Progress

NEWS RELEASE

Progress Energy Enters a New Era of Growth

Announces strategic British Columbia Foothills acquisition, expanded 2010 capex program and combined $600 million private placement and bought deal financing

CALGARY, Alberta (February 9, 2010) - (TSX-PRQ) -- Progress Energy Resources Corp. ("Progress" or the "Corporation") is entering into an expanded growth phase with the announcement that it has entered into a definitive agreement to acquire certain northeast British Columbia Foothills assets (the "Acquired Assets") for approximately $390 million before closing adjustments (the "Acquisition"). In addition, Progress will follow up on its drilling success in the Foothills of northeast British Columbia and the Deep Basin of northwest Alberta with an aggressive 2010 capital program by investing approximately $350 million. Progress expects to exit 2010 with production approximately 40 percent higher than its 2009 exit rate and is positioned to invest as much as $500 million in 2011 to achieve ongoing production growth.

The Acquisition and a portion of the Corporation's 2010 capital program will be funded through a $350 million subscription receipt private placement with the Canada Pension Plan Investment Board ("CPPIB") and a concurrent $250 million subscription receipt bought deal public financing through a syndicate of underwriters led by BMO Capital Markets.

Acquisition expands Progress' Northeast B.C. stronghold

"The Acquired Assets represent a strategic fit with Progress' existing land, reserves and production position in the Foothills of northeast British Columbia. We have long viewed these assets as high quality legacy properties with significant conventional and unconventional upside potential," said Michael Culbert, President and Chief Executive Officer of Progress. "This acquisition demonstrates our consistent approach to building a regionally concentrated position through a focused exploration and development program and making select acquisitions at opportune times."

The Acquired Assets are indirectly being purchased from Suncor Energy and are immediately adjacent to Progress' producing assets in the Town, Bubbles and Blueberry/Beg areas. Given the relatively under-capitalized nature of the Acquired Assets, Progress has identified more than 100 high quality drilling opportunities within traditional producing horizons in the Halfway, Baldonnel, Bluesky and Gething zones. As well, recent successful Montney shale delineation drilling and re-completion activity by Progress across the breadth of its northeast British Columbia assets has increased the Corporation's confidence that the Montney shale holds significant commercial development potential on the Acquired Assets.

The Acquired Assets include extensive gathering and compression infrastructure with considerable available capacity which will create consolidation and optimization opportunities with Progress' existing area assets. The Acquired Assets are also positioned in areas where midstream natural gas processing facilities have significant available capacity and will provide multiple transportation alternatives for Progress' natural gas stream. Progress expects the optimization of under-utilized assets to enhance Progress' already strong operating cost profile.

Progress has been an active Foothills explorer and producer since 2002 having grown its Foothills land base to more than 925,000 net undeveloped acres, having drilled more than 280 wells and having installed more than 26,000 horsepower of compression. The Acquisition would have the effect of increasing Progress' current production to more than 21,000 barrels of oil equivalent ("boe") per day in the Foothills, 90 percent natural gas.

Acquisition attributes:

- Acquisition price of $390 million before closing adjustments;

- Current production of 7,300 boe per day, 91 percent natural gas;

- The production has a shallow decline rate of approximately 16 percent and more than 95 percent of the production is operated;

- Proved reserves of 33.3 million boe and proved plus probable reserves of 42.7 million boe, as at December 31, 2009, as evaluated by GLJ Petroleum Consultants Ltd. ("GLJ");

- 188,000 net undeveloped acres in large contiguous land blocks with high working interests adjacent to Progress' existing lands in the Foothills;

- The lands include over 100,000 net acres of land with Montney rights and will bring Progress' total Montney holdings to more than 900,000 net acres;

- More than 1,000 kilometers of 2-D seismic data and approximately 70 square kilometers of 3-D seismic data;

- Major gas handling facilities with approximately 110 million cubic feet (“mmcf”) per day of compression capacity; and

- The Acquisition has an effective date of January 1, 2010 and is expected to close on or about March 31, 2010. Certain of the lands, primarily in the Blueberry/Beg area and representing approximately 25 percent of production, are subject to rights of first refusal.

