



## NEWS RELEASE

### Progress Releases 2009 Year-end Reserves Information

**CALGARY**, Alberta (February 9, 2010) - (TSX-PRQ) -- Progress Energy Resources Corp. ("Progress" or the "Corporation") today released its 2009 year-end reserves information. In January of 2009 Progress Energy Trust ("Trust") and ProEx Energy Ltd. ("ProEx") completed a plan of arrangement which resulted in a reverse take over of ProEx. As a result of the structure of the transaction the new public entity named Progress Energy Resources Corp. ("Progress" or the "Corporation") was created. The reserve reconciliation provided herein, is accounted for as a reverse takeover, whereby the Trust was deemed the acquirer of ProEx and therefore, as a result, the reserves information presented below reflect the history of the Trust with ProEx being the acquired entity in 2009.

#### Highlights

- 2009 year-ending proved plus probable reserves were 155.1 mmboe with a reserve life index of 13 years based on fourth quarter 2009 production of 31,400 boe per day annualized;
- Total reserve additions, net of revisions and inclusive of the acquisition of ProEx, were 51.2 mmboe proved and 76.7 mmboe proved plus probable;
- Proved plus probable finding and development ("F&D") cost of \$13.88 per boe including the change in future development capital ("FDC");
- Proved plus probable finding, development and acquisition ("FD&A") cost of \$19.78 per boe including the change in FDC;
- 35 percent of the Corporation's 2009 capital activities focused on the pursuit of Montney exploration and delineation drilling in the Foothills of northeast British Columbia. As a result of these efforts, 16.7 mmboe of proved plus probable reserves were booked to the Montney play at the end of 2009;
- In the Town South project area, where the Company has initiated phase one of its Montney development program, 12.0 mmboe of proved plus probable reserves were booked;
- Several additional Montney discoveries have been made on Progress lands in 2010. These discoveries remain unbooked as the completion timing after year-end does not allow recognition of the reserves in this report;
- The Corporation's strong performance continued in the Gold Creek and Wapiti areas where 12.1 mmboe of proved plus probable reserves were added. Of these, 8.4 mmboe were in the form of 37.5 net future drilling locations where multiple stacked sands have been mapped over a continuous area. These locations represent approximately 15 percent of the total locations identified by Progress in the area.

In this news release, all estimates of natural gas and petroleum reserves and production are presented on a "company interest" basis (as defined below), unless expressly indicated that they have been presented on a "gross" or "net" basis. The Company's actual natural gas and petroleum reserves and future production will be greater than or less than the estimates provided in this news release. The estimated future net revenue from the production of the Company's natural gas and petroleum reserves does not represent the fair market value of the Company's reserves.

### Supplemental Reserve Reconciliation Information

- The opening balance is equal to the Trust's 2008 closing balance representing 62.8 mmbob of proved reserves and 90.2 mmbob of proved plus probable reserves;
- The closing balance for 2009 is 102.3 mmbob proved and 155.1 mmbob proved plus probable. Based on the 2008 year-end proforma reserves for each of the Trust and ProEx, this results in a three percent reduction in proved reserves and a two percent increase in proved plus probable reserves.
- A portion of the reserves recognized in ProEx's 2008 closing balance were not carried forward in the reserves recognized as acquired by Progress. Approximately 9% of the closing proved plus probable balance was not carried forward in association with undeveloped drilling locations where the expected recovery was adjusted to be inline with the performance of offsetting producers or where the location was dropped entirely. The Corporation is unlikely to deploy capital to these dropped locations in the foreseeable future due to its depth of other opportunities and the current gas price environment. In addition, 8% of the closing proven plus probable balance was not carried forward in association with certain producing wells in the Julienne, Caribou and Green properties where production declines over the past 12 months have warranted adjustments from the original estimates.

### Replacement Costs (Unaudited)

- FD&A cost of \$27.09 per boe, proved and \$19.78 per boe, proved plus probable, including the change in FDC;
- F&D cost of \$18.79 per boe proved and \$13.88 per boe, proved plus probable, including the change in FDC;
- The three year average F&D cost of \$18.48 per boe, proved and \$14.12 per boe, proved plus probable including the change in FDC.

### For further information:

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In addition to the detailed information disclosed in this news release more detailed information will be included in Progress' Annual Information Form ("AIF").

**PRESENTATION OF PROGRESS' NATURAL GAS AND  
PETROLEUM RESERVES AND PRODUCTION INFORMATION**

*Disclosure of Information*

In addition to the detailed information disclosed in this news release more detailed information on a gross basis (working interest before deduction of royalties without including any royalty interests) will be included in Company's Annual Information Form ("AIF") in addition to the full NI 51-101 disclosure for the year ended December 31, 2009 which will be filed on or before March 31, 2010.

