Progress Announces 2008 Year-end Results

Drilling success continues; landbase expands; balance sheet strengthens

Calgary, February 24, 2009 (TSX – PRQ) – Progress Energy Resources Corp. ("Progress" or the "Company") announces results for the fourth quarter and year-ending 2008. The results include an update on recent operational activities in the Gold Creek Project area, the Halfway formation in the Foothills, and the Montney fairway in northeast British Columbia and northwest Alberta.

Highlights

- Announced the business combination on November 17, 2008 to form Progress Energy Resources Corp. which was completed on January 15, 2009;

- Shareholders voted strongly in favor of the business combination; PRQ started trading on the Toronto Stock Exchange on January 21, 2009;

- Fourth quarter production averaged 35,488 barrels of oil equivalent ("boe") per day for Progress Energy Trust and ProEx Energy Ltd. combined (the "combined company");

- The combined company drilled 27 gross (23.5 net) wells in the fourth quarter and have drilled 17 gross (14 net) to-date in the first quarter with a combined 90 percent success rate;

- As at December 31, 2008, Progress had a combined company proved plus probable reserves base of 152.6 million boe with a reserve life index of approximately 12 years based on fourth quarter average production. Combined company proved plus probable reserves grew by 9 percent in 2008;

- Achieved combined company proved plus probable finding, development and acquisitions ("FD&A") costs of $16.13 per boe including the change in future development capital ("FDC") or $13.47 per boe excluding the change in FDC. Excluding the major investment in exploration land of $70 million in 2008, the combined companies achieved an FD&A of $10.78 per boe excluding the change in FDC;

- The combined company invested $70 million in exploration land in 2008 adding over 300,000 net undeveloped acres of land through Crown land sales, farm-ins and purchases from industry competitors. Progress holds over 1.1 million net undeveloped acres;

- Completed a $30 million flow-through share private placement offering in November 2008 and a $140 million common share public offering in February 2009, raising gross proceeds of $170 million;

- Secured an increased revolving credit facility totaling $650 million through a syndicate of banks; and,

- Established a quarterly dividend policy.

Operating Results
The combined company drilled 27 gross wells (23.5 net) in the fourth quarter of 2008 and has drilled 17 gross wells (14 net) to date in the first quarter of 2009, with a combined success rate of 90 percent. Through the first quarter, Progress has had eight rigs operating, six in the Foothills and two in the Deep Basin.

In the fourth quarter and to-date in the first quarter, the combined company added over 135,000 net undeveloped acres in its operating areas. Progress 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. With the slow down in competitor activity in the Company's key operating areas, Progress expects to continue to selectively expand its land holdings through Crown land sales, farm-ins and potential targeted acquisitions.

Reserves Additions
Progress Energy Trust ("Progress Trust") replaced 137 percent of production on a proved plus probable FD&A basis at a cost of $13.56 per boe including the change in future development capital ("FDC") or $11.06 per boe excluding the change in FDC. Progress Trust grew its proved plus probable reserves base by four percent in 2008. ProEx Energy Ltd. ("ProEx") replaced 341 percent of production on a proved plus probable basis at a cost of $18.47 per boe including the change in FDC or $15.67 per boe excluding the change in FDC. ProEx grew its proved plus probable reserves base by 18 percent in 2008.

Cumulatively since inception of Progress Trust and ProEx in July 2004, the combined companies have generated strong investment efficiencies. Approximately $1.2 billion has been invested in exploration and development activities resulting in a combined company proved plus probable F&D of $12.58 per boe. Including acquisitions of approximately $0.6 billion, the combined company has achieved an all-in FD&A since inception of $13.46 per boe.

Deep Basin of Northwest Alberta
The combined company continued its successful program in the Gold Creek Project area, drilling 6.9 net wells in the fourth quarter and five net wells to date in the first quarter. The five wells which were completed in the first quarter have each tested at rates in excess of two million cubic feet ("mmcf") per day from various formations including the Nikanassin, Falher, Charlie Lake, Bluesky, Gething and Halfway zones. Drilling of another 3.5 net wells are planned in the area before breakup. The Company's Nikanassin program included three wells, all of which were tested at rates of between one to three mmcf per day.

During the fourth and first quarters, the combined company completed new compressor installations at Elmworth and Copton providing incremental processing capacity of 21 mmcf per day.

In January, the Company acquired rights to over 13,500 net undeveloped acres across the Gold Creek Project area as part of its continued expansion plans in this multi-zone region. The concentrated land capture also optimizes the well developed area infrastructure in which the Company has direct ownership.

