February 7, 2007

Penn Virginia Corporation Announces 29 Percent Increase in Proved Reserves, 14 Percent Increase in Production and 454 Percent Production Replacement; Provides Oil and Gas Operations Update

RADNOR, Pa.--

Penn Virginia Corporation (NYSE:PVA) today announced record levels of proved oil and gas reserves and production, and provided an update of its oil and gas operational activities, including fourth quarter and full-year 2006 operational results.

Proved Reserves

The Company estimates that proved reserves at December 31, 2006 were a record 487 billion cubic feet of natural gas equivalent (Bcfe), up 29 percent from 377 Bcfe estimated at December 31, 2005. Natural gas comprised approximately 94 percent of year-end 2006 proved reserves, and 71 percent of year-end proved reserves was attributable to proved developed wells. Estimated proved reserves included 156 Bcfe in the Appalachian Basin, 109 Bcfe in the Cotton Valley play of east Texas, 121 Bcfe in the Selma Chalk play of Mississippi, 52 Bcfe in the Mid-Continent region and 49 Bcfe in the Gulf Coast of Louisiana and Texas.

Including the second quarter 2006 Mid-Continent acquisition, the Company added approximately 141 Bcfe of proved reserves primarily from extensions, discoveries and additions, replacing 454 percent of 2006 production. Costs incurred related to exploration and development, as well as the acquisition of new proved reserves, in 2006 were $338 million, excluding a $32 million provision for non-cash deferred income taxes in connection with the Mid-Continent acquisition, or $2.40 per thousand cubic feet of natural gas equivalent (Mcfe) of proved reserves added, compared to an average of $2.35 per Mcfe in the three prior years (2003 to 2005).

Production

Full-year 2006 production of 31.3 Bcfe was also a Company record, surpassing by 14 percent the previous record of 27.4 Bcfe set in 2005. The production increase was primarily due to the continued success of the Company's development projects, including its Cotton Valley play in east Texas and the Selma Chalk play in Mississippi, and its successful south Louisiana exploration effort primarily associated with its Bayou Postillion discovery. Production increases were supplemented by the second quarter 2006 Mid-Continent

acquisition and partially offset by production delays in the Appalachian horizontal coalbed methane (HCBM) program due to water disposal issues, which are expected to be resolved in the first quarter of 2007, along with normal field declines. Production in the fourth quarter of 2006 of 8.6 Bcfe, or 93.0 million cubic feet of natural gas equivalent (MMcfe) per day, was also a Company quarterly record and represented the fifth consecutive quarterly record for production.

Capital Expenditures and 2007 Guidance

During 2006, oil and gas capital expenditures were approximately $338 million, consisting of:

- $217 million to drill 210 (151.8 net) wells, including $175 million to drill 190 (141.3 net) development wells with 187 (138.9 net) successes (a 98 percent success rate) and $42 million to drill 20 (10.5 net) exploratory wells with 13 (7.2 net) successful wells, one (1.0 net) well under evaluation, and six (2.3 net) dry holes;

- $72 million for proved reserve acquisitions;

- $28 million for leasehold acquisitions;

- $15 million for the expansion of gathering systems and other production facilities; and

- $6 million for the acquisition of seismic data and other geological and geophysical expenditures.

As discussed in the Company's December 20, 2006 press release, 2007 oil and gas production is expected to increase to range between 36.5 Bcfe and 38.5 Bcfe, an increase of between 17 percent and 23 percent over 2006, due to the Company's ongoing drilling program. The Company has budgeted 2007 oil and gas capital expenditures of $334 million, excluding proved reserve acquisitions, to support this program.

Fourth Quarter 2006 Operations Update

In the Cotton Valley play in East Texas, the Company drilled 13 (8.5 net) development wells within the Company's area of mutual interest (AMI) with GMX Resources Inc. (NASDAQ:GMXR) and three additional exploratory wells outside the AMI on acreage in which it has a 100 percent working interest. As a result of the Company's successful and growing drilling program in the play, net production from the Cotton Valley for the fourth quarter averaged 15.9 MMcfe per day, an increase of 24 percent from the 12.8 MMcfe per day produced in the third quarter of 2006. Five rigs are currently drilling on the project. A total of 53 (36.3 net) wells were drilled in 2006 in the Cotton Valley play, all of which were successful.

The Company continues to test its 100 percent working interest Cotton Valley acreage to the north of the AMI. To date, 15 wells have been drilled and completed with two wells currently producing and the others waiting on pipeline facilities. Various sands in the Cotton Valley interval of these wells have been completed, and at this time, the upper Cotton Valley appears to be the most productive. A development program has recently been initiated on part of the Company's 100 percent working interest acreage.