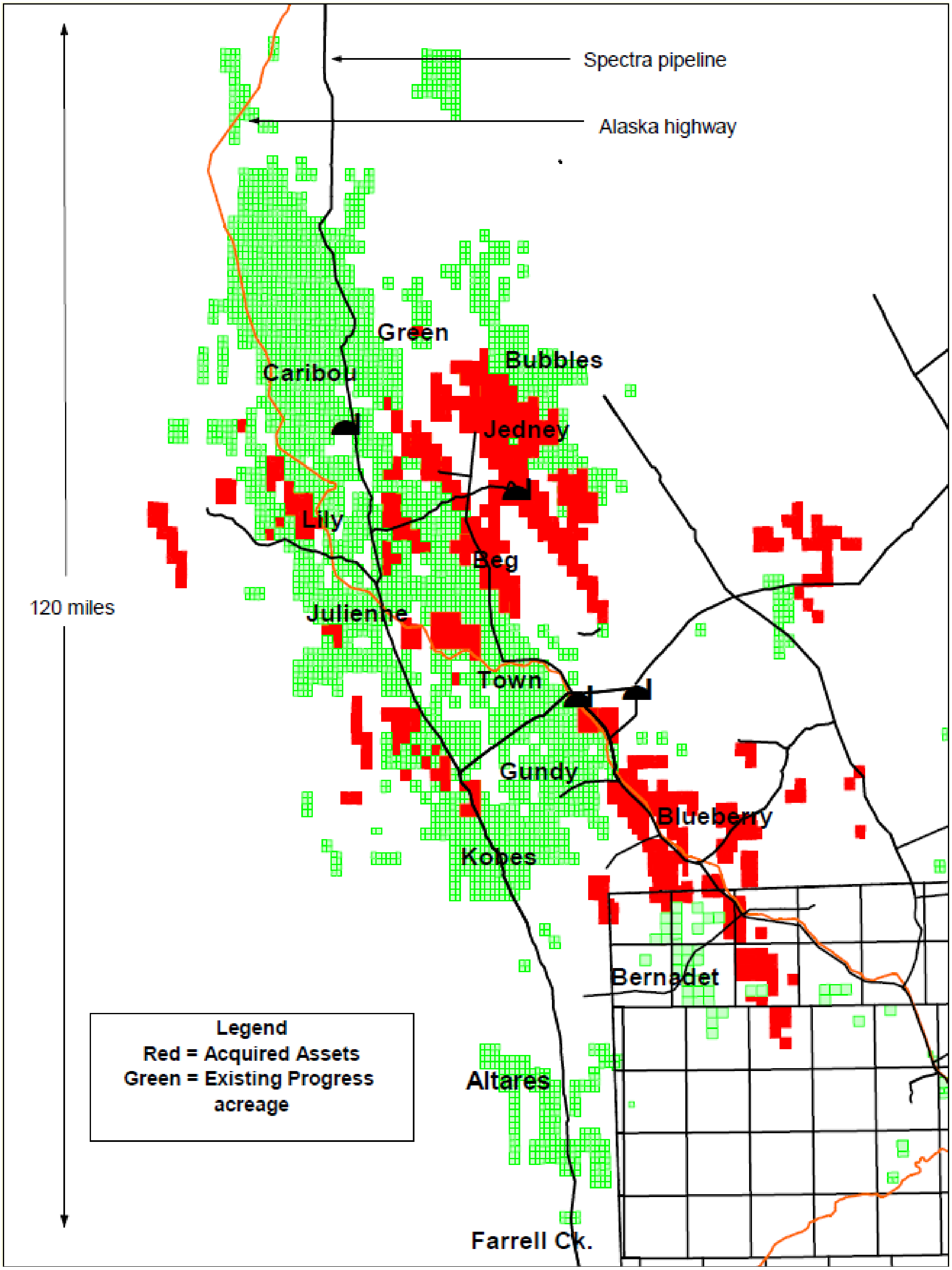
Acquisition metrics

Based on the above expectations and before adjustments for the extensive land base associated with the Acquired Assets, the expected acquisition metrics are as follows:

- $11.21 per boe proved plus probable including the change in future development capital (“FDC”);

- $13.96 per boe proved including the change in FDC; and

- $53,425 per flowing boe based on 7,300 boe per day of current production.



The map contained in this news release may also be accessed on Progress' website at www.progressenergy.com.