Foothills of Northeast British Columbia

Foothills Drilling Program

The combined company drilled three Halfway vertical wells in the fourth quarter with average initial production rates of 1.5 mmcf per day, consistent with the Company's historical rates. The combined company also drilled four Mississippian Debolt tests during the fourth and first quarters. All wells tested at rates between one to five mmcf per day. Additional Debolt drills are planned for the Lily Lake and Green areas before breakup.

The combined companies 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.

The expansion of the third-party owned Caribou Facility in the northern portion of the Foothills is progressing and is expected to be completed in May 2009.

Halfway Horizontal

To date, the combined company has re-completed one standing horizontal well at Bubbles and has drilled four grassroots Halfway horizontal tests at Dogrib, Caribou, Sasquatch and Bubbles. The initial Bubbles recompletion is currently producing at a restricted rate of 1.4 mmcf per day after seven months on production. The first two wells at Dogrib and Green were completed with an open-hole liner assembly and are on production at approximately 500 mcf per day each. The Sasquatch horizontal well was cased and completed using a cemented liner and limited-entry fracture technology. It is currently on production at a rate of over 4 mmcf per day at high flowing pressures. The drilling of the grassroots Bubbles horizontal has just finished and the completion will commence later this week. The Company has tested a variety of completions techniques and is encouraged by the improving results.

Montney

In the fourth quarter, the combined company negotiated an 83 gross-section (45 net) farm-in in the Foothills adjacent to the Company's 100 percent working-interest Montney holdings. The first commitment well on this farm-in will be operated by the Company's partner, a large independent exploration and production company, this quarter with subsequent earning tests later this year operated by Progress and its partner.

Progress has continued to accumulate Montney rights and has one of the largest landholdings in the Montney fairway totaling 720,000 net undeveloped acres.

Financial Strength

Progress' Board of Directors has declared a quarterly dividend of 10 cents per share payable on April 15, 2009 to common shareholders of record as of March 31, 2009. Based on the February 24, 2009 closing share price on the Toronto Stock Exchange of $8.35, this represents an annualized yield of 4.8 percent. The amount of future cash dividends, if any, is subject to the discretion of the Progress Board.

Combined company exploration capital investment in 2008 was $361 million including $220 million in drilling and completions, $70 million in land and seismic, and $71 million in major facilities. The Company has a 365-day revolving credit facility with a syndicate of banks totaling $650 million. With the recent equity offering, the Company has approximately $250 million available under this facility.

The Company has hedges in place on approximately 45 mmcf per day, or 25 percent of its winter gas production, to March 31, 2009 at an average net price of $10.54 per thousand cubic feet. At present, Progress has no further hedges in place but recently crystallized a gain of approximately US$117,000 by closing out its summer AECO basis hedges.

Progress has in excess of $1.7 billion of tax pools to shelter income well into the future.

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 cycle. Our balance sheet provides the flexibility to take advantage of unique opportunities which add long-term value for shareholders. Our exploration and development capital program, originally set at between $340 million and $360 million for 2009, will be flexible to respond to changes in gas prices. In the near term, we expect to invest capital of $100 million in the first quarter of 2009 as compared to the originally planned $130 million.

The near-term weakness in natural gas prices has resulted from a significant downturn in industrial demand and growth in supply from shale and tight gas plays in the United States. These factors will continue to put near-term downward pressure on prices and negatively impact the amount of capital investment in natural gas drilling. Natural gas directed drilling is down nearly 40 percent from its peak in the summer of 2008 and with very high depletion rates in new wells drilled, we expect supply to be down on a year-over-year basis in 2009 with a recovery in natural gas prices beginning to occur sometime in the second half of the year.

Filing of Annual Information Form

Progress Energy Resources Corp. has filed its Annual Information Form which contains the annual National Instrument 51-101 Form 1, Form 2 and Form 3 information. The information can be accessed electronically from the SEDAR system at www.sedar.com or the Progress website at www.progressenergy.com.

2008 Consolidated Financial Statements and Notes to the Consolidated Financial Statements and Management's Discussion and Analysis for Progress Energy Trust and ProEx Energy Ltd. 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' The 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.

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Advisory Regarding Forward-Looking Statements

This press release and supplementary information and supplementary reserves information (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. In addition, statements relating to "reserves" are deemed to be forward looking statements, as the involve the implied assessment, based on certain estimates and assumptions, that the reserves described can be profitably produced in the future.

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 ntest 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.

