



NEWS RELEASE

Progress Announces First Quarter Results

Positioning Progress for the next up cycle

Calgary, April 29, 2009 (TSX – PRQ) – Progress Energy Resources Corp. (“Progress” or the “Company”) announces results for the first quarter of 2009 (the “Quarter”). The Quarter was characterized by strong drilling results within a disciplined capital program to preserve balance sheet strength and position the Company for the next up cycle. “The new Progress was launched in a challenging economic and commodity price environment,” said Mr. Michael Culbert, President and CEO of Progress. “We believe the depth of our asset base, our prudent approach to financial management and the strength of our technical and financial professionals has positioned the Company for success through all cycles.”

Highlights

- Completed the business combination to create Progress Energy Resources Corp. on January 15, 2009;
- Combined production for the Quarter, including ProEx Energy Ltd. (“ProEx”) production prior to the Arrangement, averaged 35,007 barrels of oil equivalent (“boe”) per day including approximately 185 million cubic feet (“mmcf”) of natural gas per day;
- Drilled 29 gross (25.5 net) wells in the first quarter with an 88 percent success rate;
- Drilled three vertical and one horizontal Montney tests in the Foothills with encouraging early results;
- Added over 65,000 net undeveloped acres of land through Crown land sales and a swap with a major Canadian independent. Progress holds over 1.1 million net undeveloped acres; and,
- Completed a \$140 million common share public offering in February 2009 which has positioned the Company’s balance sheet to be opportunistic in this environment.

Business Combination

Progress Energy Trust and ProEx Energy Ltd. completed the business combination on January 15, 2009 to create Progress Energy Resources Corp. Since the combination is treated as a reverse takeover for accounting purposes, cash flow and production exclude ProEx Energy results for the first 14 days of the Quarter. Cash flow reported for the Quarter was \$68.8 million versus \$72.2 million including the first 14 days of January 2009 for ProEx. Reported production for the Quarter was 33,170 boe per day versus 35,007 boe per day including the first 14 days of January 2009 for ProEx.

Operating Results

The Company drilled 29 wells (25.5 net) in the Quarter with a success rate of 88 percent. Through the Quarter, Progress had up to eight drilling rigs operating, six in the Foothills and two in the Deep Basin. In the current natural gas price environment, Progress chose to not complete and tie-in several wells from the winter program. These wells will be completed and brought on stream over the third and fourth quarters of 2009.

Building on the successes achieved in the Company's Nikanassin program in the Deep Basin and its Montney program in the Foothills, the Company added over 65,000 net undeveloped acres in the Quarter. Approximately 22,000 net undeveloped acres were added in the Deep Basin primarily targeting the Nikanassin. Another 43,000 net undeveloped acres were added in the Foothills on trend with the Company's Montney activity. Progress currently holds over 1.1 million net undeveloped acres of land primarily in the Deep Basin of northwest Alberta and the Foothills of northeast British Columbia.

Deep Basin of Northwest Alberta

The Company continued its successful program in the Deep Basin drilling nine wells (7.9 net) in the Quarter of which eight wells (6.9 net) were drilled in the Gold Creek Project area. The Nikanassin formation was the primary or secondary zone in five of the wells which also included success in the Charlie Lake, Falher, Bluesky and Gething zones. Five of nine wells are currently on production with the other four to be brought on stream during the third and fourth quarters of 2009.

"Our Deep Basin assets continue to generate strong operating results and the economics of the area will be further enhanced by recent royalty changes," said Mr. Daniel Topolinsky, Executive Vice President, Exploration and Development. "We will direct a greater proportion of our remaining 2009 capital investment program to maximizing the benefit of the Alberta royalty changes."

Progress' Deep Basin program will benefit from the recently announced changes to the Alberta royalties. A drilling credit of \$200 per meter drilled is expected to provide up to \$500,000 per typical Deep Basin well drilled by Progress. The Company also delayed the tie-in of numerous wells drilled in the fourth and first quarters to take advantage of the five percent royalty credit that is provided for wells brought on-stream after April 1, 2009.