Progress announces Private Placement and Bought Deal financing

Concurrent with the Acquisition, Progress has entered into an agreement with CPPIB, a major Canadian institutional investor, whereby CPPIB will subscribe for, on a private placement basis, 27,780,000 subscription receipts (“Private Placement Subscription Receipts”) at a subscription price of $12.60 per Subscription Receipt for aggregate proceeds of C$350 million (the "Private Placement"). Closing of the Private Placement is subject to various conditions including closing of the public bought deal financing and receipt of all necessary regulatory approvals. Progress has also agreed to provide CPPIB with certain rights in respect of its investment in Progress including the right to nominate one individual to Progress’ board of directors so long as CPPIB owns greater than 12.5 percent of Progress’ outstanding common shares. CPPIB has also agreed not to sell any of the underlying common shares issued on completion of the Acquisition for 18 months following closing of the Acquisition, unless otherwise approved by the Corporation.

“We are very pleased to support Progress in making this acquisition,” said Scott Lawrence, Vice President and Head of Relationship Investments, CPPIB. “Progress has a proven management team and superior long-term growth opportunities that we believe can benefit from the strategic and patient capital that we can provide.”

CPPIB's Relationship Investments group provides strategic capital to select companies that CPPIB believes are positioned to be leaders in their respective industries, to facilitate acquisitions, fund organic growth or reposition balance sheets. These proprietary investments play to CPPIB's distinctive advantages of scale, liquidity, and long-term investment orientation, and are expected to be a significant source of value for the CPP Fund.

“We are pleased to have the support of CPPIB and the continued support of the markets as we move forward with this strategic acquisition and the 2010 capital program,” said Mr. Culbert. “These financings fund Progress’ acquisition and 2010 capital program and provide substantial financial flexibility through 2011.”

Concurrent with the Acquisition and the Private Placement, Progress has entered into an agreement with a syndicate of underwriters led by BMO Capital Markets and including CIBC World Markets Inc., Peters & Co. Limited, RBC Capital Markets, Scotia Capital Inc., Cormark Securities Inc., FirstEnergy Capital Corp., National Bank Financial Inc., Canaccord Financial Ltd., and Macquarie Capital Markets Canada Ltd. (collectively the “Underwriters”) pursuant to which the Underwriters have agreed to purchase, on a bought deal basis, 19,850,000 subscription receipts (the “Public Subscription Receipts”) at a price of $12.60 per Public Subscription Receipt for gross proceeds of $250 million (the “Public Offering”).

Each Private Placement Subscription Receipt and Public Subscription Receipt (collectively, the "Subscription Receipts") will represent the right to receive one common share of Progress, without the payment of any additional consideration, on the closing of the Acquisition. The proceeds of the Private Placement and Public Offering will be deposited in escrow pending the closing of the Acquisition. If the Acquisition closes on or before April 30, 2010, the net proceeds from the Private Placement and the Public Offering will be released to Progress and used by Progress to pay a portion of the Acquisition price and reduce current indebtedness.

Completion of the Public Offering is subject to certain conditions including the concurrent closing of the Private Placement and receipt of all necessary regulatory approvals. The Public Subscription Receipts will be offered in each of the provinces of Canada by way of a short form prospectus. Closing of the Private Placement and Public offering is expected to occur on or about March 2, 2010.

Capital investment program drives strong organic growth

Progress is embarking on an aggressive 2010 capital investment program in which approximately $350 million will be invested in its key operating regions with a primary focus on its natural gas resource plays. Approximately 75 percent of capital is expected to be invested in drilling and completions activities, 15 percent on major facilities and 10 percent on land and seismic. Currently, Progress has 10 drilling rigs and seven service rigs operating in the Foothills and Deep Basin.

"We have an opportunity to materially increase the underlying value of our Corporation by advancing our Montney program and establishing several development projects throughout our Foothills land base." said Mr. Culbert.

Production is expected to average between 40,000 to 42,000 boe per day in 2010 and exit the year in the range of 45,000 to 46,500 boe per day resulting in growth of approximately 40 percent from the exit rate of approximately 33,100 boe per day in 2009.

Montney Capital

Approximately one-half of the 2010 capital program will be directed to Montney exploration and development in the Foothills of northeast British Columbia. The horizontal drilling program for 2010 includes 18 wells of which four have been drilled in the first quarter offsetting the Corporation's 10 mmcf per day horizontal discovery well in the Town South development area. Completion operations are now underway. Progress is currently constructing a 25 mmcf per day compression facility and associated gathering pipelines in the Town South area. The facility is expandable to 50 mmcf per day with incremental compression to handle Progress' 2010 Montney production growth.

