



## **NEWS RELEASE**

# **PROGRESS ENERGY ANNOUNCES CLOSING OF ACQUISITION**

**CALGARY, ALBERTA** (March 31, 2010) (PRQ – TSX) – Progress Energy Resources Corp. (“Progress” or the “Corporation”) is pleased to announce that it has successfully closed the previously announced acquisition of certain northeast British Columbia Foothills assets (the “Acquisition”). Progress financed the Acquisition, and a portion of the Corporation’s 2010 capital program, through a \$350 million subscription receipt private placement with the Canada Pension Plan Investment Board and a concurrent \$250 million subscription receipt bought deal public financing through a syndicate of underwriters led by BMO Capital Markets.

The Acquisition adds production of approximately 7,300 barrels of oil equivalent (boe) per day comprising 91 percent natural gas, proved plus probable reserves of approximately 42.6 million boe effective as of December 31, 2009 and approximately 188,000 net acres of undeveloped land. The assets are contiguous with Progress’ current producing properties in the Foothills of northeast British Columbia. No material rights-of-first-refusal were exercised in conjunction with the Acquisition.

Pursuant to the financings, Progress issued 47,630,000 Subscription Receipts at \$12.60 per Subscription Receipt for gross proceeds of \$600 million. With the closing of the Acquisition, trading in the Subscription Receipts will be halted and will remain halted until the close of business today, March 31, 2010, at which time the Subscription Receipts will be de-listed.

In accordance with their terms, each Subscription Receipt was deemed to have been exchanged for one common share (“Common Share”) and such holders will be entitled, provided they continue to hold the Common Shares received pursuant to their Subscription Receipts at the close of business on March 31, 2010, to receive Progress’ quarterly dividend expected to be paid on April 15, 2010 to Progress’ shareholders of record on March 31, 2010.

This News Release shall not constitute an offer to sell or the solicitation of an offer to buy any securities nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful. The Subscription Receipts have not been and will not be registered under the United States Securities Act and may not be offered or sold in the United States except in transactions exempt from such registration.

***Advisory Regarding Forward-Looking Information and 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 "will", "expects", "believe", "plans", "potential" and similar expressions are intended to identify forward-looking statements or information. More particularly and without limitation, this press release contains forward-looking statements and information concerning the timing and payment of dividends. The forward-looking statements and information in this press release are based on certain key expectations and assumptions made by Progress, including expectations regarding commodity prices, production levels, capital expenditure requirements, debt service requirements, operating costs, royalty burdens and foreign exchange rates. 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.*

*In addition, please note that statements relating to "reserves" are deemed to be forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions, that the reserves described can be profitably produced in the future.*

*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 fluctuations in the price of oil and natural gas, interest and exchange rates, operational risks in exploring for, developing and producing crude oil and natural gas, liabilities inherent in oil and natural gas operations; and potential delays or changes in plans with respect to exploration or development projects or capital expenditures or the results therefrom. 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](http://www.sedar.com)).*

*The forward-looking statements and information contained in this press release are made as of the date hereof and Progress undertake 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.*

**FOR FURTHER INFORMATION:**

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