Facilities construction for the Quarter included the installation of an interconnect to provide area access to the Wapiti gas plant and provide the Company with added flexibility to flow gas to multiple plants that the Company has ownership in. Scheduled turnarounds and outages are planned at the Gold Creek, Karr, Cutbank and Musreau plants during the second quarter. In total, second quarter production is expected to be impacted by approximately 1,300 to 1,500 boe per day.

Progress has drilled two of its vertical wells down to the Montney in the Deep Basin and has placed one of the two on a long term production test. Industry activity on the Montney play is expanding in the area adjacent to Progress' Gold Creek and Sinclair holdings. Currently large independent energy companies are in the process of drilling horizontal wells offsetting productive verticals. Progress will continue to monitor activity to determine the potential for additional Montney tests on its large Deep Basin land base.

Foothills of Northeast British Columbia

The Company drilled 18 wells (15.6 net) in the Quarter primarily targeting the Halfway and Montney formations and including three Debolt and four Cretaceous tests.

Progress again partnered with the Province of British Columbia on infrastructure development and completed the construction of approximately 8.5 kilometers of a gas gathering pipeline system in the Caribou/Green area in January 2009 to tie-in new and existing wells.

Halfway Program Update

The Company's Halfway horizontal program was initiated with a focus in achieving five to six times the benefit for the equivalent cost of three vertical wells. The rates achieved in the Sasquatch and Bubbles wells are sufficiently encouraging to continue to develop horizontal drilling technology in the northerly portion of the Foothills landbase where topographical challenges exist. Sasquatch, the Company's third

horizontal well, commenced production at 4 mmcf per day and now has leveled off at 1.5 mmcf per day. In the Quarter, the Company's fourth horizontal well was drilled and completed at Bubbles. The well was fracture stimulated in five intervals over a 560 meter horizontal section. It is currently producing at 1.2 mmcf per day which is approximately four times the rate of the offsetting verticals.

Progress has proved over its history that the Halfway is highly economic when drilled vertically. Progress and its predecessor companies have drilled over 200 Halfway vertical wells during the past 5-years at an average cost of \$2 million to drill, complete and tie-in with an average reserve booking of 2 billion cubic feet per well and an average initial production rate of 1.8 mmcf per day.

Montney Program Update

Progress has built a significant Montney rights land base totaling 790,000 net undeveloped acres in the Montney fairway in northeast British Columbia and northwest Alberta. Since July 2008, Progress has penetrated the Montney in 10 vertical wells including eight in British Columbia and two in Alberta. Nine of the 10 wells had primary or secondary targets other than the Montney, consistent with Progress' program of risk mitigation. Test rates for intervals which have been fracture stimulated in the 10 vertical wells tested in excess of 100 thousand cubic feet ("mcf") per day with rates up to 1.5 mmcf per day.

"While we are in the early stages of our Montney program, we are encouraged by the results we have achieved to date as well as the results achieved by adjacent operators," said Mr. Culbert. "Our Montney program for the remainder of 2009 will be directed towards proving commerciality in anticipation of an improved natural gas price environment."

At Town, the Company drilled two vertical wells and one horizontal. The two vertical wells post frac tested in excess of one mmcf per day from the Middle Montney. Both wells are on production through the Company's extensive area infrastructure. The horizontal well was drilled and fracture stimulated in nine intervals in the Middle Montney formation. The Company employed varying sizes of fracture stimulations and carrying agents and also individually flow tested each interval. The individual intervals tested at an average rate of 750 mcf per day each. Upon completion of the fracture stimulations the well flowed at a rate of 1.4 mmcf per day. Currently the well has been shut in for pressure build up. Additional production testing and core analysis is ongoing to determine the cause of the restricted flow.

Progress has also partnered with a large independent on its Montney exploration program in the Blair/Cameron area. One vertical well has been drilled with another two wells planned before year end.

Financial Strength

The Company generated cash flow for the Quarter of \$68.8 million or \$0.46 per share, diluted. Cash flow included strong hedging gains of \$5.85 per boe from the Company's winter hedging program.

The Company invested exploration and development capital of \$97.8 million in the Quarter. This included \$71.3 million in drilling and completions, \$16.8 million in land and seismic, and \$9.6 million in facilities. As at March 31, 2009, the Company had approximately \$260 million available under its \$650 million revolving credit facility.

