July 27, 2009

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

18 Percent Increase in Production over Prior Year Quarter

Strong East Texas and Granite Wash Drilling Results

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

Second Quarter 2009 Highlights

Oil and gas segment operational results during the second quarter of 2009 included the following:

- -- Quarterly oil and gas production of 148.9 million cubic feet of natural gas equivalent (MMcfe) per day, or 13.6 billion cubic feet of natural gas equivalent (Bcfe), representing production growth of 18 percent from 125.7 MMcfe per day, or 11.4 Bcfe, in the second quarter of 2008 (two percent less than the quarterly record of 152.3 MMcfe per day, or 13.7 Bcfe, produced in the first quarter of 2009);
- -- Oil and gas capital expenditures of approximately $43 million, including approximately $37 million for drilling and completion activities;
- -- Six (3.2 net) wells drilled, all of which were successful; and
- -- Continued strong drilling results from the Lower Bossier (Haynesville) Shale in East Texas and the Granite Wash in the Mid-Continent.

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. Based on first half production of 27.3 Bcfe, we estimate that we will produce 112.7 to 123.6 MMcfe per day, or 20.7 to 22.7 Bcfe, during the second half of 2009. The expected decline in production during the second half of 2009 is due to natural production declines and substantially reduced drilling activity in response to weak natural gas prices thus far during 2009 that are expected to continue into the second half; and
- -- Oil and gas capital expenditures guidance of $165.0 to $180.0 million, excluding drilling rig standby charges discussed below, which is $35 to $40 million greater than the previous guidance range of $130.0 to $140.0 million. The expected increase is primarily due to increased drilling in the second half of 2009 in the Granite Wash, as well as increased lease

acquisition costs in the Granite Wash and Lower Bossier Shale plays.

Second Quarter 2009 Operational and Financial Results

Production in the second quarter of 2009 was 148.9 MMcfe per day, or 13.6 Bcfe, an increase of 18 percent over the 125.7 MMcfe per day, or 11.4 Bcfe, in the second quarter of 2008. Production in the second quarter of 2009 was two percent lower than the quarterly record of 152.3 MMcfe per day, or 13.7 Bcfe, set in the first quarter of 2009.

The realized natural gas price, prior to the impact of derivatives, during the second quarter of 2009 was $3.49 per thousand cubic feet (Mcf), 69 percent lower than the $11.24 per Mcf natural gas price in the second quarter of 2008 and 22 percent lower than the $4.48 per Mcf natural gas price in the first quarter of 2009. The realized oil price, prior to the impact of derivatives, during the second quarter of 2009 was $55.00 per barrel, 55 percent lower than the $121.54 per barrel oil price in the second quarter of 2008 and 49 percent higher than the $37.01 per barrel oil price in the first quarter of 2009. The realized natural gas liquids (NGLs) price during the second quarter of 2009 was $30.97 per barrel, 48 percent lower than the $59.98 per barrel NGLs price in the second quarter of 2008 and 35 percent higher than the $22.93 per barrel NGLs price in the first quarter of 2009. Adjusting for oil and gas hedges, the effective natural gas price during the second quarter of 2009 was $4.78 per Mcf and the effective oil price was $61.42 per barrel, or increases of $1.29 per Mcf and $6.42 per barrel, respectively.

During the second quarter of 2009, unit cash operating expenses decreased to $1.79 per thousand cubic feet of natural gas equivalent (Mcfe) from $2.30 per Mcfe in the second quarter of 2008 and was flat as compared to the $1.80 per Mcfe in the first quarter of 2009. We expect full-year 2009 unit cash operating expenses to range between $1.85 and $1.95 per Mcfe, unchanged from previous guidance. Exploration expense during the second quarter of 2009 was $17.5 million and included $8.5 million of amortization of unproved properties and $6.7 million of drilling rig standby charges discussed in further detail below. Impairments of proved properties of $3.3 million were also incurred during the second quarter. We plan to release full financial results and additional 2009 guidance details in a separate second quarter 2009 financial results press release on August 5, 2009.

