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NEWS RELEASE

Peregrine Energy Plans to Build Biomass-Fueled Cogeneration Unit in Hartsville, SC *New plant will replace coal-fired facility at Sonoco; Progress Energy to purchase energy*

Peregrine Energy Corporation, a leader in developing independent power and other industrial energy efficiency-related projects, announced that it plans to develop a new woody biomass-fueled cogeneration plant at Sonoco's Hartsville Manufacturing Complex, according to Ralph H. Walker, Jr., president of Peregrine Energy. The \$135 million investment by Peregrine represents one of the largest single capital development projects in Darlington County's history.

Plans are for Peregrine to construct and own a new 50-megawatt capacity facility that will be capable of generating enough electricity to power approximately 20,000 homes. The new biomass-fueled cogeneration facility will replace Sonoco's existing coal-fired boilers. Once the facility is operating, Peregrine intends to sell the entire electrical output and all renewable energy certificates associated with the plant to Progress Energy Carolinas, Inc., and low pressure steam from the plant to Sonoco for use in the manufacture of recycled paperboard and other converted products at its Hartsville complex.

The proposed facility will sit on a 12 to 15-acre site within the Sonoco complex and will utilize emission control technologies that meet BACT (Best Achievable Control Technology) standards. The application for the new facility's air permit was filed in October 2009. Upon issuance of the permit, major equipment, including boiler, turbine generator, air pollution control components and fuel handling systems will be ordered. Construction activity is scheduled to commence upon issuance of the air permit. It is anticipated that the facility could be commercially operational by the fall of 2012.

The project also would benefit the regions' forestry industry by utilizing pre-commercial thinning and waste logging residues as the woody biomass fuel for the project. Currently, when timberlands are thinned or harvested, woody debris from tree tops, limbs and stumps is left on the ground to deteriorate. This dying vegetation increases the risk of fires, negatively impacts healthy trees through higher rates of infestation and disease and releases significant quantities of methane into the environment.

Walker said Peregrine Energy is delighted to be working with blue-chip companies like Sonoco and Progress Energy Carolinas to develop a renewable energy facility in Hartsville. "This combined heat and power generating unit will use an abundant, renewable, carbon-neutral fuel source that will eliminate coal which is currently burned in boilers at the facility," he said. "It is anticipated that the plant will employ approximately 30 full-time workers and that as many as 300 construction-related jobs could be created during its development. In addition, the gathering, processing and transporting of woody biomass to the facility could create more than 120 additional jobs in the region."

(more)

“We’re proud to be part of this innovative project as part of our commitment to a balanced energy future,” said Lloyd Yates, president and CEO of Progress Energy Carolina. “This is a great environmental success story, and Sonoco’s considerable experience in forestry operations will help keep the cost of fuel low, which is important in ensuring this is a cost-effective renewable energy resource for our customers.”

About Peregrine

Peregrine Energy Corporation (“Peregrine”) is a leader in developing independent power and other energy efficiency-related projects at industrial and institutional sites. Headquartered in Greenville, S.C., the company was founded in 1993 to own and operate inside-the-fence combined heat and power projects at large manufacturing facilities. Building on its development expertise, technical knowledge, financing experience and its understanding of the electric utility industry, Peregrine is developing multiple biomass-fired power generating facilities throughout the Southeast and mid-Atlantic regions. More information is available on the company’s website at www.peregrinecorp.net.

About Sonoco

Sonoco (NYSE: SON), founded in 1899 in Hartsville, S.C., is a global manufacturer of industrial and consumer products and provider of packaging services, with more than 300 operations in 35 countries serving customers in 85 nations. Additional information about Sonoco is available at www.sonoco.com.

About Progress Energy

Progress Energy (NYSE: PGN), headquartered in Raleigh, N.C., is a Fortune 500 energy company with more than 21,000 megawatts of generation capacity and \$9 billion in annual revenues. Progress Energy includes two major electric utilities that serve approximately 3.1 million customers in the Carolinas and Florida. The company has earned the Edison Electric Institute’s Edison Award, the industry’s highest honor, in recognition of its operational excellence, and was the first utility to receive the prestigious J. D. Power and Associates Founder’s Award for customer service. The company is pursuing a balanced strategy for a secure energy future, which includes aggressive energy-efficiency programs, investments in renewable energy technologies and a state-of-the-art electricity system. Progress Energy celebrated a century of service in 2008. Visit the company website at www.progress-energy.com.