



Progress Energy – Extensive Expansion of Montney Fairway Ramps Up Montney Production

Calgary, April 13, 2010 (TSX – PRQ) – Progress Energy Resources Corp. (“Progress” or the “Corporation”) today provided an operational update on its Montney program in the Foothills of northeast British Columbia (the “Foothills”). Production at the Town South development project was successfully brought on-stream in late March and further delineation drilling continues to de-risk the Montney play across Progress’ expansive Foothills land base.

Progress has increased its Montney production from approximately eight million cubic feet (“mmcf”) per day of natural gas at the beginning of the year to approximately 30 mmcf per day (5,000 barrels of oil equivalent (“boe”) per day), with over 20 mmcf per day targeted to flow through its recently commissioned facility at Town South.

HIGHLIGHTS

Town South Comes on Stream

- Drilled, completed and brought on-stream four additional horizontal wells in the first quarter in the Town South area with five-day sustained test rates ranging between four to seven mmcf per day each. The five Town South horizontal wells drilled to date are currently on stream at a combined restricted rate of 20 mmcf per day;
- Constructed and commissioned a 25 mmcf per day compression and dehydration facility and a central distribution system for frac fluids at a cost of \$8.5 million.
- Based on the success of the first phase of development, Progress is expected to commence the expansion of its recently commissioned Town South facility in the third quarter. The expansion includes the installation of two additional compressors to double the capacity of the plant to 50 mmcf per day at an estimated cost of \$5 million;

- The economics of Progress' Montney program are very strong. Progress estimates the internal risked rate of return to be approximately 40 percent at C\$5.00 per GJ natural gas price and assuming four mmcf per day 30-day initial production rate and four billion cubic feet ("bcf") recoverable at a per well cost of \$6.5 million;
- The horizontal wells were drilled and completed for approximately \$6.5 million per well in Town South area. Multiple opportunities have been identified to reduce costs to \$6 million per well. These wells also qualify for the British Columbia deep drilling royalty credit of approximately \$2.1 million per well;
- Reduced drilling times for the horizontal wells to less than 30 days with one well being drilled in a record 26 days for a Montney well in this area;
- Completed the horizontal wells consistently using slick water fracture stimulations ("fracs") with six to nine fracs per horizontal leg;
- Eight to ten additional horizontals are expected to be drilled in the greater Town area prior to year-end;
- Acquired over 14,000 net undeveloped acres of land with Montney rights in the Town area since December 2009.

Extensive Expansion of Potential Development Area with Delineation Wells

- Over the past six months, Progress has drilled or recompleted successful Montney vertical delineation wells at Town, Kobes, Altares, Caribou, Gundy, and Lily with sustained test rates averaging one and a half mmcf per day. Progress' net Montney acreage within the area bounded by the vertical tests covers more than 300 net sections of land. Based on typical shale gas development, this area has the potential to support up to eight horizontal wells per section;
- Vertical delineation wells have yielded commercial gas rates from both the upper and lower Montney intervals across the delineated area. The entire Montney interval is approximately 1,000 feet in thickness in the Foothills;
- Progress has initiated a pilot program at Kobes with the drilling of two horizontal wells (0.8 net) following up successful vertical wells on Progress and partner-operated wells. These horizontal wells will be completed early in the third quarter;

- Progress targets the initiation of three additional horizontal pilot programs in 2010 following up on the success of its recent vertical delineation drilling and recompletion activity across the Foothills.

Progress Established as a Major Montney Player

- As at December 31, 2009, Progress had booked 100 billion cubic feet equivalent of proved plus probable Montney reserves;
- Progress is one of the largest acreage holders in the Montney fairway holding approximately 885,000 net acres of Montney rights. Approximately 105,000 net contiguous acres of Montney rights were added through the recent acquisition of assets in the Foothills;
- Progress' Foothills lands, including the Montney rights, have been purchased at an average of under \$200 per acre since 2002 compared to recent land sale averages of over \$2,000 per acre;
- Progress is using 3-D seismic and microseismic technology extensively to identify the optimal inter-well spacing, placement of fracture stimulations and efficacy of the frac programs;
- The Foothills region has well-developed pipeline and processing infrastructure resulting from Progress' legacy Halfway and Debolt production. Midstreamer facilities are positioned to handle Progress' growing volumes either through existing facilities or re-starting shut-in facilities. In addition to Progress' current contracted capacity at the McMahan gas plant, the Corporation also secured additional capacity at McMahan and the Jedney gas plant through its recent acquisition. Having access to Jedney will allow Progress to optimize the capacity at McMahan for its Montney development;
- Progress' natural gas stream is sold primarily at AECO indexed pricing but can access the Chicago NYMEX market or the Pacific Northwest directly through existing pipeline systems. Additionally, Progress' land base is situated on the pipeline system which has direct access to the proposed Kitimat LNG terminal in northeast British Columbia.

