May 1, 2009

Penn Virginia Corporation Provides First Quarter 2009 Oil and Gas Operational Update

Record Quarterly Production 32 Percent Higher Than Prior Year

Reduction to 2009 Drilling Capital Expenditures

Full-Year 2009 Production Guidance Re-Affirmed

RADNOR, Pa.-- Penn Virginia Corporation (NYSE:PVA) today announced record levels of quarterly production and provided an update of its oil and gas operational activities, including first quarter 2009 operational results and full-year 2009 guidance.

First Quarter 2009 Highlights

Operational results for our oil and gas segment during the first quarter of 2009 included the following:

- Quarterly record oil and gas production of 152.3 million cubic feet of natural gas equivalent (MMcfe) per day, or 13.7 billion cubic feet of natural gas equivalent (Bcfe), representing production growth of 32 percent from 115.6 MMcfe per day, or 10.5 Bcfe, in the first quarter of 2008 (six percent higher as compared to the previous quarterly record of 143.8 MMcfe per day, or 13.2 Bcfe, produced in the fourth quarter of 2008);
- Oil and gas capital expenditures of approximately $86 million, including approximately $79 million for drilling and completion activities;
- 19 (14.4 net) wells drilled, with a 94 percent success rate; and
- Continued drilling success in the Lower Bossier (Haynesville) Shale in East Texas, the Granite Wash in the Mid-Continent region, the Selma Chalk in Mississippi and horizontal coalbed methane (HCBM) in Appalachia.

Full-Year 2009 Guidance Update

Full-year 2009 guidance updates are as follows:

- Production guidance of 131.5 to 137.0 MMcfe per day, or 48.0 to 50.0 Bcfe, which remains unchanged from previous guidance; and
- Oil and gas capital expenditures guidance of $130.0 to $140.0 million, excluding drilling rig standby charges discussed below, which is reduced from the previous guidance range of $210.0 to $220.0 million due to expectations of continued weak near-term gas prices.

First Quarter 2009 Operational and Financial Results

Production in the first quarter of 2009 was 152.3 MMcfe per day, or 13.7 Bcfe, an increase of 32 percent over the 115.6 MMcfe per day, or 10.5 Bcfe, in the first quarter of 2008. Production in the first quarter of 2009 was a quarterly production record and was six percent higher than the previous quarterly record of 143.8 MMcfe per day, or 13.2 Bcfe, produced in the fourth quarter of 2008.

The realized natural gas price during the first quarter of 2009 was $4.48 per thousand cubic feet (Mcf), 29 percent lower than the $6.29 per Mcf natural gas price in the fourth quarter of 2008 and 46 percent lower than the $8.26 per Mcf natural gas price in the first quarter of 2008. The realized oil price during the first quarter of 2009 was $37.01 per barrel, 29 percent lower than the $51.93 per barrel oil price in the fourth quarter of 2008 and 62 percent lower than the $97.00 per barrel oil price in the first quarter of 2008. The realized natural gas liquids (NGLs) price during the first quarter of 2009 was $22.93 per barrel, 12 percent lower than the $26.14 per barrel NGLs price in the fourth quarter of 2008 and 58 percent lower than the $54.94 per barrel NGLs price in the first quarter of 2008. Adjusting for oil and gas hedges, the effective natural gas price during the first quarter of 2009 was $5.74 per Mcf and the effective oil price was $44.90 per barrel, or increases of $1.26 per Mcf and $7.89 per barrel, respectively.

During the first quarter of 2009, unit cash operating expenses decreased to $1.80 per thousand cubic feet of natural gas equivalent (Mcfe) from $1.99 per Mcfe in the fourth quarter of 2008 and $2.34 per Mcfe in the first quarter of 2008. We expect full-year 2009 unit cash operating expenses to range between $1.85 and $1.95 per Mcfe, a decrease from previous guidance of $2.00 to $2.10 per Mcfe. Exploration expense during the first quarter was $11.4 million, and included $8.4 million of amortization of unproved properties, an increase from prior quarters to amortize higher leasehold acquisition costs in our East Texas, Mid-Continent and Gulf Coast regions. In addition, as discussed in further detail below, during the first quarter we incurred $9.9 million of drilling rig standby charges related to our decision to defer drilling due to unfavorable economic conditions. Impairments of proved properties of $1.2 million were also incurred during the first quarter. We plan to release full financial results and additional 2009 guidance details in a separate first quarter 2009 financial results press release on May 6, 2009.

