

October 12, 2007



# **Penn Virginia Corporation and Penn Virginia Resource Partners, L.P. Announce \$31.0 Million Sale and Purchase of Royalty Interests**

RADNOR, Pa.--

Penn Virginia Corporation (NYSE:PVA) and Penn Virginia Resource Partners, L.P. (NYSE:PVR) today announced that PVR has purchased royalty interests from PVA's oil and gas exploration and production subsidiary, Penn Virginia Oil & Gas Corporation (PVOG), for \$31.0 million.

The royalty interests are associated with leases of property located in Wise, Scott and Lee Counties, Virginia, and Harlan and Letcher Counties, Kentucky, with estimated proved reserves of approximately 8.7 billion cubic feet of natural gas equivalent (Bcfe) at January 1, 2007. Approximately 1.1 million cubic feet of natural gas equivalent (MMcfe) per day is currently being produced from the property, net to the royalty interests, and PVR expects operating cash flow from the royalty interests to be approximately \$3.9 million in 2008. PVR funded the acquisition using its revolving credit facility and PVA will use the net proceeds from the sale to repay borrowings under its revolving credit facility.

On August 30, 2007, PVA announced that it had spent \$47.9 million to acquire Oklahoma properties with estimated proved reserves of 18.8 Bcfe and net production of approximately 3.1 MMcfe per day. PVA funded this acquisition using its revolving credit facility. PVA expects to match this acquisition with the divestiture of the royalties to PVR to effectuate a like kind exchange and defer the tax gain on the sale of the royalties.

## **Management Comments**

A. James Dearlove, Chief Executive Officer of PVR and PVA, said, "With this acquisition of royalty interests, PVR now owns and will manage royalty interests for both coal and oil and gas reserves in an area that has been a part of its asset base for over 100 years. PVR and its predecessor have been involved in the ownership and management of oil and gas royalty interests for many years, and we believe that this latest acquisition fits well with PVR's natural resource management business.

"The royalty interests had become non-core for PVOG and revenues attributable to the divested interests have been replaced by newly acquired assets that are expected to grow rapidly and provide additional upside to PVOG."

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 U.S., including the Appalachian Basin, the Cotton Valley play in east Texas, the Selma Chalk play in Mississippi, the Mid-Continent region and the Gulf Coast of Louisiana and Texas. PVA 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 PVA, please visit PVA's website at [www.pennvirginia.com](http://www.pennvirginia.com).

Headquartered in Radnor, PA, Penn Virginia Resource Partners, L.P. (NYSE: PVR) is a publicly traded limited partnership formed by Penn Virginia Corporation (NYSE: PVA). PVR manages coal properties and related assets and operates a midstream natural gas gathering and processing business. For more information about PVR, visit PVR's website at [www.pvresource.com](http://www.pvresource.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: whether or not the royalty acquisition will be cash flow accretive to PVR; whether or not production estimates are accurate; delays in the anticipated commencement of oil and gas production; the volatility of oil and gas prices; the projected supply of and demand for oil and natural gas; pipeline availability; potential equipment malfunction and repair delays; weather related delays; unanticipated geological problems; the legislative and regulatory environment; and political and economic conditions, including the impact of potential terrorist acts.

Additional information concerning these and other factors can be found in PVR's press releases and public periodic filings with the Securities and Exchange Commission, including PVR's Annual Report on Form 10-K for the year ended December 31, 2006. Many of the factors that will determine PVR'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. PVR undertakes 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