Supplementary Information

For the year quarter and year ending December 31, 2008

	Progress Energy Trust		ProEx Energy Ltd.	
	Q4-2008	2008	Q4-2008	2008
Financial information				
Cash flow ($ thousands)*	59,768	277,982	23,981	111,067
Cash flow per unit/share, diluted**	0.53	2.45	0.41	1.93
Capital expenditures ($ thousands)	50,036	159,235	69,307	211,900
Bank debt ($ thousands)	299,531	299,531	160,000	160,000
Convertible debentures ($ thousands)	124,708	124,708	-	-
Working capital deficiency ($ thousands)	20,556	20,556	17,264	17,264
Total debt ($ thousands)	444,795	444,795	177,264	177,264
Average daily production				
Natural Gas (mmcf/d)	124,342	124,814	63,105	60,416
Crude Oil (bbls/d)	1,762	1,987	433	451
Natural Gas Liquids (bbls/d)	1,748	1,794	304	311
Total Production (boe/d)	24,233	24,583	11,255	10,832
Pricing				
Natural gas ($/mcf)	7.14	8.59	6.98	8.40
Crude oil ($/bbl)	57.40	95.72	58.35	96.01
Natural gas liquids ($/bbl)	49.63	73.85	59.90	84.97
Highlights ($/boe)				
Petroleum and natural gas revenues	44.37	57.21	42.83	54.57
Realized gain (loss)on financial instruments	3.47	(1.35)	3.85	(0.96)
Royalties	(8.52)	(12.88)	(8.97)	(11.62)
Operating expenses	(6.74)	(6.27)	(6.70)	(6.14)
Transportation expenses	(2.10)	(2.11)	(4.60)	(4.52)
Operating netback	30.48	34.60	26.41	31.33
Gross drilling results (# of wells)				
Natural gas	21	80	14	58
Crude oil	-	3	-	-
Dry	-	4	-	3
Total	21	87	14	61
Net drilling results (# of wells)				
Natural gas	12.8	38.5	10.3	42.6
Crude oil	-	1.2	-	-
Dry	-	0.7	-	2.4
Total	12.8	40.4	10.3	45.0
Success rate (%)	100	98	100	95

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

***Total units outstanding for Progress Trust include trust units plus exchangeable shares (converted at period end exchange ratio) outstanding at period end.*

Supplementary Reserves Information

Progress Energy Trust

Proved	
Opening Balance as at January 1, 2008	61.74
Net additions	10.06
Production	-9.00
Closing balance as at December 31, 2008	62.80
Proved plus probable	
Opening Balance as at January 1, 2008	86.82
Net additions	12.33
Production	-9.00
Closing balance as at December 31, 2008	90.15
Total company interest reserves	
Production replacement (P+P %)	137

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 2008 proved FD&A costs including change in FDC	$ 146.9	10.1	$ 14.61	na	na
Total 2008 P+P FD&A including change in FDC	$ 167.1	na	na	12.3	$ 13.56
3-year average proved FD&A including change in FDC	$ 773.3	40.8	$ 18.97	na	na
3-year average P+P FD&A including change in FDC	$ 827.8	na	na	55.2	$ 15.01
Finding and Development Costs					
Total 2008 proved F&D costs including change in FDC	$ 168.9	10.7	$ 15.73	na	na
Total 2008 P+P F&D including change in FDC	$ 189.1	na	na	13.2	$ 14.36
3-year average proved F&D including change in FDC	$ 492.0	28.4	$ 17.34	na	na
3-year average P+P F&D including change in FDC	$ 546.5	na	na	39.9	$ 13.70

ProEx Energy Ltd.

Proved	
Opening Balance as at January 1, 2008	35.73
Net additions	10.65
Production	-3.96
Closing balance as at December 31, 2008	42.42
Proved plus probable	
Opening Balance as at January 1, 2008	52.86
Net additions	13.52
Production	-3.96
Closing balance as at December 31, 2008	62.42
Total company interest reserves	
Production replacement (P+P %)	341

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 2008 proved FD&A costs including change in FDC	$ 239.7	10.7	$ 22.51	na	na
Total 2008 P+P FD&A including change in FDC	$ 249.9	na	na	13.5	$ 18.47
3-year average proved FD&A including change in FDC	$ 764.2	39.6	$ 19.28	na	na
3-year average P+P FD&A including change in FDC	$ 800.5	na	na	56.4	$ 14.20
Finding and Development Costs					
Total 2008 proved F&D costs including change in FDC	$ 230.8	10.7	$ 21.67	na	na
Total 2008 P+P F&D including change in FDC	$ 241.0	na	na	13.5	$ 17.82
3-year average proved F&D including change in FDC	$ 602.8	33.7	$ 17.91	na	na
3-year average P+P F&D including change in FDC	$ 639.0	na	na	47.9	$ 13.34