Progress has contracted for midstream capacity to gather and process its Montney natural gas growth in 2010. Beyond this, there is existing area infrastructure that Progress can access which could handle three-fold growth in production from the area.

The 2010 capital program also includes nine vertical delineation wells and seven recompletions throughout the Foothills targeting high potential areas where Progress has large contiguous land blocks, owns the uphole rights and has operatorship and control of area infrastructure. In January 2010, Progress announced that three of these wells were production tested at Kobes, Gundy and Caribou and, based on stabilized rates averaging more than one mmcf per day, significantly expanded the areal extent of Progress' productive Montney fairway in the Foothills to the north, south and west of Town. In addition to the Town South development project, Progress expects to move two additional areas into the development phase by late 2010 with the drilling of additional pilot horizontal wells.

Progress holds more than 900,000 net acres of Montney rights with approximately 680,000 net acres of Montney holdings in the Foothills of northeast British Columbia. Since late 2008, Progress has drilled 15 vertical and six horizontal wells across its Montney land holdings significantly expanding the areal extent of the play and initiating its first phase of development at Town South. The pace of development in 2009 was appropriate for the early stages of the Corporation's Montney program.

As Progress has transitioned into a development phase in 2010, it is benefiting from operating improvements developed in 2009 and the efficiencies of a larger program. These include multiple wells drilled from a single pad to reduce mobilization and demobilization costs; continuous alternating fracture stimulation operations on multiple wells on one pad; water supply for fracture operations accessed from sub-surface sources; field distribution of water for fracture operations; and gathering and compression built specific for Montney development. The majority of the horizontal Montney wells drilled by Progress will qualify for the deep well royalty credit of approximately $2 million per well which will be recovered as a reduction to royalties payable. Progress expects these improvements and efficiencies coupled with the favorable royalty regime in British Columbia to generate strong economics and long-term growth for Progress shareholders.

Deep Basin Capital

Progress is targeting to invest approximately $85 million in the Deep Basin in 2010 which includes drilling of approximately 35 wells. Progress currently has three rigs drilling and expects to operate two rigs continuously throughout the year. The focus of the 2010 capital program will be in the Gold Creek area where the Corporation continues to have success mapping the thick Nikanassin sandstone formation as the primary target. Progress has now completed 23 wells in the Nikanassin using a slick oil completion technique it co-developed and has achieved average test rates of 2.5 mmcf per day from this zone, a five to ten fold increase in productivity over the industry's historical post fracture results. The Nikanassin is typically commingled with one to three other zones from the fourteen potential zones that the Corporation produces from in the Deep Basin.

Approximately 40 percent of Progress' current production is in the Deep Basin of northwest Alberta. The economics for drilling in the Deep Basin are compelling and have been enhanced by the drilling credits provided under the Alberta Drilling Royalty Credit Incentive Program. This program provides a drilling credit of $200 per meter drilled and the New Well Royalty Incentive Program provides a five percent royalty for the first year of production up to 500 mmcf. This positively impacts each well by approximately $1 million. Progress expects the Alberta Competitiveness Review currently underway to provide a stable, long-term environment for capital investment in the province. Progress' Deep Basin assets are positioned to benefit from changes to the royalty regime which may arise as a result of the Alberta Competitiveness Review.

2010 Guidance

	2009*	**2010**	**% Change**
Exit rate production (boe/d)	33,109	45,000-46,500	38
Year average production (boe/d)	32,115	40,000-42,000	28
Capital investment	$192	$350	82
Royalties (%)	13	20	54
Operating cost ($/boe)	$6.82	$6.50-$6.75	(3)
Transportation ($/boe)	$3.07	$3.30-$3.40	9
G&A ($/boe)	$1.16	$0.95-$1.05	(13)

unaudited

% change represents the mid point of the range for 2010

Financial strength

At closing and after giving effect to the Acquisition, the Private Placement and the Public Offering, and prior to taking into account any incremental borrowing capacity that may be associated with the Acquired Assets, Progress expects to have approximately $450 million of available capacity on its $650 million credit facility. Progress has approximately $350 million of convertible debentures outstanding of which approximately $55 million is due in June 2010.

