



NEWS RELEASE

Progress Energy Grows 2010 Year-end Reserves by 63 Percent

Montney reserves grow to 600 billion cubic feet equivalent

CALGARY, Alberta (February 9, 2010) - (TSX-PRQ) -- Progress Energy Resources Corp. ("Progress" or the "Company") today announced its 2010 year-end reserves information. Progress grew its proved plus probable ("P+P") company interest reserve base by 63 percent to more than 253 million barrels of oil equivalent ("mmboe") or 1.5 trillion cubic feet equivalent ("tcf"). On a per-share, debt-adjusted basis, Progress' P+P reserves grew by 30 percent year-over-year.

Highlights

- Progress grew its P+P Montney reserves by 386 percent to approximately 600 billion cubic feet equivalent ("bcfe") in 2010;
- At year-end 2010, the Company had 156 net Montney horizontal wells booked in its reserve base. This represents less than two percent of Progress' identified Montney inventory of over 7,500 locations;
- Progress had 22 gross producing Montney horizontal wells booked at year end 2010 with an average P+P booking of 4.4 bcf per well;
- P+P finding and development ("F&D") costs, excluding changes in future development capital ("FDC") and acquisitions, were \$4.67 per barrel of oil equivalent ("boe") or \$0.78 per thousand cubic feet equivalent ("mcf");
- P+P F&D costs were \$12.37 per boe including changes in FDC;
- P+P finding, development and acquisition ("FD&A") costs were \$12.49 per boe including changes in FDC;
- 2010 year-end P+P reserves grew by 63 percent to 253.4 mmboe with a reserve life index of 15 years based on current production of approximately 45,000 boe per day, annualized;
- Total P+P reserve additions, excluding acquisitions, were 80.5 mmboe. P+P reserve additions through the drillbit replaced 539 percent of production;
- Total P+P reserve additions were 113.0 mmboe. P+P reserve additions from all sources replaced 758 percent of production.

<i>(unaudited)</i>	FD&A including changes in FDC <i>(\$/boe, \$/mcfe)</i>	F&D including changes in FDC <i>(\$/boe, \$/mcfe)</i>	F&D excluding changes in FDC <i>(\$/boe, \$/mcfe)</i>
Proved	\$16.23 / \$2.71	\$16.43 / \$2.74	\$9.22 / \$1.54
Proved plus probable	\$12.49 / \$2.08	\$12.37 / \$2.06	\$4.67 / \$0.78
2010 Capital before FDC (\$MM)	\$712.7	\$375.6	

Year-end 2010 Results

Progress anticipates releasing its year-end 2010 financial results on February 24, 2011 after market close. Exit rate production for 2010 was approximately 45,000 boe per day with fourth quarter production averaging approximately 42,700 boe per day. Fourth quarter cash flow from operating activities (before changes in non-cash working capital) was approximately \$59 million. Capital investment in 2010 was \$375 million, before acquisitions and divestitures, and year-end 2010 bank debt was approximately \$333 million including working capital.

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") anticipated to be filed in mid-March 2011.

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 Corporation's 2009 closing balance representing 102.3 mmboe of proved reserves and 155.1 mmboe of proved plus probable reserves;
- The closing balance for 2010 is 153.7 mmboe proved reserves and 253.4 mmboe proved plus probable reserves. This results in a 50% increase in proved reserves and a 63% increase in proved plus probable reserves.

Replacement Costs (Unaudited)

- 2010 FD&A cost of \$16.23 per boe, proved and \$12.49 per boe, proved plus probable, including the change in FDC;
- 2010 F&D cost of \$16.43 per boe, proved and \$12.37 per boe, proved plus probable, including the change in FDC;
- The three year average F&D cost of \$17.04 per boe, proved and \$13.02 per boe, proved plus probable, including the change in FDC.

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 share before deduction of royalties and without including any royalty interests) will be included in Company's Annual Information Form for the year ended December 31, 2010 ("AIF") in addition to the full National Instrument 51-101 - Standards for Disclosure for Oil and Gas Activities ("NI 51-101"), disclosure for the year ended December 31, 2010 which will be filed on or before March 31, 2011.