During 2007, the Company plans to drill one horizontal Cotton Valley well in the Taylor interval as well as one horizontal well in the Lower Bossier interval. The Company plans to commence drilling of the horizontal Cotton Valley Taylor interval well in the second quarter. The horizontal Lower Bossier well drilled in 2006 did not meet expectations, as this well was originally designed to receive multiple treatments but operational problems prevented the installation of the required downhole equipment.

In the Mid-Continent, the Company drilled 23 (12.8 net) wells during the fourth quarter as the Company commenced aggressive development of the properties acquired in the Arkoma and Anadarko Basins in June 2006. As a result, net production for the fourth quarter averaged 6.5 MMcfe per day, up 10 percent from the 5.9 MMcfe per day produced in the third quarter. Two rigs are currently drilling HCBM wells in the Mid-Continent. From the date of the Mid-Continent acquisition through the end of 2006, the Company drilled 32 (17.5 net) wells, and only one (0.4 net) non-operated well was not successful. The Company anticipates an active HCBM and Granite Wash drilling program in 2007.

During the fourth quarter, the Company drilled 16 (10.8 net) HCBM wells, all of which were successfully drilled in the Hartshorne coal in Haskell and Pittsburg Counties, Oklahoma. The Company also began development of its Fayetteville Shale holdings in Pope County, Arkansas with the drilling of one (0.7 net) successful Company operated well and two (0.6 net) successful outside operated wells.

Seven (3.6 net) successful HCBM development wells were drilled on the Company's leasehold positions in West Virginia during the fourth quarter of 2006. Daily production in the Company's Appalachian region for the fourth quarter of 2006 was 33.0 MMcfe per day, as compared to 35.2 MMcfe per day produced in the third quarter. As reported in the third quarter operational update press release, production remains constrained as a result of water disposal issues, which has resulted in shutting in or temporarily delaying the first production from nine horizontal patterns. Solutions for the water disposal issue are being pursued and are expected to be fully implemented by the end of the first quarter of 2007. Five horizontal rigs and two vertical rigs operated by CDX Gas, LLC are currently drilling. A total of 33 (14.7 net) wells were drilled in the Appalachian region during 2006, all of which were successful.

In Mississippi, 18 (18.0 net) successful Selma Chalk development wells were drilled during the fourth quarter in the Baxterville and Gwinville fields. Daily production in the Company's Mississippi fields for the fourth quarter of 2006 was 19.2 MMcfe per day, a 14 percent increase from the 16.9 MMcfe per day produced in the third quarter. The Company continues to actively develop its assets in the Selma Chalk, and currently has two rigs drilling with the possibility of going to three rigs. A total of 80 (79.6 net) wells were drilled in 2006, with the first of two horizontal Selma Chalk test wells drilled in the Gwinville Field in Mississippi during the fourth quarter. The current production rate of the 1,100 foot lateral is approximately twice that of the adjacent vertical wells. In addition, the Company recently drilled five of the 10-acre down-spaced wells in the Baxterville Field. A determination should be made by the end of 2007 whether to pursue horizontal drilling or down-spaced drilling, or both.

In the Gulf Coast of Texas and Louisiana, the daily production for the fourth quarter of 2006 was 18.3 MMcfe per day, a 21 percent increase over 15.1 MMcfe per day produced in the third quarter of 2006. Most of this increase is associated with the production of the Cotton

Land #1 (0.4 net) well, a recent discovery in Bayou Postillion, which is currently producing approximately 15 MMcfe per day (gross). A total of 13 (4.3 net) wells were drilled in the Gulf Coast region in 2006, with six (1.6 net) successful wells.

In south Louisiana, the Company drilled three exploratory wells during the fourth quarter of 2006, of which two were successful and one was unsuccessful. The Cotton #1 Alt Unit (0.06 net) well, which is the fourth well in the Bayou Postillion prospect, Iberia Parish, Louisiana, has been completed and is waiting on a pipeline hook-up. The Marie Snyder #1 (0.1 net) well, which is another successful extension of the Company's Bayou Postillion prospect has also been completed and is waiting on a pipeline hook-up. The Williams Land #1 (0.3 net) well, which was a test of the Company's Mystic Bayou prospect in St. Martin Parish, Louisiana, was found to be non-productive in the primary Lower Planulina sands objective and was expensed as an exploratory dry hole. In early 2007, the Cotton Land #3 (0.5 net) well was drilled and is waiting on completion after finding apparent pay in two different intervals. To date, there have been six successful wells drilled in Bayou Postillion and additional drilling is planned in 2007. The Company also elected not to participate in the completion and deepening of the C.M. Peterson, Jr. #1, operated by Palace Operating Co., a test of the company's Laphroaig prospect in St. Mary Parish, Louisiana, in which the Company was carried to casing point. The election not to participate in the completion and deepening of this well does not preclude the Company from participating in future wells in this prospect should the Company find them economical.

