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# Penn Virginia Corporation Provides Update to Full-Year 2008 Guidance

## Provides Preliminary Guidance for 2009 Oil and Gas Production

RADNOR, Pa.--

Penn Virginia Corporation (NYSE:PVA) today provided revised full-year 2008 guidance for oil and gas production and capital expenditures and preliminary oil and gas production guidance for 2009.

As a result of weather-related and other issues in the East Texas, Mid-Continent and Gulf Coast regions, PVA has reduced full-year 2008 oil and gas production guidance to a range of between 46.5 and 48.0 billion cubic feet of natural gas equivalent (Bcfe). This full-year 2008 production guidance range represents an increase of 15 to 20 percent over 2007 production levels of 40.6 Bcfe and a decrease from the previous guidance range of 49.7 to 51.7 Bcfe. Expected capital expenditures for 2008 have also been reduced to a range of \$590.0 to \$610.0 million as compared to the previous guidance range of \$625.0 to \$650.0 million, primarily as a result of delayed drilling and completion activity.

PVA currently has in excess of \$250 million of availability under its \$479 million revolving credit facility, which, together with anticipated operating cash flow and existing commodity hedges, is expected to be sufficient to fund anticipated oil and gas capital expenditures through the end of 2009. Assuming 2009 oil and gas capital expenditures are \$400 million, which is two-thirds of the mid-point of revised 2008 capital expenditures guidance, full-year 2009 production growth is estimated to be 20 to 30 percent higher than the mid-point of the Company's revised 2008 production guidance. In December 2008, PVA will announce its approved 2009 oil and gas capital expenditures budget and production guidance range.

The approximate 3.5 Bcfe, or seven percent, reduction to the mid-point of production guidance for the second half of 2008 from the mid-point of previous production guidance was attributable to:

- 1.6 Bcfe of weather-related delays, including the effects of Hurricanes Ike and Gustav which caused a temporary shut-in of production in East Texas and in the Gulf Coast (0.1 Bcfe). The weather disruptions also resulted in a longer-term curtailment of natural gas liquids production in East Texas (0.8 Bcfe, including shut-in natural gas production). In addition, extended poor weather conditions in the Arkoma Basin delayed Hartshorne horizontal coalbed methane (HCBM) completions and pipeline installations in the Mid-Continent region (0.7 Bcfe);
- 0.9 Bcfe of delays associated with multi-lateral HCBM wells in Appalachia primarily due to the timing of completions and

delays in the turning in line of wells and pipeline capacity issues associated with a third-party pipeline. A resolution to the capacity issues is in progress;

- 0.4 Bcfe of delays related to securing additional rigs to drill horizontal Selma Chalk wells in Mississippi (0.3 Bcfe) and horizontal Bakken development wells in the Williston Basin (0.1 Bcfe); and
- 0.4 Bcfe related to reduced production volumes in East Texas as rigs formerly committed to drill vertical Cotton Valley wells have been re-deployed to drill horizontal Lower Bossier (Haynesville) Shale wells. Currently, PVA has four drilling rigs dedicated to drilling Lower Bossier wells.

In late October 2008, a more detailed update of operations will be provided, including drilling and completion activity and any additional guidance updates for full-year 2008. Third quarter 2008 financial results will be announced in early November 2008.

### Management Comments

A. James Dearlove, President and Chief Executive Officer of PVA, commented, "In spite of the reduced guidance levels for 2008, our growth strategy remains intact in all of our significant resource plays. The reduced 2008 guidance is largely the result of a number of unanticipated circumstances, including the effects of two hurricanes which impacted our largest producing region in East Texas. In addition, we are accelerating the transition from an exclusive vertical Cotton Valley development program in East Texas, which was supported by six drilling rigs at the beginning of 2008, to the current combination of four to five rigs drilling horizontal Lower Bossier (Haynesville) Shale wells and two to three rigs drilling vertical Cotton Valley wells. The near-term effect of this transition is a delay of production contributions from the horizontal shale drilling program, which has much longer spud-to-production lead time relative to vertical Cotton Valley wells. Even though this decision has affected near-term production growth, the benefits of expected superior economic returns and accelerated long-term production growth favor this approach, as reflected in our preliminary 2009 guidance."

Headquartered in Radnor, PA and a member of the S&P SmallCap 600 Index, Penn Virginia Corporation (NYSE:PVA) is an independent natural gas and oil company focused on the exploration, acquisition, development and production of reserves in onshore regions of the United States, including the Cotton Valley play in East Texas, the Selma Chalk play in Mississippi, the Mid-Continent region, the Appalachian Basin and the Gulf Coast of Louisiana and Texas. PVA also owns approximately 77 percent of Penn Virginia GP Holdings, L.P. (NYSE:PVG), the owner of the general partner and the largest unitholder of Penn Virginia Resource Partners, L.P. (NYSE:PVR), a manager of coal and natural resource properties and related assets and the operator of a midstream natural gas gathering and processing business. For more information, please visit PVA's website at [www.pennvirginia.com](http://www.pennvirginia.com).

Certain statements contained herein that are not descriptions of historical facts are "forward-looking" statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Because such statements include risks, uncertainties and contingencies, actual results may differ materially from those expressed or implied by such forward-looking statements. These risks,

uncertainties and contingencies include, but are not limited to, the following: the volatility of commodity prices for natural gas, NGLs and crude oil; our ability to develop and replace oil and gas reserves and the price for which such reserves can be acquired; the relationship between natural gas, NGL and crude oil prices; the projected demand for and supply of natural gas, NGLs and crude oil; the availability and costs of required drilling rigs, production equipment and materials; our ability to obtain adequate pipeline transportation capacity for our oil and gas production; competition among producers in the oil and natural gas coal industry generally; the extent to which the amount and quality of actual production of our oil and natural gas differs from estimated proved oil and gas reserves; the occurrence of unusual weather or operating conditions including force majeure events; delays in anticipated start-up dates of our oil and natural gas production; environmental risks affecting the drilling and producing of oil and gas wells, gathering and processing of natural gas; the timing of receipt of necessary governmental permits by us; hedging results; accidents; changes in governmental regulation or enforcement practices, especially with respect to environmental, health and safety matters; uncertainties relating to the outcome of current and future litigation; risks and uncertainties relating to general domestic and international economic (including inflation, interest rates and financial market) and political conditions (including the impact of potential terrorist attacks).

Additional information concerning these and other factors can be found in our press releases and public periodic filings with the Securities and Exchange Commission, including our Annual Report on Form 10-K for the year ended December 31, 2007. Many of the factors that will determine our future results are beyond the ability of management to control or predict. Readers should not place undue reliance on forward-looking statements, which reflect management's views only as of the date hereof. We undertake no obligation to revise or update any forward-looking statements, or to make any other forward-looking statements, whether as the result of new information, future events or otherwise.

Source: Penn Virginia Corporation