



**NEWS RELEASE – NOT FOR DISSEMINATION IN THE U.S.**

## **Progress Releases 2010 Year-end Financial Information *Declares First Quarter 2011 Dividend***

**CALGARY**, Alberta (February 24, 2011) - (TSX-PRQ) -- Progress Energy Resources Corp. ("Progress" or the "Company") today filed its audited Consolidated Financial Statements and Notes to the Consolidated Financial Statements and Management's Discussion and Analysis for the year ended December 31, 2010 on SEDAR. These may be viewed at [www.sedar.com](http://www.sedar.com) and on the Corporation's website at [www.progressenergy.com](http://www.progressenergy.com).

On February 14, 2011, Progress announced that it was expanding its 2011 capital program to \$350 million. Progress expects the expanded capital program to result in production growth to an average of approximately 45,000 to 46,000 barrels of oil equivalent ("boe") per day in 2011 and 2011 exit production of 50,000 to 52,000 boe per day, an increase of approximately 15 percent from 2010 exit production of approximately 45,000 boe per day.

On February 9, 2011, Progress announced that its reserve base had grown by 30 percent on a debt-adjusted, per-share basis in 2010, primarily driven by the success of the Company's Montney drilling program in northeast British Columbia. With an expanded capital program of \$350 million for 2011, the Company intends to accelerate the number of Montney wells to be drilled in 2011 to approximately 30 to 35 horizontal wells.

In connection with the expansion of the Company's capital program, Progress announced that it had entered into an agreement with a syndicate of underwriters pursuant to which the underwriters have agreed to purchase, on a bought deal basis, 14,400,000 common shares of Progress ("Common Shares") at a price of \$13.90 per Common Share for gross proceeds of \$200,160,000 and \$200,000,000 principal amount of Convertible Unsecured Subordinated Debentures for total combined gross proceeds of \$400,160,000 (collectively the "Offering"). The Offering is expected to close on or about March 7, 2011 and is subject to Progress receiving all necessary regulatory approvals, including the approval of the Toronto Stock Exchange (the "TSX"). Canada Pension Plan Investment Board ("CPPIB") which currently owns 14.7 percent of the Company's outstanding Common Shares has agreed to subscribe for 2,116,800 Common Shares under the Offering at \$13.90 per Common Share in order to maintain its current ownership interest. No fee or other commission will be paid to the underwriters for the Common Shares purchased by CPPIB under the Offering.

This news release is not an offer of the securities for sale in the United States. The securities have not been registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an exemption from registration. This news release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any State in which such offer, solicitation or sale would be unlawful.

### **Dividend Declared**

The Board of Directors of Progress Energy Resources Corp., (“Progress” or the “Company”) today announced that the first quarter 2011 dividend will be maintained at \$0.10 per share. The dividend will be payable on April 15, 2011 to holders of Common Shares of record as of March 31, 2011. The ex-dividend date is expected to be March 29, 2011. Based on the February 24, 2011 closing share price on the Toronto Stock Exchange of \$12.91, this represents an annualized yield of 3.1 percent. The amount of future cash dividends, if any, is subject to the discretion of the Progress Board of Directors.

Progress has a dividend reinvestment program (“DRIP”) which allows shareholders who elect to participate in the DRIP to direct that their cash dividends be reinvested in additional Common Shares which, when issued from treasury, will be issued at 95 percent of the Average Market Price (as defined in the DRIP) on the applicable dividend payment date.

A complete copy of the DRIP is available by following the "Shareholder Information - DRIP link" on the "Investors" page of Progress' website at [www.progressenergy.com](http://www.progressenergy.com) or from Computershare by calling 1-800-564-6253. Shareholders should carefully read the complete text of the DRIP before making any decisions regarding their participation in the DRIP.

### **Annual Meeting of Shareholders**

Progress' Annual Meeting of Shareholders is scheduled for Wednesday, May 11, 2011 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.

### **For further information:**

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**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 timing of completion of the Offerings; the use of the proceeds of the Offering including the expanded 2011 capital program, the acceleration of its Montney drilling program; and the Company's expected 2011 average exit production rate.*

*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; the sufficiency of budgeted capital expenditures in carrying out planned activities; the availability and cost of labour and service; the satisfaction of the conditions of closing of the Offering; completion of the Offering on the timing planned; and 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; changes in legislation, including but not limited to tax laws, royalties and environmental regulations; failure to satisfy conditions to closing of the Offering; failure to obtain the necessary regulatory and other approvals, including stock exchange approvals and on the timelines planned; risks that conditions to closing of the Offering are not satisfied; and risk that the board of directors determines that it would be in the best interests of Progress to deploy the proceeds from the Offering 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 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, 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 Company will derive there from. Accordingly, readers should not place undue reliance on the forward-looking statements and information contained in this press release.*

*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 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.*

**Oil and Gas Terms**

*The Company has adopted the standard of 6 mcf:1 boe when converting natural gas to boes. Boe's may be misleading, particularly if used in isolation. A boe conversion ratio of 6 mcf:1 bbbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.*