The Company has adopted the standard of 6 mcf:1 boe when converting natural gas to boes and 1 barrel of oil to 6 mcf of gas when converting oil to gas. Boe's or mcfe's may be misleading, particularly if used in isolation. A boe conversion ratio of 6 mcf:1 boe and an mcfe conversion ratio of 1 bbl:6 mcf 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, 2010, as evaluated by GLJ Petroleum Consultants Ltd. ("GLJ") in its report dated February 8, 2011 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, Notice 51-324 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 a before tax basis. Estimated values of future net revenue disclosed herein do not represent fair market value. Columns may not add due to rounding.

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.

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.

**Summary of Oil and Gas Reserves and Net Present Values of Future Net Revenue
As of December 31, 2010
Forecast Prices and Costs**

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
	(Mbbbl)	(Mbbbl)	(Mbbbl)	(Mbbbl)	(MMcft)	(MMcft)	(Mbbbl)	(Mbbbl)	(Mboe)	(Mboe)
Proved										
Developed producing	3,384	2,916	463	361	470,464	392,700	7,170	5,368	89,429	74,094
Developed non- producing	328	293	0	0	48,390	40,292	669	504	9,062	7,512
Undeveloped	586	512	0	0	302,434	274,436	4,264	3,695	55,255	49,946
Total proved	4,298	3,721	463	361	821,289	707,429	12,103	9,566	153,746	131,553
Probable	1,345	1,133	135	101	544,293	470,874	7,470	6,060	99,666	85,773
Total proved plus probable	5,643	4,854	599	462	1,365,581	1,178,303	19,573	15,626	253,412	217,326

"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						
Reserve Category	Before Income Taxes					BTNPV Disc 10% \$/boe
	Discounted at (%/year)					
	0	5	10	15	20	
(\$ thousands)						
Proved						
Developed Producing	1,840,528	1,337,244	1,059,190	883,367	762,130	11.84
Developed Non-Producing	179,859	122,037	90,420	70,912	57,809	9.98
Undeveloped	866,593	498,973	295,910	173,202	93,983	5.35
Total Proved	2,886,980	1,958,255	1,445,521	1,127,480	913,923	9.40
Total Probable	2,312,642	1,167,960	682,291	432,876	287,216	6.85
Total Proved Plus Probable	5,199,623	3,126,215	2,127,812	1,560,357	1,201,139	8.40

Notes:

- (1) The estimated net present value of future net revenue is based on current legislation in place December 31, 2010.
- (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.

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)		
2011	88.00	86.22	82.78	54.32	67.26	90.54	2.0	.98
2012	89.00	89.29	83.04	56.25	68.75	91.96	2.0	.98
2013	90.00	90.92	83.64	57.28	70.01	92.74	2.0	.98
2014	92.00	92.96	84.59	58.56	71.58	94.82	2.0	.98
2015	95.17	96.19	87.54	60.60	74.07	98.12	2.0	.98
2016	97.55	98.62	89.75	62.13	75.94	100.59	2.0	.98
2017	100.26	101.39	92.26	63.87	78.07	103.42	2.0	.98
2018	102.74	103.92	94.57	65.47	80.02	106.00	2.0	.98
2019	105.45	106.68	97.08	67.21	82.15	108.82	2.0	.98
2020	107.56	108.84	99.04	68.57	83.80	111.01	2.0	.98
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)
2011	4.50	4.60	4.16	4.25
2012	5.15	5.25	4.74	4.85
2013	5.75	5.85	5.31	5.40
2014	6.25	6.35	5.77	5.90
2015	6.75	6.85	6.22	6.40
2016	7.10	7.20	6.53	6.75
2017	7.32	7.42	6.76	6.97
2018	7.47	7.57	6.90	7.12
2019	7.62	7.72	7.06	7.27
2020	7.77	7.87	7.21	7.42
Thereafter	+2.0%/yr	+2.0%/yr	+2.0%/yr	+2.0%/yr

In 2010, Progress received a weighted average price of \$73.24 per barrel (“bbl”) for crude oil, \$55.10 per bbl for Natural Gas Liquids (“NGLs”) and \$4.13 per thousand cubic feet (“Mcf”) for natural gas.