Concurrent with the Acquisition, Progress has entered into a series of hedges on approximately 20,000 GJ per day, or approximately 10 percent of Progress' forecast 2010 natural gas production, for the period from March to December 2010. The average of the swap instruments is $5.78 per GJ or approximately C$6.50 per mcf based on Progress' high-heat content natural gas. To achieve the swap level, Progress has sold call options for calendar 2011 at an average strike price of $7.54 per GJ. Progress' hedging program seeks to provide certainty of cash flows to fund a portion of its capital investment plans.

First quarter dividend maintained

The Board of Directors of Progress has declared that the first quarter dividend will be maintained at $0.10 per share. The dividend will be payable on April 15, 2010 to common shareholders of record as of March 31, 2010. The ex-dividend date is expected to be March 29, 2010.

2009 year-end reserves

An independent engineering report prepared by GLJ provides that as at December 31, 2009, Progress' proved plus probable reserves were 155.1 million boe with a reserve life index of approximately 13 years based on fourth quarter average production of 31,390 boe per day annualized. The Corporation's finding and development cost in 2009, including revisions and the change in FDC, was $13.88 per boe on a proved plus probable basis. Supplementary reserves information follows in this news release.

Outlook

In 2009 the Corporation transitioned into a stronger growth-oriented, dividend paying company. During that time, both the global economy and the natural gas industry experienced a significant downturn but have now begun to show improvement. Progress chose, during the transition, to sharply focus its capital investment on building underlying value for shareholders so that coming out of the downturn, the Corporation would have a stronger asset base with more upside and improved capital efficiencies. Today Progress announced an expanded 2010 capital plan and a strategic acquisition. Approximately $350 million is planned to be invested in the capital program in 2010, 82 percent higher than in 2009. The focus of the program will be on the tremendous growth opportunities of its Montney holdings and Deep Basin assets. The Acquisition represents a unique opportunity and an ideal fit with Progress' existing Foothills properties and reinforces its already dominant position in the Foothills.

The Acquired Assets are in one of the most competitive fiscal regimes in North America. The government of British Columbia continues to create a stable environment for investment in energy, particularly natural gas. At the same time, Progress is encouraged by the provincial government of Alberta's public dialogue regarding investment in the energy industry and its goal of creating the most competitive oil and gas jurisdiction in North America. Progress believes that both British Columbia and Alberta are well positioned to become the premier regions for capital investment in the energy industry in North America.

Management believes Progress has an exceptional asset base with greater opportunities than it had one year ago. Progress' Deep Basin assets continue to deliver consistent results with very strong economics and its understanding of the scope and scale of its Montney potential is growing with every Montney well drilled. Management and board of directors of Progress look forward to a new and exciting phase in the Corporation's life and delivering on its growth plans for shareholders.

Year-end 2009 MD&A and Financial Statements

Progress anticipates that its 2009 Consolidated Financial Statements and Notes to the Consolidated Financial Statements and Management's Discussion and Analysis for Progress will be filed on SEDAR (www.sedar.com) on or before February 22, 2010 under Progress Energy Resources Corp. and will also be accessible on the Company's website at www.progressenergy.com.

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.

For further information:

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Supplementary unaudited financial and 2009 reserves information is appended.

Advisory Regarding Forward-Looking Statements

This press release contains forward-looking statements and forward-looking information (collectively "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. In particular, forward looking information in this press release includes, but is not limited to, statements with respect to the estimated purchase price of the Acquisition, expected 2010 exit and average production, expected financial and operating results for Q4 and year-end 2009, Progress' 2010 and 2011 capital expenditure program, funding of Progress' capital expenditure program, expectations regarding the commercial development potential of the Acquired Assets, the effect of the acquisition on Progress' gathering and compression infrastructure and transportation opportunities, the effect of the Acquired Assets on Progress' operating cost profile, effect of the Acquisition on Progress' current production, effect of the Acquisition on Progress' total Montney holdings, expected closing date of the Acquisition, potential additional borrowing capacity attributable to the Acquired Assets, estimated FDC for the Acquired Assets, expected closing date of the Private Placement and Public Offering, use of proceeds of the Private Placement and Public Offering, estimated annualized cash flow, focus of the capital expenditure program, expected allocation and expected results therefrom including reserves, production and cash flow growth, anticipated production mix, future drilling, development and recompletion plans, expected operating costs and efficiencies, anticipated drilling credits and royalty rates and changes to Alberta's royalty regime, 2010 year-end debt levels, anticipated operating, transportation and general and administrative costs, timing of payment of dividend, expected timing of filing 2009 Consolidated Financial Statements and Management's Discussion and Analysis, and expected commodity prices, exchange rates and industry conditions.

