



NEWS RELEASE

Progress Provides Operational Update

Successful 10 MMcf/d Montney horizontal test at Town

Calgary, September 29, 2009 (TSX – PRQ) – Progress Energy Resources Corp. (“Progress”) or the (“Company”) today provided an update on third quarter operational activities. This update is provided consistent with the Company’s ongoing disclosure practices and will be included in Progress’ revised corporate presentation.

For the second half of 2009, Progress set a capital and dividend program targeting increased shareholder value during a period when near-term cash flows were limited by low natural gas prices. As previously announced, the Company has maintained its dividend at \$0.10 per share per quarter. Capital expenditures of \$65 million in the second half of the year have predominantly been directed towards Nikanassin opportunities in the Deep Basin and Montney drilling in northeast British Columbia. The results to date have exceeded expectations and position the Company well for the next up-cycle.

“We have selected drilling opportunities from our extensive inventory which we believe will further increase our reserve bookings and asset value,” said Michael Culbert, President and CEO of Progress. “One third of our capital investment in the second half of the year is being directed to the Montney program which has the potential to add material value to Progress.”

Montney Update

Progress has continued to advance its Montney program toward a commercial project decision. The Company has built a significant land position of over 800,000 undeveloped acres of Montney rights along the disturbed belt on the eastern flank of the Rocky Mountains. The Company maintains high working interests and operatorship in substantially all of the properties in the Deep Basin and Foothills where its rights are held. The focus of the Company’s Montney program is currently in the Town area in the heart of Progress’ Foothills region where a large network of Progress-owned gathering pipelines and compressor stations already exist.

Three horizontal and four vertical wells have been drilled in the Town area. The vertical wells have had variable test rates averaging one million cubic feet (“mmcf”) per day, post frac. The first horizontal well drilled at Town had an initial production rate of 2.4 mmcf per day and after 90 days on production has exhibited a shallow decline and is currently producing at a stabilized rate of 1.4 mmcf per day. A second horizontal well was recently drilled and completed in the Town area with a 1,400 meter horizontal section. The well was fracture stimulated over eight intervals and had a final gas rate of approximately 10 mmcf per day after a four day production test. The well has now been shut-in for pressure build-up and is expected to be brought back on stream at a restricted rate of approximately five mmcf per day.

Progress has also drilled a third horizontal well and an additional vertical Montney test at Town as well as a second vertical well at Kobes to the south. Completions on these wells will continue through the fourth quarter. Horizontal Montney wells drilled in the Foothills after September 1st, 2009 will be eligible for the deep well drilling credit and the two percent first year royalty programs recently announced by the government of British Columbia.

"We continue to be very encouraged by the results we have achieved to-date in our Montney program," said Mr. Culbert. "Combined with a competitive royalty regime in northeast British Columbia, these results move us substantially closer to a commercial decision."

Deep Basin Update

Progress has eight wells drilled and completed behind pipe in the Deep Basin representing approximately 2,500 boe per day. We plan to have one rig running in the Deep Basin for the remainder of the year with continued focus on the Nikanassin formation where it is typically co-mingled with two to three additional formations. Initial production rates for recent Nikanassin vertical tests have averaged two mmcf per day. Progress continues to assess the economics of drilling horizontally versus vertically in the multiple stacked horizons of the Deep Basin.

Production Update

Progress' third quarter production has averaged approximately 32,000 boe per day to the end of August. In addition to the behind pipe volumes in the Deep Basin, the Company has shut-in 5,000 boe per day of natural gas production since September 1st due to low gas prices. Shut-in production is expected to be brought back on-stream in November. The shut-in properties were prioritized based on low fixed operating costs, high working interests, higher flush-decline and wells in which there were no competitive drainage issues or shutdown/start-up costs.

"The decision to shut-in production reflected our view that natural gas prices had reached unsustainably low levels and are poised to improve heading into the winter," said Mr. Culbert. "Protecting the value of the gas stream is paramount to creating value for shareholders. We accomplish this by being efficient with our capital investment and by operating one of the lowest cost structures in the business."

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.

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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 "expect", "expectations", "encouraged", "view", "targeting", "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 the focus of capital expenditures, the timing of capital spending and the results therefrom; payment of dividends; projections of future land holdings; completion of planned facility expansions and the timing thereof; future drilling plans and programs, the timing thereof and the results therefrom; expected commodity prices and industry conditions.

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 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.

Barrels of Oil Equivalent

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