



NEWS RELEASE

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Progress Announces \$140 Million Bought Deal Financing

Calgary, January 28, 2009 (TSX – PRQ) – Progress Energy Resources Corp. (“Progress” or the “Company”) is pleased to announce that it has entered into an agreement, on a bought deal basis, with a syndicate of underwriters co-led by Peters & Co. Limited and BMO Capital Markets and including Scotia Capital Inc., CIBC World Markets Inc., FirstEnergy Capital Corp., National Bank Financial Inc., Canaccord Capital Corporation, Cormark Securities Inc., RBC Capital Markets and Tristone Capital Inc., pursuant to which Progress will issue 12,950,000 common shares at \$10.85 per common share for total gross proceeds of \$140,507,500.

Progress has also granted the underwriters an over-allotment option to purchase, on the same terms and conditions, up to an additional 1,942,500 common shares. The option is exercisable in whole or in part, at any time until 30 days after closing of the offering. The maximum gross proceeds raised under this offering will be approximately \$161.5 million should the over allotment be exercised in full.

Proceeds of the common share offering will be used to initially reduce indebtedness, fund Progress’ on-going capital expenditure program and for general corporate purposes.

The common shares shall be offered in all provinces of Canada (other than Quebec) by way of short form prospectus and in the U.S. on a private placement basis pursuant to exemptions from registration requirements. The closing of the offering is expected to occur on February 18, 2009, and is subject to certain conditions including the approval of the Toronto Stock Exchange.

This news release shall not constitute an offer to sell or the solicitation of any offer to buy securities in the United States. The common shares have not been nor will be registered under the United States Securities Act of 1933, as amended and they may not be offered or sold in the United States absent registration or an exemption from registration. Any offering of securities in the United States will be made by a confidential offering memorandum pursuant to a valid private placement, which confidential offering memorandum will contain detailed information about the company and management as well as financial statements.

Progress is a Calgary based, mid-size natural gas and oil exploration and production company with operations 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).

Advisory Regarding Forward-Looking 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 "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. More particularly and without limitation, this press release contains forward-looking statements and information concerning the completion of the offering and the use of the proceeds of the offering.

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 service regarding the satisfaction of the conditions of closing of the offering, the receipt of applicable approvals. 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; failure to obtain required regulatory and other approvals; changes in legislation, including but not limited to tax laws, royalties and environmental regulations; and failure to obtain required regulatory and other approvals; and to satisfy the other closing condition.

Accordingly, readers should not place undue reliance on the forward-looking statements and information contained in this press release concerning these items.

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.