The undiscounted total future net revenue by reserves category as of December 31, 2010, using forecast prices and costs, is set forth below:

Reserve Category	(\$ millions)								
	Revenue	Royalties, Mineral Tax	Operating Costs	Development Costs	Abandonment Costs	Well Costs	Future Net Revenue Before Income Taxes	Income Taxes	Future Net Revenue After Income Taxes
Forecast Prices and Costs									
Proved	6,336	926	1,786	684	53		2,887	128	2,759
Proved plus probable	11,011	1,612	2,918	1,212	69		5,200	706	4,494

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, 2009)	4,105	544,887	7,370	102,290
	Technical Revisions	436	(12,391)	1,056	(573)
	Economic Factors	(22)	(15,530)	(130)	(2,740)
	Exploration Discoveries	-	43,819	814	8,117
	Drilling Extensions and Improved Recovery	246	198,174	2,662	35,936
	Acquisitions	1,457	156,855	2,018	29,618
	Dispositions	(746)	(16,538)	(461)	(3,963)
	Production	(714)	(77,986)	(1,228)	(14,940)
	Closing Balance (December 31, 2010)	4,762	821,289	12,103	153,746
Proved Plus Probable	Opening Balance (December 31, 2009)	5,283	834,195	10,825	155,141
	Technical Revisions	448	(35,360)	1,388	(4,057)
	Economic Factors	(23)	(8,872)	(92)	(1,593)
	Exploration Discoveries	-	102,282	1,845	18,892
	Drilling Extensions and Improved Recovery	386	372,135	4,870	67,280
	Acquisitions	1,843	201,198	2,568	37,944
	Dispositions	(980)	(22,010)	(604)	(5,253)
	Production	(714)	(77,986)	(1,228)	(14,940)
	Closing Balance (December 31, 2010)	6,242	1,365,581	19,573	253,412

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

The following table sets out the development costs deducted in the estimation of future net revenue attributable to the reserves categories described above.

Future Development Costs

(\$ thousands)	Forecast Prices and Costs	
	Proved Reserves	Proved Plus Probable Reserves
Year		
2011	195,939	275,297
2012	293,774	537,219
2013	109,244	261,906
2014	13,871	35,896
2015	36,107	52,257
Total	683,913	1,211,776

2011 Production Estimates

The following table sets out the Company's gross production estimated in GLJ's evaluation for 2011 which is reflected in the estimated future net revenue disclosed above. There are no fields that account for 20% or more of the total production.

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 Daily Production	1,536	208	238,859	4,247	45,801
Total Probable Daily Production	44	4	17,691	339	3,335
Total Proved Plus Probable Production	1,580	212	256,549	4,586	49,136

Finding and Development Costs

	Capital Expenditures (\$ million)	Proved Reserve Additions (mmboe)	Proved Costs (\$/boe)	P+P Reserve Additions (mmboe)	P+P Costs (\$/boe)
Finding, Development and Net Acquisition Costs					
Total 2010 proved FD&A costs including change in FDC	\$ 1,078	66.4	\$ 16.23	na	na
Total 2010 P+P FD&A including change in FDC	\$ 1,414	na	na	113.2	\$ 12.49
Total 2009 proved FD&A costs including change in FDC	\$ 1,386	51.2	\$ 27.09	na	na
Total 2009 P+P FD&A including change in FDC	\$ 1,516	na	na	76.7	\$ 19.78
3-year average proved FD&A including change in FDC	\$ 2,611	127.7	\$ 20.45	na	na
3-year average P+P FD&A including change in FDC	\$ 3,097	na	na	202.2	\$ 15.31
Finding and Development Costs					
Total 2010 proved F&D costs including change in FDC	\$ 669	40.7	\$ 16.43	na	na
Total 2010 P+P F&D including change in FDC	\$ 996	na	na	80.5	\$ 12.37
Total 2009 proved F&D costs including change in FDC	\$ 421	22.4	\$ 18.79	na	na
Total 2009 P+P F&D including change in FDC	\$ 550	na	na	39.7	\$ 13.88
3-year average proved F&D including change in FDC	\$ 1,259	73.9	\$ 17.04	na	na
3-year average P+P F&D including change in FDC	\$ 1,736	na	na	133.4	\$ 13.02

Finding and development cost calculations and finding, development and acquisition cost calculations have been done in accordance with NI 51-101 (although total company interest reserves were used rather than gross (working interest) reserves).

Advisory on Forward Looking Statements

Certain information regarding Progress set forth in this news release contains 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, the timing of release of its year end financial results and the filing of its AIF. In addition, 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. These statements are only predictions and actual events may differ materially. Although Progress believes that the expectations reflected in the forward-looking statements are reasonable, it cannot guarantee future results, expected timing of filing of its financial results and AIF, performance or achievement since such expectations are inherently subject to significant business, economic, competitive, political and social uncertainties and contingencies.

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. Readers are cautioned that the foregoing lists of factors are not exhaustive.

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.

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.

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.