Management Comment

A. James Dearlove, President and Chief Executive Officer, said, "We are pleased with our continued high levels of production and reduced cash operating expenses during the second quarter.

"Natural gas prices were much weaker in the second quarter of 2009, as compared to the prior year quarter and the first quarter of 2009, due to weakened industrial demand and the resultant build in natural gas storage. However, our second quarter production was only two percent less than the quarterly record set in the first quarter due to excellent results from Granite Wash and Lower Bossier (Haynesville) drilling. Although we expect production to decline in upcoming quarters while drilling activity is reduced, we are very encouraged by recent drilling results in our key operating areas.

"Our cash margins in the second quarter were supported by our hedging positions; however,

we expect gas prices to remain weak in the second half of 2009 and into 2010, which weighed heavily in our decision to curtail drilling. The recent results from our Lower Bossier Shale wells in East Texas are significantly better than our earlier test wells and we look forward to recommencing drilling in that play.

"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 will allow for future reserve and production growth in those plays once gas prices recover."

Capital Expenditures

During the second quarter of 2009, oil and gas capital expenditures were approximately $43 million, consisting of:

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--  $37.3 million to drill six (3.2 net) wells, all of which were
    successful;
--  $2.4 million for the expansion of gathering systems and other production
    facilities; and
--  $3.2 million for leasehold acquisition, seismic data and other
    expenditures.
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Full-year 2009 capital expenditures guidance has been increased to a range of $165.0 to $180.0 million, excluding drilling rig standby charges discussed below, from a range of $130.0 to $140.0 million provided in previous guidance. Based on the approximate $129 million spent during the first half of 2009, we estimate that we will spend approximately $36 to $51 million for capital expenditures during the second half of 2009, primarily for drilling and leasehold acquisition costs. We expect our drilling activity for the remainder of 2009 to be focused primarily on continued participation in Granite Wash wells in the Mid-Continent region and a vertical test of 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. As a result, we amended certain drilling rig contracts to delay commencement of drilling until January 2010. In the second quarter of 2009, we expensed approximately $6.7 million for an early termination of a drilling rig contract and standby expenses on other rigs. Continued deferral of the remaining rigs could result in additional standby expense of up to approximately $8 million during the second half of 2009.

Operational Updates by Geographical Region

East Texas - During the second quarter of 2009, we drilled two (2.0 net) operated Lower Bossier (Haynesville) Shale horizontal wells, both of which were successful. Production in the second quarter averaged 40.9 MMcfe per day, seven percent higher than the 38.1 MMcfe per day produced in the second quarter of 2008 and flat as compared to the 40.9 MMcfe per day produced in the first quarter of 2009. The year-over-year increase in quarterly production was entirely attributable to initial contributions from the Lower Bossier Shale play. Lower Bossier Shale production averaged 16.8 MMcfe per day during the second quarter of 2009, a 57 percent increase over the 10.7 MMcfe per day produced in the first quarter of 2009. There was minimal production from this play in the second quarter of 2008 when

results from our initial Lower Bossier Shale well were reported.

As previously announced, during the second quarter, we successfully completed the Steele #2-H well (100 percent working interest) which tested at an initial production rate of approximately 11.4 million cubic feet of natural gas per day with a flowing casing pressure of approximately 4,600 pounds per square inch (psi). The well had an approximate 4,000-foot lateral and was stimulated with approximately 2.5 million pounds of sand and bauxite over ten stages. In its first 30 days on production, this well averaged 8.0 MMcfe per day. This well has the highest initial production rate of any Lower Bossier Shale well we have drilled to date in East Texas.

During the second quarter, we successfully completed the J.M. Furrh #2-H well (100 percent working interest) which tested at an initial production rate of approximately 9.6 million cubic feet of natural gas per day with a flowing casing pressure of approximately 2,800 psi. The well had an approximate 4,500-foot lateral and was stimulated with approximately 3.0 million pounds of sand and bauxite over ten stages. In its first 30 days on production, this well averaged 6.5 MMcfe per day.