Management Comment

A. James Dearlove, President and Chief Executive Officer, said, "We are pleased with our record production and reduced cash operating expenses during the first quarter and believe that the results demonstrate the ability to manage our oil and gas operations in periods of price dislocation.

"Natural gas prices were weak in the first quarter. Our cash margins in the quarter were supported by our hedging positions, however, we expect gas prices to remain weak in the near term, which makes it difficult to achieve acceptable returns for new drilling. As such, we have decided to defer most of our drilling efforts until market conditions improve. We expect to use free cash flow from our production to reduce outstanding bank debt. Our full-year 2009 production guidance has not changed due to our expectations regarding production during the first half of the year, although the reduced level of drilling will eventually cause our production to decline.

"We do not expect the deferred drilling to have a material effect on the lease position in our core plays and we continue to maintain a significant multi-year inventory of high-quality drilling locations. Our horizontal drilling success, increased efficiency and strong leasehold positions in the Lower Bossier Shale, Granite Wash and Selma Chalk plays have positioned us for future reserve and production growth in those plays once gas prices recover."

Capital Expenditures

During the first quarter of 2009, oil and gas capital expenditures were approximately $86 million, consisting of:

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--  $79 million to drill 19 (14.4 net) wells, 17 (12.5 net) of which were
    successful, one (1.0 net) of which was unsuccessful and one (1.0 net) of
    which is under evaluation;
--  $5 million for the expansion of gathering systems and other production
    facilities; and
--  $2 million for leasehold acquisition, seismic data and other
    expenditures.
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As discussed above, full-year 2009 capital expenditures guidance has been reduced to a range of $130.0 to $140.0 million, excluding drilling rig standby charges discussed below, from a range of $210.0 to $220.0 million provided in previous guidance. Based on the approximately $86 million spent during the first quarter of 2009, we estimate that we will spend approximately $44 to $54 million for capital expenditures during the remaining three quarters of 2009, including approximately $39 to $46 million for drilling and $5 to $8 million for infrastructure, seismic and leasehold costs. We expect our drilling costs for the remainder of 2009 to be focused primarily on our continued participation in non-operated Granite Wash wells in the Mid-Continent region. We also expect to drill one to two more gross wells in our Lower Bossier Shale and Selma Chalk development plays, and possibly test the Marcellus Shale in Pennsylvania.

Drilling Rig Standby Charges

In the first quarter of 2009, we opted to defer the drilling of wells in several of our plays due to unfavorable economic conditions. As a result, we amended certain drilling rig contracts to delay commencement of drilling until January 2010. In the first quarter of 2009, we expensed approximately $9.9 million for lump sum delay fees, minimum daily standby fees and demobilization fees expected to be paid during the standby period. We will continue to evaluate economic conditions through the remainder of 2009 to determine whether to continue to defer drilling. This decision could result in additional standby expense of up to approximately $14.8 million during 2009.

Operational Updates by Geographical Region

East Texas - During the first quarter of 2009, we drilled six (6.0 net) operated and one (0.5 net) non-operated Lower Bossier (Haynesville) Shale horizontal wells. Of the wells drilled, six (5.5 net) wells were successful and one (1.0 net) well (Agnor #6-H) was unsuccessful, as announced in March. Production in the first quarter averaged 40.9 MMcfe per day, 35 percent higher than the 30.3 MMcfe per day produced in the first quarter of 2008 and 10 percent higher than the 37.2 MMcfe per day produced in the fourth quarter of 2008. The production increases were entirely attributable to initial contributions from the Lower Bossier

shale play for which there was no production in the prior year quarter.