**The Company has adopted the standard of 6 mcf:1 boe when converting natural gas to boes. Boe's may be misleading, particularly if used in isolation. A boe conversion ratio of 6 mcf:1 boe is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.**

Certain of the following definitions and guidelines have been prepared by the Standing Committee on Reserves Definitions of the CIM (Petroleum Society). Further information is contained in Section 5.4 of Volume 1 of the COGE Handbook (First Edition, June 30, 2002). Readers should consult the COGE Handbook for additional explanation and guidance. Certain other terms used in this news release have the meanings assigned to them in NI 51-101 and accompanying Companion Policy 51-101CP, adopted by the Canadian securities regulatory authorities and in Staff Notice 51-324 of the Canadian Securities Administrators.

**STATEMENT OF RESERVES DATA AND OTHER OIL AND GAS INFORMATION  
PROGRESS ENERGY RESOURCES CORP.**

The following tables set forth certain information relating to Progress' crude oil, natural gas and natural gas liquid reserves and the net present value of future net revenues associated with such reserves as at December 31, 2009, as evaluated by GLJ in the GLJ Progress Report dated February 8, 2010 based upon forecast price and cost assumptions. The information set forth below is derived from the GLJ Report that was prepared in accordance with the standards contained in the COGE Handbook and the reserves definitions contained in NI 51-101 and the COGE Handbook. Progress engaged GLJ to provide an evaluation of proved and proved plus probable reserves.

**All future net revenues are stated prior to provision for interest, general and administrative expenses and after deduction of royalties and estimated future capital expenditures. Future net revenues have been presented on both a before and after tax basis.**

It should not be assumed that the present worth of estimated future cash flow presented in the tables below represent the fair market value of the reserves. There is no assurance that the forecast prices and costs assumptions will be attained and variances could be material. The recovery and reserve estimates of Progress' crude oil, natural gas liquids and natural gas reserves provided herein are estimates only and there is no guarantee that the estimated reserves will be recovered. Actual crude oil, natural gas and natural gas liquid reserves may be greater than or less than the estimates provided herein.

**Summary of Oil and Gas Reserves and Net Present Values of Future Net Revenue  
As of December 31, 2009  
Forecast Prices and Costs**

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Reserve Category	Light and Medium Oil		Heavy Oil		Conventional Natural Gas		Natural Gas Liquids		BOE	
	Company Interest	Net	Company Interest	Net	Company Interest	Net	Company Interest	Net	Company Interest	Net
	(Mbbl)	(Mbbl)	(Mbbl)	(Mbbl)	(MMcf)	(MMcf)	(Mbbl)	(Mbbl)	(Mboe)	(Mboe)
Proved										
Developed producing	2,919	2,467	505	425	367,617	299,934	5,134	3,635	69,828	56,516
Developed non- producing	329	290	16	16	48,185	38,670	610	439	8,987	7,190
Undeveloped	335	287	0	0	129,060	106,269	1,625	1,211	23,470	19,210
Total proved	3,584	3,044	521	441	544,682	444,873	7,370	5,285	102,285	82,916
Probable	1,056	880	122	98	289,305	238,917	3,455	2,497	52,851	43,294
Total proved plus probable	4,640	3,924	643	540	834,167	683,790	10,825	7,782	155,136	126,210

"Company interest" means, in relation to Progress' interest in production or reserves, its working interest (operating or non-operating) share before deduction of royalties, plus Progress' royalty interests in production or reserves. "Company interest" is not a term defined or recognized under NI 51-101 and does not have a standardized meaning under NI 51-101. Therefore, the "company interest" reserves of Progress may not be comparable to similar measures presented by other issuers, and investors are cautioned that "company interest" reserves should not be construed as an alternative to "gross" or "net" reserves calculated in accordance with NI 51-101.