The forward-looking information is 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; the sufficiency of budgeted capital expenditures in carrying out planned activities; the availability and cost of labour and services and future operating costs; receipt of all necessary approvals for completion of the Acquisition, Public Offering and Private Placement; and completion of the Acquisition, the Private Placement and the Public Offering or the timing planned. Although Progress believes that the expectations and assumptions on which such forward-looking information is based are reasonable, undue reliance should not be placed on the forward looking information because Progress can give no assurance that they will prove to be correct.

Since forward-looking information addresses future events and conditions, by its 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, actual production from the Acquired Assets may be greater or less than estimates in the report from GLJ; failure to obtain the necessary regulatory approval, stock exchange and other regulatory approvals and on the timelines planned; risks that conditions to closing of the Acquisition, the Private Placement or the Public Offering are not satisfied; and the board of directors determines that it would be in the best interests of Progress to deploy the proceeds to some other purpose.

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 Corporation's future operations and such information may not be appropriate for other purposes. The Corporation's actual results, performance or achievement could differ materially from those expressed in, or implied by, the forward-looking information and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking information will transpire or occur, or if any of them do so, what benefits that the Corporation 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 Corporation *disclaims any intent or obligation to update publicly any forward-looking information, 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 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 information or statements, 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.

Supplementary Information

For the quarter and year ending December 31, 2009, unaudited

	Progress Energy Resources Corp.	
	Q4-2009	2009
Financial information		
Cash flow ($ thousands)*	33,935	153,254
Cash flow per share, diluted	0.20	0.95
Capital expenditures ($ thousands)	47,966	190,025
Bank debt ($ thousands)	277,878	277,878
Convertible debentures ($ thousands)	296,753	296,753
Working capital deficiency ($ thousands)	9,269	9,269
Total debt ($ thousands)	583,900	583,900
Common Shares (thousands)		
Shares outstanding, end of period	165,284	165,284
Weighted average - basic	165,258	160,948
Weighted average - diluted	165,927	161,520
Average daily production		
Natural Gas (mmcf/d)	161,497	166,939
Crude Oil (bbls/d)	1,882	2,008
Natural Gas Liquids (bbls/d)	2,592	2,284
Total Production (boe/d)	31,390	32,115
Pricing		
Natural gas ($/mcf)	4.21	4.13
Crude oil ($/bbl)	71.06	59.78
Natural gas liquids ($/bbl)	49.15	42.05
Highlights ($/boe)		
Petroleum and natural gas revenues	29.83	28.17
Realized gain (loss)on financial instruments	(0.06)	1.57
Royalties	(4.21)	(3.62)
Operating expenses	(6.51)	(6.82)
Transportation expenses	(3.19)	(3.07)
Operating netback	15.86	16.23
Gross drilling results (# of wells)		
Natural gas	12	52
Crude oil	-	0
Dry	-	0
Total	12	52
Net drilling results (# of wells)		
Natural gas	9.1	39.1
Crude oil	-	0.0
Dry	-	5.0
Total	9.1	44.1
Success rate (%)	100	89

**Represents cash flow from operating activities before changes in non-cash working capital*

This supplementary information is unaudited and contains non-GAAP information and therefore may not be comparable with similar calculations from other entities

Supplementary Reserves Information

Progress Energy Resources Corp.

Proved (mmboe)	
Opening Balance as at January 1, 2009	62.83
Net additions	51.17
Production	-11.72
Closing balance as at December 31, 2009	102.28

Proved plus Probable (mmboe)	
Opening Balance as at January 1, 2009	90.20
Net additions	76.66
Production	-11.72
Closing balance as at December 31, 2009	155.14

Total company interest reserves

Production replacement (P+P %)	654

Finding, Development and Net Acquisition Costs	Capital Expenditures *($ million)*	Proved Reserve Additions *(mmboe)*	Proved Costs *($/boe)*	P+P Reserve Additions *(mmboe)*	P+P Costs *($/boe)*
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
Finding and Development Costs					
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

The reserves information contained in this supplementary information is sourced from the GLJ Progress Report dated February 8, 2010

"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.