Over the past twelve months, we have tested the Lower Bossier potential across most of our acreage position in East Texas. We have been encouraged by the results of the horizontal drilling program and have concluded that the majority of our acreage warrants an active development program going forward.

To date, we have completed and are producing from 13 operated horizontal Lower Bossier wells. The average initial production rate for the 13 producing wells is 5.0 MMcfe per day and the total gross production rate is currently 20 MMcfe per day for these wells. Initial production rates for the six operated wells completed during the first quarter ranged from 2.8 to 8.3 MMcfe per day with an average of 5.4 MMcfe per day. The completions averaged eight fracture stages with an average lateral length of approximately 3,500 feet.

We continue to optimize the drilling and completion techniques in recently drilled wells. For example, we have reduced the average number of bits required to drill the wells and have modified the direction of the lateral and the interval within the shale in which we drill the horizontal lateral. Stimulation results along the lateral have improved because of the revised positioning of the lateral as well as the utilization of a higher-weight production casing allowing for higher treating pressures during fracture stimulations.

In addition, we continue to reduce the costs to drill and complete wells. We drilled, completed and turned-in-line the recent Gail Furrh #8-H well in 60 days - three weeks less than the 81-day average for previous wells (excluding wells with casing failures). Two wells that are currently drilling, with horizontal laterals averaging approximately 4,000 feet in length, both reached total depth in approximately 30 days. Daily drilling footage within the horizontal lateral itself has approached 900 to 1,000 feet recently. These improvements in drilling efficiency, along with reductions in the costs of tubulars and overall services, have resulted in current drilling and completion costs of approximately $7.0 million per well. This is a decrease of approximately 17 percent from the average initial well cost for previous wells of approximately $8.4 million (excluding wells with casing failures).

Mid-Continent - During the first quarter of 2009, we drilled seven (3.0 net) wells, including four (1.8 net) Granite Wash horizontal wells, two (1.1 net) Woodford Shale horizontal wells and one (0.02 net) Bakken horizontal well. One (1.0 net) Woodford Shale well is under evaluation and all of the remaining wells were successfully drilled and completed. Production in the first quarter averaged 31.7 MMcfe per day, 98 percent higher than the 16.1 MMcfe per day produced in the first quarter of 2008 and flat compared to the 31.8 MMcfe per day produced in the fourth quarter of 2008. The year-over-year production increase was primarily attributable to an eightfold increase in Granite Wash production.

Since late 2007, we have switched the development of our Granite Wash properties from marginally economic vertical completions to a horizontal drilling program and have been very encouraged by the results.

To date, we have completed and are producing from 18 horizontal Granite Wash wells. The average initial production rate for the 18 producing wells is 10.1 MMcfe per day and the total gross production rate is currently 66 MMcfe per day (20 MMcfe per day, net) for these wells. Initial production rates for the four wells completed in the first quarter ranged from 9.8 to 14.6 MMcfe per day, with an average initial production rate of 11.9 MMcfe per day. The

completions averaged five fracture stages with an average lateral length of approximately 4,300 feet. Currently, we are treating the wells with a cemented liner and selectively perforating, with fracture stimulation treatments using slickwater.

The costs to drill and complete wells in the Granite Wash continue to decrease due primarily to reductions in the costs of tubulars and overall services. These reductions have resulted in current drilling and completion costs of approximately $6.3 million, or approximately 25 percent less than the average cost to drill our typical horizontal Granite Wash well through the end of 2008.

Mississippi - During the first quarter of 2009, we drilled three (3.0 net) successful horizontal Selma Chalk wells. Production in the first quarter averaged 23.3 MMcfe per day, 17 percent higher than the 19.8 MMcfe per day produced in the first quarter of 2008 and 14 percent higher than the 20.4 MMcfe per day produced in the fourth quarter of 2008. The production increases were due to the growing contributions from horizontal Selma Chalk wells, which now account for about one-half of production in Mississippi.