Progress is currently producing approximately 43,000 boe per day or approximately 258 million cubic feet equivalent per day. The Corporation plans to invest approximately \$350 million in 2010 with \$175 million directed towards its Montney program.

Progress' continued strategy is to focus on the development of its Montney and Nikanassin opportunities in the Western Canadian Sedimentary Basin where the Corporation holds large contiguous land blocks, maintains high working interests and operatorship and ownership in the area infrastructure. The Montney and Nikanassin represent two of the premier unconventional natural gas plays in North America based on their economics and early stage development. Progress is well positioned in both plays to generate strong growth in production, reserves and asset value for its shareholders.

Progress' first quarter results will be released after market close on Wednesday, April 28, 2010. The Corporation will hold its Annual Meeting of Shareholders on Thursday, April 29, 2010 at 3:30 p.m. at the Calgary Petroleum Club.

For further information:

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Advisory Regarding Forward-Looking Statements

This press release contains forward-looking statements and forward-looking information within the meaning of applicable securities laws. The use of any of the words "expect", "anticipate", "continue", "estimate", "objective", "ongoing", "may", "will", "project", "should", "believe", "plans", "intends" and similar expressions are intended to identify forward-looking information or statements. In particular, forward looking statements in this press release include, but are not limited to, statements with respect to: production to be processed through the Corporation's Town South facility; anticipated royalty credits; anticipated internal rate of return; drilling plans and the timing thereof; plans regarding future horizontal pilot programs; Corporation's 2010 capital program and allocation thereof; facility expansion plans and the expected costs if such development plans; Progress' ongoing strategy and results therefrom; expected production rates; and expected commodity prices and industry conditions. This press release also contains test results for various wells. Actual production from these wells could differ materially from these test results.

The forward-looking statements and information are based on certain key expectations and assumptions made by Progress, including expectations and assumptions concerning prevailing commodity prices and exchange rates, applicable royalty rates and tax laws; future well production rates; reserve and resource volumes; the performance of existing wells; the success obtained in drilling new wells; and the sufficiency of budgeted capital expenditures in carrying out planned activities; and the availability and cost of labour and services and future operating costs. Although Progress believes that the expectations and assumptions on which such forward-looking statements and information are based are reasonable, undue reliance should not be placed on the forward looking statements and information because Progress can give no assurance that they will prove to be correct.

Since forward-looking statements and information address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to, the risks associated with the oil and gas industry in general such as operational risks in development, exploration and production; delays or changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of reserve and resource estimates; the uncertainty of estimates and projections relating to reserves, resources, production, costs and expenses; health, safety and environmental risks; commodity price and exchange rate fluctuations; marketing and transportation; loss of markets; environmental risks; competition; incorrect assessment of the value of acquisitions; failure to realize the anticipated benefits of acquisitions; ability to access sufficient capital from internal and external sources; changes in legislation, including but not limited to tax laws, royalties and environmental regulations.

Management has included the above summary of assumptions and risks related to forward-looking information provided in this press release in order to provide securityholders with a more complete perspective on the Corporation's future operations and such information may not be appropriate for other purposes. The Corporation's actual results, performance or achievement could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what benefits that the Corporation will derive there from. Readers are cautioned that the foregoing lists of factors are not exhaustive. These forward-looking statements are made as of the date of this press release and the Corporation disclaims any intent or obligation to update publicly any forward-looking statements, whether as a result of new information, future events or results or otherwise, other than as required by applicable securities laws.

Readers are cautioned that the foregoing list of factors is not exhaustive. Additional information on these and other factors that could affect the operations or financial results of Progress are included in reports on file with applicable securities regulatory authorities and may be accessed through the SEDAR website (www.sedar.com). The forward-looking statements and information contained in this press release are made as of the date hereof and Progress undertakes no obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.

Advisory Regarding Reserves

"Boe" means barrel of oil equivalent on the basis of 1 boe to 6,000 cubic feet of natural gas and "mcf" means thousand cubic feet of natural gas equivalent. Boe's and mcf's may be misleading, particularly if used in isolation. A boe conversion ratio of 1 boe for 6,000 cubic feet of natural gas, or an mcf conversion ratio of 6,000 cubic feet of natural gas for one barrel of oil is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.