



Progress Energy Resources Announces \$200 Million Public Offering of Convertible Debentures

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Calgary, September 30, 2009 (TSX – PRQ) Progress Energy Resources Corp. (“Progress”) or the (“Company”) today announced that it has entered into an agreement with a syndicate of underwriters led by BMO Capital Markets and including Scotia Capital Inc., CIBC World Markets Inc., Cormark Securities Inc., FirstEnergy Capital Corp., Peters & Co. Limited, RBC Capital Markets, Canaccord Capital Corporation, National Bank Financial Inc., Macquarie Capital Markets Canada Ltd., GMP Securities L.P. and Raymond James Ltd., pursuant to which the underwriters will purchase \$200 million principal amount of convertible unsecured subordinated debentures at a price of \$1,000 per debenture.

The convertible debentures will mature on October 31, 2014 and will accrue interest at the rate of 5.25% per annum payable on a semi-annual basis. At the holder’s option, the convertible debenture may be converted into common shares of the Company at any time up to the maturity date. The conversion price will be \$18.00 for each common share, subject to adjustment in certain circumstances.

The convertible debentures will be direct, unsecured obligations of Progress, subordinated to other indebtedness of the Company for borrowed money and ranking equally with all other unsecured subordinated indebtedness.

The convertible debentures will not be redeemable before October 31, 2012. From October 31, 2012 through the maturity date, Progress may, at its option, redeem the convertible debentures, in whole or in part, at a price equal to the principal amount plus accrued and unpaid interest provided that the weighted average trading price of the common shares on the Toronto Stock Exchange during a specified period prior to redemption is not less than 125% of the conversion price.

Subject to specified conditions, Progress will have the right to repay the outstanding principal amount of the convertible debentures, on maturity or redemption, through the issuance of common shares of the Company. Progress will also have the option to satisfy its obligation to pay interest through the issuance and sale of common shares of the Company.

Progress will use the net proceeds of the offering for general corporate purposes, including the Company’s exploration and development program and reduction of currently outstanding bank indebtedness.

The offering is scheduled to close on or about October 23, 2009 and is subject to certain conditions including, but not limited to, the receipt of all necessary approvals including the approval of the Toronto Stock Exchange.

A preliminary short-form prospectus will be filed by October 6, 2009 with the securities regulatory authorities in all provinces of Canada. The securities offered have not been and will not be registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from the registrations requirements of such Act. This press release shall not constitute an offer to sell or the solicitation of an offer to buy the securities in any jurisdiction.

Progress is a Calgary based, mid-size energy company primarily focused on natural gas exploration, development and production in northwest Alberta and northeast British Columbia. Common shares of Progress are listed on the Toronto Stock Exchange under the symbol PRQ.

For further information, contact Greg Kist, Vice President, Investor Relations and Marketing, Progress Energy Resources Corp., at 403-539-1809 (gkist@progressenergy.com)

Advisory Regarding Forward-Looking Statements

This press release and financial highlights table (collectively the "press release") contains forward-looking statements and forward-looking information within the meaning of applicable securities laws. The use of any of the words "may", "will", "subject to" 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 the focus of capital expenditures, the timing of capital spending and the results therefrom.

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 Company's future operations and such information may not be appropriate for other purposes. The Company'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 Company 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 company 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.