Since 2006, we have switched the development of our Selma Chalk properties from vertical completions to a horizontal drilling program and have been very encouraged by the results. Based on results to date, a single horizontal well replaces the need to drill two to three vertical wells and recovers four to five times the reserves of a vertical well.

To date, we have completed and are producing from 20 horizontal Selma Chalk wells. The average initial 30-day production rate for the 20 producing wells is 815 Mcfe per day, as compared to an average of 272 Mcfe per day for vertical wells, and the total gross production rate is currently over 13 MMcfe per day for these wells. The completions have seven to eight fracture stages with an average lateral length of approximately 3,000 feet. The first 15 wells drilled utilized open-hole completion technology, whereas the last five wells have used cemented casing and perforating in conjunction with the completion. The average initial 30-day production rate for the open-hole completions is 761 Mcfe per day, while this same rate for the cemented casing type completions is 1.0 MMcfe per day. After 60 days, the average rate for the open-hole completions is 804 Mcfe per day and the average rate for the cemented casing type completions is 1.2 MMcfe per day. Going forward, we expect to use cemented and perforated casing for all completions.

We continue to see our drilling efficiency improve with spud to sales timeframe of approximately 41 days for the three wells drilled in the first quarter, as compared to 49 days for the first 17 horizontal wells. These improvements in drilling efficiency have resulted in current drilling and completion costs of approximately $2.5 million per well as compared to $3.0 million per well previously.

Appalachia - During the first quarter of 2009, we drilled two (2.0 net) successful multi-lateral HCBM wells. Production in the first quarter averaged 32.2 MMcfe per day, three percent higher than the 31.2 MMcfe per day produced in the first quarter of 2008 and one percent higher than the 31.8 MMcfe per day produced in the fourth quarter of 2008.

Gulf Coast - Production in the first quarter of 2009 averaged 24.3 MMcfe per day, 33 percent higher than the 18.2 MMcfe per day produced in the first quarter of 2008 and seven percent higher than the 22.6 MMcfe per day produced in the fourth quarter of 2008.

These increases were primarily due to production increases in south Louisiana - up 45 percent from the prior year quarter and up nine percent from the prior quarter - resulting from successful drilling in 2007 at Bayou Sale and in 2008 at Bayou Postillion.

First Quarter 2009 Financial and Operational Results Conference Call

A conference call and webcast, during which management will discuss first quarter 2009 financial and operational results, is scheduled for Thursday, May 7, 2009 at 3:00 p.m. ET. Prepared remarks by A. James Dearlove, President and Chief Executive Officer, will be followed by a question and answer period. Investors and analysts may participate via phone by dialing 1-877-407-9205 five to ten minutes before the scheduled start of the conference call, or via webcast by logging on to our website at www.pennvirginia.com at least 20 minutes prior to the scheduled start of the call to download and install any necessary audio software. A telephonic replay of the call will be available until May 21, 2009 at 11:59 p.m. ET by dialing 1-877-660-6853 and using the following replay pass codes: account #286, conference ID #320300. An on-demand replay of the conference call will be available at our website beginning shortly after the call.

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 U.S., including the East Texas, Mississippi, the Mid-Continent region, the Appalachian Basin and the Gulf Coast of Louisiana and Texas. We also own approximately 77 percent of Penn Virginia GP Holdings, L.P. (NYSE:PVG), the owner of the general partner and the largest unit holder 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.

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 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 industry generally and among natural gas midstream companies; the extent to which the amount and quality of actual production of our oil and natural gas differs from estimated proved reserves; operating risks, including unanticipated geological problems, incidental to our business; 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; 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; risks and uncertainties relating to general domestic and international economic conditions (including inflation, interest rates and financial and credit markets) and political

conditions (including the impact of potential terrorist attacks); and the other risks set forth in our Annual Report on Form 10-K for the fiscal year ended December 31, 2008.

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, 2008. 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 a result of new information, future events or otherwise.

Source: Penn Virginia Corporation