Over the past five quarters, we have tested the Lower Bossier Shale potential across much of our acreage with 16 wells, including one well which was completed and produced at non-commercial rates as previously disclosed. We have been very encouraged by the results of this horizontal test program, including recent enhancements in drilling and completion methods, and have concluded that the majority of our acreage warrants an active development program going forward. The 15 successful horizontal wells in the program had an average initial production rate of 5.4 MMcfe per day (30-day average rate of 3.6 MMcfe). The typical completion for the first 14 wells was a fracture stimulation with between 1.0 and 1.5 million pounds of proppant over as many as eight stages.

The final two wells drilled and completed, and discussed above, had two additional frac stages and significantly more proppant pumped compared to the previous wells. In addition, we believe the placement of the lateral within the Lower Bossier Shale interval along with the direction of the lateral has also improved the completion results. Going forward, we expect the typical drilling and completion cost to be between $8.0 and $8.5 million as the result of higher completion costs. We believe higher initial production rates, similar to the last two wells, will justify these higher costs.

Mid-Continent - During the second quarter of 2009, we participated in four (1.2 net) non-operated Granite Wash horizontal wells, all of which were successful. Production in the second quarter averaged 38.0 MMcfe per day, 109 percent higher than the 18.2 MMcfe per day produced in the second quarter of 2008 and 20 percent higher than the 31.7 MMcfe per day produced in the first quarter of 2009. The increases were primarily attributable to a 463 percent increase in Granite Wash production from 4.0 MMcfe per day in the second quarter of 2008 to 22.7 MMcfe per day in the second quarter of 2009. Production from this play was 54 percent higher in the second quarter than the 14.8 MMcfe per day produced in the first quarter of 2009.

Of the four non-operated wells we participated in during the second quarter, the final two wells had initial production rates of 23.6 and 20.3 MMcfe per day, including an oil rate of approximately 1,500 barrels of oil per day. The continued excellent results from the Granite Wash play have led to an increase in planned capital expenditures for the remainder of

2009.

To date, 23 horizontal Granite Wash wells have been drilled and the average initial production rate for the first 22 completed and producing wells was 11.8 MMcfe per day (30-day average rate of 8.2 MMcfe per day). Initial production rates for the four wells completed in the second quarter ranged from 5.6 to 23.6 MMcfe per day.

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 $6.0 million. Based on historical results, this play is the highest rate of return on investment opportunity we have in our drilling inventory.

Mississippi - Production in the second quarter averaged 23.6 MMcfe per day, 18 percent higher than the 20.0 MMcfe per day produced in the second quarter of 2008 and two percent higher than the 23.3 MMcfe per day produced in the first quarter of 2009. The production increases were due to the growing contributions from horizontal Selma Chalk wells. Notwithstanding this growth, further drilling in this play has been deferred until early 2010.

Appalachia - Production in the second quarter averaged 32.2 MMcfe per day, one percent higher than the 31.9 MMcfe per day produced in the second quarter of 2008 and flat as compared to the 32.2 MMcfe per day produced in the first quarter of 2009. We plan to commence testing of our Marcellus Shale acreage in Pennsylvania as early as the fourth quarter of 2009, with additional exploratory drilling planned for 2010.

Gulf Coast - Production in the second quarter of 2009 averaged 14.2 MMcfe per day, 19 percent lower than the 17.6 MMcfe per day produced in the second quarter of 2008 and 42 percent lower than the 24.3 MMcfe per day produced in the first quarter of 2009. These decreases were primarily due to production decreases in south Louisiana resulting from natural declines from significant discoveries at Bayou Sale and Bayou Postillion over the past two years.

Second Quarter 2009 Financial and Operational Results Conference Call

A conference call and webcast, during which management will discuss second quarter 2009 financial and operational results, is scheduled for Thursday, August 6, 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 August 20, 2009 at 11:59 p.m. ET by dialing 1-877-660-6853 and using the following replay pass codes: account #286, conference ID #327743. 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