2,574	(1,102)	(864)	(1,030)	1,755	(3,499)	(1,111)	(1,806)	(34,129)
PERL Borrowings	5,000	-	5,400	800	2,300	-	1,200	900	3,100	-	3,500	1,200	1,900	53,400
PEAO Funding	(183)	(457)	(132)	(132)	(132)	-	-	-	-	-	-	-	-	(3,943)
Cash Sweep	(83)	(41)	(3,207)	(77)	(35)	(3)	(1,574)	(98)	(36)	(709)	(1,735)	(1)	(39)	(16,984)
Ending Balance	791	3,957	827	785	753	3,324	848	786	820	2,505	751	839	844	844
PEAO Balance	500	500	500	500	500	500	500	500	500	500	500	500	500	250
Net Cash Flow	(183)	(457)	(132)	(132)	(132)	-	-	-	-	-	-	-	-	(2,428)
PERL Funding	183	457	132	132	132	-	-	-	-	-	-	-	-	3,943
Cash Sweep	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,265)
Ending Balance	500	500	500	500	500	500	500	500	500	500	500	500	500	500
Beta Earn Out Segregated Funds	7,106	7,106	7,335	7,335	7,335	7,335	7,509	7,509	7,509	7,509	7,633	7,633	7,633	-
AERA Restricted Cash Contribution	-	-	-	-	-	-	-	-	-	-	-	-	-	(6,300)
Noble Restricted Cash Contribution	-	(229)	-	-	-	(173)	-	-	-	(125)	-	-	-	(1,333)
Ending Balance	7,106	7,335	7,335	7,335	7,335	7,509	7,509	7,509	7,509	7,633	7,633	7,633	7,633	7,633
AK Segregated Funds	36	36	36	36	36	36	36	36	36	36	36	36	36	-
Restricted Cash Contributions	-	-	-	-	-	-	-	-	-	-	-	-	-	(36)
Ending Balance	36	36	36	36	36	36	36	36	36	36	36	36	36	36
PERL borrowings net of sweep	4,912	(41)	193	723	2,265	(3)	626	802	1,064	(709)	1,765	1,199	1,811	37,152

Footnote:
The sum of $150,000 of the Interim Order Amount is restricted and will only be made available in the event of a delay or disruption due to third party actions of any scheduled receipt of oil revenues during the interim period.

Pacific Energy Resources, Ltd.
Revised DIP Professional Fee Summary
(US $'s in thousands)

	March	April	May	June	July	August	September	Total	Success Fee
Cash Basis									
Debtor Professionals									
Allrecht	-	-	-	-	-	-	-	-	3,000
DeGolyer and MacNaughton	-	-	-	-	100	-	-	100	-
Devlin Jensen	-	-	-	30	13	16	-	60	-
Hartig Rhodes	-	-	-	15	15	15	-	45	-
JIB Auditors	-	-	-	150	-	-	-	150	-
Lazard	-	-	-	263	100	100	100	563	2,300
Meyers, Norris, Penney	-	-	-	-	134	-	80	214	-
Millstream Energy LLC	-	-	-	27	98	53	-	178	350
Netherland Sewell	-	-	-	35	15	-	-	50	-
Omni Management	-	-	-	38	40	20	-	98	-
Pachulski Stang Ziehl & Jones LLP	-	-	206	324	431	320	-	1,261	-
Ratan & Tucker LLP	-	-	-	50	252	80	-	382	-
Schully, Roberts	-	-	-	72	246	80	-	398	-
Zolfo Cooper	-	-	-	462	415	400	400	1,677	1,250
Creditor Professionals									
Andrews Kurth LLP	-	-	153	20	26	20	-	219	-
Bingham	-	-	257	436	250	250	-	1,193	-
Birch, Horton, Bittner and Cherot	-	-	2	15	5	5	-	27	-
Reed Ferril	-	-	23	25	25	25	-	98	-
Skadden	-	-	196	82	232	150	-	660	-
Unsecured Professionals	-	-	-	256	336	160	-	752	-
Other									
US Trustee	-	18	-	-	30	-	30	78	-
Contingency Fee	75	125	100	100	125	100	50	675	-
	75	143	937	2,399	2,870	1,794	660	8,878	6,900
Accrual Basis									
Debtor Professionals									
Allrecht	-	-	-	-	-	-	-	-	3,000
DeGolyer and MacNaughton	50	50	-	-	-	-	-	100	-
Devlin Jensen	18	20	6	20	20	20	7	110	-
Hartig Rhodes	-	15	15	15	15	15	5	80	-
JIB Auditors	-	-	75	75	-	-	-	150	-
Lazard	-	63	100	100	100	100	100	563	2,300
Meyers, Norris, Penney	67	67	-	-	100	-	-	234	-
Millstream Energy LLC	34	28	57	65	65	65	22	335	350
Netherland Sewell	13	22	15	-	-	-	-	50	-
Omni Management	22	16	20	20	20	20	7	124	-
Pachulski Stang Ziehl & Jones LLP	253	398	290	400	400	400	133	2,274	-
Ratan & Tucker LLP	62	124	116	100	100	100	33	635	-
Schully, Roberts	89	109	120	100	100	100	33	651	-
Zolfo Cooper	308	444	415	400	400	400	133	2,501	1,250
Creditor Professionals									
Andrews Kurth LLP	78	20	6	20	20	20	7	171	
Bingham	257	186	250	250	250	250	83	1,526	-
Birch, Horton, Bittner and Cherot	5	5	5	5	5	5	2	32	-
Reed Ferril	1	22	23	25	25	25	8	131	-
Skadden	196	82	82	150	150	150	50	860	-
Unsecured Professionals	170	222	200	200	200	200	8	1,200	-
Other									
US Trustee	18	10	10	10	10	10	10	78	-
Contingency Fee	75	125	100	300	125	100	50	675	-
	1,715	2,028	1,907	2,055	2,305	1,980	691	12,481	6,900