Net Present Value of Future Net Revenue											BTNPV Disc 10% \$/boe
Reserve Category	Before Income Taxes					After Income Taxes					
	Discounted at (%/year)					Discounted at (%/year)					
	0	5	10	15	20	0	5	10	15	20	
(\$ thousands)											
<b>Proved</b>											
Developed Producing	1,886,143	1,339,129	1,062,863	892,160	775,422	1,848,370	1,335,370	1,061,973	891,929	775,358	18.81
Developed Non- Producing	243,262	166,916	124,935	99,106	81,849	182,446	142,511	114,447	94,330	79,565	17.38
Undeveloped	500,268	301,681	195,786	132,518	91,681	375,201	234,743	157,597	109,706	77,557	10.19
<b>Total Proved</b>	<b>2,609,672</b>	<b>1,807,726</b>	<b>1,383,584</b>	<b>1,123,784</b>	<b>948,953</b>	<b>2,406,017</b>	<b>1,712,624</b>	<b>1,334,017</b>	<b>1,095,965</b>	<b>932,479</b>	<b>16.69</b>
<b>Total Probable</b>	<b>1,709,762</b>	<b>840,024</b>	<b>502,137</b>	<b>335,649</b>	<b>240,287</b>	<b>1,282,319</b>	<b>635,427</b>	<b>384,917</b>	<b>261,371</b>	<b>190,211</b>	<b>11.60</b>
<b>Total Proved Plus Probable</b>	<b>4,319,434</b>	<b>2,647,749</b>	<b>1,885,721</b>	<b>1,459,433</b>	<b>1,189,240</b>	<b>3,688,336</b>	<b>2,348,051</b>	<b>1,718,934</b>	<b>1,357,336</b>	<b>1,122,690</b>	<b>14.94</b>

Note: May not add due to rounding

Notes:

- (1) The estimated net present value of future net revenue is based on current legislation in place December 31, 2009.
- (2) Natural gas reserves are reported at a base pressure of 14.65 pounds per square inch and a base temperature of 60°F.
- (3) Prices for oil F.O.B. Edmonton are based upon 40° API oil having less than 0.4% sulphur. Prices for natural gas are based upon a base pressure of 14.65 pounds per square inch and base temperature of 60°F. The wellhead oil prices were adjusted for quality and transportation based on historical actual prices. The natural gas prices were adjusted, where necessary, based on historical pricing based on heating values and the differing costs of service applied by various purchasers. The natural gas liquids prices were adjusted to reflect historical average prices received.
- (4) The forecast prices and cost case assumes no legislative or regulatory amendments and includes the effects of inflation. The estimated future net revenue to be derived from the production of the reserves includes an inflation rate of 2.0% per year, an exchange rate as listed below, and the following price forecasts supplied by GLJ, Progress' independent qualified reserves evaluator and are as noted below.

Year	Oil			Natural Gas Liquids			Inflation Rates (%/Year)	Exchange Rate (US\$/Cdn\$)
	WTI Cushing Oklahoma (US\$/bbl)	Edmonton Par Price 40° API (Cdn\$/bbl)	Cromer Medium 29° API (Cdn\$/bbl)	Edmonton Propane (Cdn\$/bbl)	Edmonton Butane (Cdn\$/bbl)	Edmonton Pentanes Plus (Cdn\$/bbl)		
Historical								
2005	56.58	69.02	56.77	43.04	51.80	69.57	2.2	0.826
2006	66.22	73.21	62.26	43.85	60.17	75.41	2.0	0.882
2007	72.39	77.06	65.71	49.56	61.78	77.38	2.2	0.935
2008	99.64	102.89	93.10	58.38	75.33	104.78	2.4	0.943
2009	61.56	66.43	63.19	37.58	47.31	67.99	0.3	0.880
Forecast								
2010	80.00	83.26	76.60	52.46	64.11	84.93	2.0	.95
2011	83.00	86.42	78.64	54.45	66.54	88.15	2.0	.95
2012	86.00	89.58	80.62	56.43	68.98	91.37	2.0	.95
2013	89.00	92.74	82.54	58.42	71.41	94.59	2.0	.95
2014	92.00	95.90	85.35	60.42	73.84	97.82	2.0	.95
2015	93.84	97.84	87.07	61.64	75.33	99.79	2.0	.95
2016	95.72	99.81	88.83	62.88	76.85	101.81	2.0	.95
2017	97.64	101.83	90.63	64.15	78.41	103.86	2.0	.95
2018	98.59	103.88	92.46	65.45	79.99	105.96	2.0	.95
2019	101.58	105.98	94.32	68.77	81.60	108.10	2.0	.95
Thereafter	+2.0%/yr	+2.0%/yr	+2.0%/yr	+2.0%/yr	+2.0%/yr	+2.0%/yr	2.0	

Year	NYMEX Futures Contract (US\$/MMBtu)	Midwest @ Chicago (US\$/MMBtu)	AECO Gas Price (Cdn\$/MMBtu)	Sumas Spot Gas Price (US\$/MMBtu)
Historical				
2005	9.00	8.24	8.58	7.13
2006	6.99	6.93	7.16	6.27
2007	7.12	6.83	6.65	6.52
2008	8.90	8.91	8.16	8.33
2009	4.16	4.11	4.20	3.89
Forecast				
2010	6.00	6.10	5.96	5.60
2011	7.00	7.10	6.79	6.45
2012	7.10	7.20	6.89	6.55
2013	7.15	7.25	6.95	6.60
2014	7.35	7.45	7.05	6.80
2015	7.50	7.60	7.16	6.95
2016	7.75	7.85	7.42	7.20
2017	8.25	8.35	7.95	7.70
2018	8.79	8.89	8.52	8.24
2019	8.96	9.06	8.69	8.41
Thereafter	+2.0%/yr	+2.0%/yr	+2.0%/yr	+2.0%/yr