Derivative Update

The following table shows the Company's derivative positions for natural gas and oil production:

		Weighted Average Price per MMBtu or Bbl		
	Average Volume Per Day	Additional Put Option	Floor	Ceiling
	(MMbtu)			
Natural Gas Costless Collars				
First Quarter 2007	30,000		$ 8.50	$ 16.35
Second Quarter 2007	15,000		$ 7.33	$ 12.93
Third Quarter 2007	15,000		$ 7.33	$ 12.93
Fourth Quarter 2007	11,685		$ 8.28	$ 15.78
First Quarter 2008	10,000		$ 9.00	$ 17.95
Natural Gas Three-Way Collars*				
First Quarter 2007	13,000	$ 5.00	$ 7.62	$ 10.15
Second Quarter 2007	33,000	$ 5.00	$ 7.55	$ 9.05
Third Quarter 2007	33,000	$ 5.00	$ 7.55	$ 9.05
Fourth Quarter 2007	19,379	$ 5.17	$ 7.74	$ 10.43
First Quarter 2008	12,500	$ 5.40	$ 8.00	$ 12.15
Second Quarter 2008	2,500	$ 5.00	$ 8.00	$ 10.75
Third Quarter 2008	2,500	$ 5.00	$ 8.00	$ 10.75
Fourth Quarter 2008	2,500	$ 5.00	$ 8.00	$ 10.75
Natural Gas Swaps				
First Quarter 2007	5,000		$ 7.12	
	(Bbls)			
Crude Oil Costless Collars				

First Quarter 2007	200	$ 60.00	$ 72.20
Second Quarter 2007	200	$ 60.00	$ 72.20
Third Quarter 2007	200	$ 60.00	$ 72.20
Fourth Quarter 2007	200	$ 60.00	$ 72.20

* A three-way collar contract consists of a collar contract plus a put option contract sold by the Company with a price below the floor price of the collar. This additional put requires the Company to make a payment to the counterparty if the settlement price for any settlement period is below the put option price. Combining the collar contract with the additional put option results in the Company's entitlement to a net payment equal to the difference between the floor price of the collar contract and the additional put option price if the settlement price is equal to or less than the additional put option price. If the settlement price is greater than the additional put option price, the result is the same as it would have been with a collar contract only. This strategy enables the Company to increase the floor and the ceiling price of the collar beyond the range of a traditional collar contract while defraying the associated cost with the sale of the additional put option.

2006 Fourth Quarter and Full Year Operational Update and Financial Results Conference Call

The Company will release its consolidated 2006 fourth quarter and full year results, including the results of Penn Virginia Resource Partners, L.P. (NYSE:PVR) and Penn Virginia GP Holdings, L.P. (NYSE:PVG), after the close of trading on Wednesday, February 14, 2007, followed by a conference call on Thursday, February 15, 2007 at 3:00 p.m. ET. A joint conference call for PVR and PVG will be at 1:00 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 the Company's 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 telephone replay of the call will be available until March 1 at 11:59 p.m. ET by dialing 1- 877-660-6853 and using replay passcodes: conference ID #228281, password #286. An on-demand replay of the conference call will be available at the Company's website for 14 days beginning shortly after the call.

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 natural gas reserves. The Company also owns approximately 82 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 properties and related assets and the operator of a midstream natural gas gathering and processing business. For more information about the Company, please visit the Company's website at 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 cost of

finding and successfully developing oil and gas reserves; energy prices generally and specifically, the price of crude oil and natural gas; projected demand for crude oil and natural gas; the projected supply of crude oil and natural gas; the Company's ability to obtain adequate pipeline transportation capacity for its oil and gas production; non-performance by third party operators in wells in which the Company owns an interest; competition among producers in the oil and natural gas industry; the extent to which the amount and quality of actual production of the Company's oil and natural gas differs from estimated recoverable proved oil and gas reserves; hazards or operating risks incidental to the Company's business; unanticipated geological problems; the availability of required drilling rigs, materials and equipment; the occurrence of unusual weather or operating conditions including force majeure events; delays in anticipated start-up dates of the Company's 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 the Company; labor relations and costs; accidents; changes in governmental regulation or enforcement practices; uncertainties relating to the outcome of current and future litigation regarding mine permitting; and risks and uncertainties relating to general domestic and international economic (including inflation and interest rates) and political conditions (including the impact of potential terrorist attacks).

Additional information concerning these and other factors can be found in the Company's press releases and public periodic filings with the Securities and Exchange Commission, including the Company's Annual Report on Form 10-K for the year ended December 31, 2005. Many of the factors that will determine the Company's 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. The Company undertakes 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