Management Appointment

Mr. Daniel Topolinsky has been appointed Executive Vice President, Exploration and Development. The appointment reflects Daniel's strong technical and business contribution to Progress' capital program and the success achieved at predecessor companies.

Outlook

We are optimistic about the prospects for Progress given our high quality asset base, inventory of opportunities, strong financial position, low cost structure and strength of our technical and financial professionals.

We have positioned Progress to benefit from all points in the commodity and business cycles. During periods of low natural gas prices, as we are experiencing now, we will focus on long-term resource capture to position us for the next up cycle. The maintenance of our healthy balance sheet will be important in this environment and will provide the flexibility to take advantage of unique opportunities which add long-term value for shareholders.

Our capital investment program has been adjusted from the original \$350 million which was based on a natural gas price for the year of approximately \$7.50 per gj at AECO. We will be flexible responding to changes in natural gas prices and focus on living within our means. We invested approximately \$100 million in the Quarter and expect in the current commodity price environment, to invest an additional \$75 to \$100 million to the end of 2009. The investments we are making over the remainder of 2009 will focus on proving up play concepts, such as the Montney, which we believe will have a material impact on the future value of the Company and also maximizing the benefit of the changes to the Alberta royalties. The second quarter will see minimal capital investment due to normal break-up activities, as well as the weaker natural gas price environment.

The factors that we expect to lead to a recovery in natural gas prices are beginning to unfold. Drilling activity across North America has dropped by over 50 percent since the peak in September 2008. Given the relatively high initial decline rates of wells being drilled in unconventional plays, we believe that natural gas production will fall throughout 2009 and 2010 without a recovery in drilling activity. As well, credit conditions remain tight and capital investment programs are being funded primarily from cash flows which will remain relatively weak in the near term. On the demand side, overall natural gas demand has fallen although by less than initially expected. Industrial demand remains the weakest component of overall demand but will benefit from easing economic concerns. On balance, we expect natural gas prices will begin to strengthen in the second half of 2009 and heading into next winter.

Consolidated Financial Statements and MD&A

2009 Consolidated Financial Statements and Notes to the Consolidated Financial Statements and Management's Discussion and Analysis for Progress Energy Resources Corp. have been filed on SEDAR (www.sedar.com) under Progress Energy Resources Corp. and can also be accessed on the Company's website at www.progressenergy.com.

Annual and Special Meeting of Shareholders

Progress' Annual and Special Meeting of Shareholders is scheduled for Thursday, April 30, 2009 at 3:30 p.m., Calgary time, at the Calgary Petroleum Club, 319-5th Avenue S.W. Calgary, Alberta.

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).

	Three Months Ended March 31	
	2009	2008
FINANCIAL HIGHLIGHTS		
Income Statement (\$ thousands, except per share amounts)		
Petroleum and natural gas revenue	102,660	123,075
Cash flow ¹	68,767	68,115
Per share – diluted	0.46	0.61
Cash dividends declared ²	17,134	-
Per share	0.10	-
Cash distributions declared	-	29,365
Per unit	-	0.30
Balance Sheet (\$ thousands)		
Working capital deficiency	37,869	13,653
Bank debt	387,956	311,060
Convertible debentures	125,352	122,818
Total debt	551,177	447,531
Capital expenditures	97,923	41,528
Plan of Arrangement ³	662,659	-
OPERATIONAL HIGHLIGHTS		
Average Daily Production		
Natural gas (<i>mcf/d</i>)	174,535	127,667
Crude oil (<i>bbls/d</i>)	2,151	2,186
Natural gas liquids (<i>bbls/d</i>)	1,930	2,052
Total daily production (<i>boe/d</i>)	33,170	25,515
Average Realized Prices		
Natural gas (<i>\$/mcf</i>)	5.52	7.95
Crude oil (<i>\$/bbl</i>)	44.50	89.86
Natural gas liquids (<i>\$/bbl</i>)	38.98	65.15
Wells Drilled, Net	25.5	14.1

(1) Represents cash flow from operating activities before changes in non-cash working capital.

(2) Includes \$0.7 million of accumulated distributions paid on the performance units that vested as a result of the Plan of Arrangement which was completed on January 15, 2009.

(3) Reverse Takeover of ProEx Energy Ltd. on January 15, 2009.

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", "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.