In 2009, Progress received a weighted average price of \$59.78 per bbl for crude oil, \$42.05 per bbl for NGL's and \$4.13 per Mcf for natural gas.

The undiscounted total future net revenue by reserves category as of December 31, 2009, using forecast prices and costs, is set forth below:

(\$ millions)								
Reserve Category	Revenue	Royalties, Mineral Tax	Operating Costs	Development Costs	Abandonment Well Costs	Future Net Revenue Before Income Taxes	Income Taxes	Future Net Revenue After Income Taxes
<b>Forecast Prices and Costs</b>								
Proved	5,122	912	1,240	319	42	2,610	204	2,406
Proved plus probable	8,203	1,441	1,881	510	52	4,319	631	3,688

The net present value of future net revenue before income taxes by reserves category and production group as of December 31, 2009, using forecast prices and costs and discounted at 10% per year, is set forth below:

Reserve Category	Production Group	Future Net Revenue Before Income Taxes (discounted at 10%/year)	
		(\$ thousands)	(Per boe)
Proved	Light and medium crude oil (a)	68,834	26.58
	Heavy oil	16,245	23.09
	Natural gas (b)	1,296,503	16.32
	Non-conventional Oil & Gas Activities	2,002	10.15
	<b>Total</b>	<b>1,383,584</b>	<b>16.69</b>
Proved Plus Probable	Light and medium crude oil (a)	81,109	24.41
	Heavy oil	18,348	21.42
	Natural gas (b)	1,783,738	14.65
	Non-conventional Oil & Gas Activities	2,526	10.40
	<b>Total</b>	<b>1,885,721</b>	<b>14.94</b>

Note: May not add due to rounding

(a) Includes solution gas and other by-products

(b) Includes by-products but excluding solution gas from oil wells

## Reconciliation of Total Company Interest Reserves by Principal Product Type

## Forecast Prices and Costs

		Oil	Natural Gas	Natural Gas Liquids	BOE
		(mdbl)	(MMcf)	(mdbl)	(mboe)
Total Proved	Opening Balance (December 31, 2008)	3,805	325,510	4,777	62,833
	Technical Revisions	426	-5,397	556	83
	Drilling Extensions	68	122,585	1,561	22,060
	Infill Drilling	54	1,193	7	260
	Acquisition	485	163,287	1,310	29,009
	Dispositions	0	-1,393	-14	-246
	Production	-733	-60,924	-827	-11,714
	Closing Balance (December 31, 2009)	4,105	544,862	7,370	102,285
Proved Plus Probable	Opening Balance (December 31, 2008)	5,039	470,687	6,715	90,201
	Technical Revisions	178	-24,660	460	-3,472
	Drilling Extensions	95	239,894	2,767	42,844
	Infill Drilling	71	1,322	9	300
	Acquisition	634	209,716	1,719	37,306
	Dispositions	0	-1,868	-19	-330
	Production	-733	-60,933	-827	-11,714
	Closing Balance (December 31, 2009)	5,283	834,167	10,825	155,136

Closing balances may be slightly higher than reported Company gross reserves due to the inclusion of recoverable royalties.

## Future Development Costs

Year	Forecast Prices and Costs	
	Proved Reserves	Proved Plus Probable Reserves
	(\$ millions)	
2010	93,073	123,322
2011	87,853	172,056
2012	47,670	91,043
2013	38,138	50,745
2014	18,748	23,040
Total	318,676	510,457

	Capital Expenditures (\$ million)	Proved Reserve Additions (mmboe)	Proved Costs (\$/boe)	P+P	
				Reserve Additions (mmboe)	P+P Costs (\$/boe)
<b>Finding, Development and Net Acquisition Costs</b>					
Total 2009 proved FD&A costs including change in FDC	\$ 1,386.3	51.2	\$ 27.09	na	na
Total 2009 P+P FD&A including change in FDC	\$ 1,515.8	na	na	76.7	\$ 19.78
3-year average proved FD&A including change in FDC	\$ 2,017.0	83.2	\$ 24.25	na	na
3-year average P+P FD&A including change in FDC	\$ 2,189.0	na	na	119.3	\$ 18.34
<b>Finding and Development Costs</b>					
Total 2009 proved F&D costs including change in FDC	\$ 420.9	22.4	\$ 18.79	na	na
Total 2009 P+P F&D including change in FDC	\$ 550.5	na	na	39.7	\$ 13.88
3-year average proved F&D including change in FDC	\$ 772.0	41.8	\$ 18.48	na	na
3-year average P+P F&D including change in FDC	\$ 943.0	na	na	66.7	\$ 14.12

Finding and development cost calculations and finding, development and acquisition cost calculations have been done in accordance with NI 51-101.

### 2010 Production Estimates

Gold Creek is the only property that accounts for more than 20 percent of the total forecast production in 2010 and is identified in the following table. The following table indicates the Gross (working interest) average daily production for 2010 by area:

Area	Light and Medium Oil (bbl/d)	Heavy Oil (bbl/d)	Associated And Non-Associated Gas (Mcf/d)	Natural Gas Liquids (bbl/d)	BOE (Boe/d)
Total Proved					
Gold Creek	369	0	46,407	1,538	9,641
Other	826	239	134,229	1,491	24,928
Total Proved Daily Production	1,195	239	180,636	3,029	34,569
Probable					
Gold Creek	7	0	1,663	70	355
Other	14	5	8,345	65	1,475
Total Probable Daily Production	21	5	10,007	136	1,830
Total Proved Plus Probable					
Gold Creek	376	0	48,070	1,608	9,996
Other	840	244	142,574	1,557	26,403
Total Proved Plus Probable Production	1,216	244	190,644	3,165	36,398

### Advisory on Forward Looking Statements

Certain information regarding Progress set forth in this news release contains future plans and operations, and other forward-looking statements that involve substantial known and unknown risks and uncertainties. The use of any of the words "anticipate", "continue", "estimate", "expect", "may", "will", "project", "should", "believe" and similar expressions are intended to identify forward looking statements. Such statements represent Progress' internal projections, estimates or beliefs concerning, among other things, an outlook on the estimated amounts and timing of capital investment, anticipated future debt, revenues or other expectations, beliefs, plans, objectives, assumptions, intentions or statements about future events or performance. These statements are only predictions and actual events or results may differ materially. Although Progress believes that the expectations reflected in the forward-looking statements are reasonable, it cannot guarantee future results, levels of activity, performance or achievement since such expectations are inherently subject to significant business, economic, competitive, political and social uncertainties and contingencies. Many factors could cause Progress' actual results to differ materially from those expressed or implied in any forward-looking statements made by, or on behalf of, Progress.

In particular, forward-looking statements included in this news release include, but are not limited to, the likelihood of Progress of deploy in the foreseeable future capital to portions of the reserves recognized in ProEx's 2008 closing balance which were not carried forward in the reserves recognized as acquired by Progress; and future development costs. In addition, statements relating to "reserves" or "resources" are deemed to be forward looking statements, as they involve the implied assessment, based on certain estimates and assumptions, that the resources and reserves described can be profitably produced in the future.

These forward-looking statements are subject to numerous risks and uncertainties, certain of which are beyond the Company's control, including the impact of general economic conditions; volatility in market prices for crude oil and natural gas; industry conditions; volatility of commodity prices; currency fluctuation; imprecision of reserve estimates; liabilities inherent in crude oil and natural gas operations; environmental risks; incorrect assessments of the value of acquisitions and exploration and development programs; competition from other producers; the lack of availability of qualified personnel or management; changes in income tax laws or changes in tax laws and incentive programs relating to the oil and gas industry; hazards such as fire, explosion, blowouts, cratering, and spills, each of which could result in substantial damage to wells, production facilities, other property and the environment or in personal injury; stock market volatility; and the ability to access sufficient capital from internal and external sources.

With respect to forward-looking statements contained in this news release, Progress has made assumptions regarding: current commodity prices and royalty regimes; availability of skilled labour; north American sulphur prices; timing and amount of capital expenditures; future exchange rates; the price of oil and natural gas; the impact of increasing competition; conditions in general economic and financial markets; availability of drilling and related equipment; effects of regulation by governmental agencies; royalty rates and future operating costs.

Management has included the above summary of assumptions and risks related to forward-looking statements provided in this news release in order to provide Shareholders with a more complete perspective on Progress' reserves and future operations and such information may not be appropriate for other purposes. Progress' 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 news 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.

### **Finding and Development Costs**

The aggregate of the exploration and development costs incurred in the most recent financial year and the change during that year in estimated future development costs generally will not reflect total finding and development costs related to reserves additions for that year.