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PENN VIRGINIA CORPORATION PROVIDES THIRD QUARTER 2008 OIL AND GAS OPERATIONAL UPDATE

RECORD QUARTERLY PRODUCTION
CONTINUED LOWER BOSSIER (HAYNESVILLE) SHALE AND GRANITE WASH SUCCESSES

RADNOR, PA (BusinessWire) October 29, 2008 – Penn Virginia Corporation (NYSE: PVA) today announced record levels of quarterly production and provided an update of its oil and gas operational activities, including third quarter 2008 operational results and full-year 2008 guidance.

Third Quarter Highlights and Guidance Update

Operational results for PVA's oil and gas segment during the third quarter of 2008 included the following:

- Quarterly record oil and gas production of 11.7 billion cubic feet of natural gas equivalent (Bcfe), or 127.1 million cubic feet of natural gas equivalent (MMcfe) per day;
- Year-over-year production growth of five percent from 11.1 Bcfe, or 120.7 MMcfe per day, in the third quarter of 2007 (two percent higher as compared to the 11.4 Bcfe produced in the second quarter of 2008);
- Oil and gas capital expenditures of approximately $236 million, including approximately $152 million for drilling and completion activities;
- 67 (46.5 net) wells drilled, 51 (34.0 net) of which were successful, 14 (11.2 net) of which are waiting on completion or under evaluation and two (1.3 net) of which were unsuccessful; and
- Continued horizontal drilling success in the Lower Bossier (Haynesville) Shale formation in East Texas, the Granite Wash formation in the Mid-Continent region and the Selma Chalk formation in Mississippi.

Full-year 2008 guidance updates are as follows:

- Full-year production guidance of between 46.5 and 47.5 Bcfe, or between 127.0 and 129.8 MMcfe per day, as compared to the previous guidance range of 46.5 to 48.0 Bcfe;
- Re-affirmed full-year cash operating expense guidance of between $2.20 and $2.30 per thousand cubic feet of natural gas equivalent (Mcfe); and
- Re-affirmed full-year oil and gas capital expenditures guidance of between $590.0 and $610.0 million.

Third Quarter 2008 Operational Results

Production in the third quarter of 2008 was 11.7 Bcfe, or 127.1 MMcfe per day, an increase of five percent over the 11.1 Bcfe, or 120.7 MMcfe per day, in the third quarter of 2007. Production in the third quarter of 2008 was a quarterly production record and was two percent higher than the previous record of 11.4 Bcfe set in the second quarter of 2008.

As previously announced on October 2, 2008, oil and gas production in the second half of 2008 was adversely impacted by weather-related and other issues in the East Texas, Mid-Continent and Gulf Coast regions. As a result of such issues and reflective of actual production in the first nine months of 2008, full-year 2008 oil and gas production is expected to range between 46.5 and 47.5 Bcfe, with 12.8 to 13.8 Bcfe in the fourth quarter of 2008, as compared to the previous full-year range of 46.5 to 48.0 Bcfe.

During the third quarter of 2008, unit cash operating expenses decreased slightly to $2.29 per Mcfe from $2.30 per Mcfe in the second quarter of 2008 and are expected to decline during the fourth quarter of 2008. As a result, we expect full-year 2008 unit cash operating expenses to remain in a range of between $2.20 and $2.30 per Mcfe. We plan to release full financial results and additional 2008 guidance details in a separate third quarter 2008 financial results press release on November 5, 2008.

Capital Expenditures
During the third quarter of 2008, oil and gas capital expenditures were approximately $236 million, consisting of:

- $152 million to drill 67 (46.5 net) wells, 51 (34.1 net) of which were successful, 14 (11.2 net) of which are waiting on completion or under evaluation and two (1.2 net) of which were unsuccessful;
- $14 million for the expansion of gathering systems and other production facilities; and
- $70 million for leasehold acquisition, seismic data and other expenditures.

Full-year 2008 oil and gas capital expenditures are expected to remain in a range of between $590.0 and $610.0 million, with $133.0 to $153.0 million in the fourth quarter of 2008, excluding any reserve acquisitions.

Management Comment
A. James Dearlove, President and Chief Executive Officer of PVA, said, "The third quarter of 2008 included positive developments in several of our core areas. In East Texas, we are encouraged by the promising results of our initial Lower Bossier Shale horizontal wells which are delivering results that have exceeded our expectations. In the Mid-Continent region, we are continuing to obtain strong results from our horizontal Granite Wash development program, a program which was not contemplated as recently as a year ago. In Mississippi, we completed the shift to a program of drilling horizontal Selma Chalk wells and the results from these wells continue to improve and deliver increasingly attractive economics. In Appalachia, we expanded our acreage position in areas of Pennsylvania that are expected to be prospective for the Marcellus Shale, which we expect to explore beginning in the second half of 2009."

Operational Updates by Geographical Region
<u>East Texas</u> – During the third quarter of 2008, PVA drilled 22 (19.1 net) wells in East Texas, including: 18 (15.4 net) Cotton Valley vertical wells and four (3.8 net) Lower Bossier (Haynesville) Shale horizontal wells. Of the wells drilled, 13 (10.9 net) wells were successful, including two (2.0 net) Lower Bossier Shale horizontal wells, and nine (8.3 net) wells are waiting on completion.

East Texas production in the third quarter averaged 40.9 MMcfe per day, 80 percent higher than the 22.7 MMcfe per day produced in the third quarter of 2007 and seven percent higher than the 38.1 MMcfe per day produced in the second quarter of 2008. Natural gas liquids (NGL) production volumes increased during the third quarter of 2008 as compared to the prior quarter, despite being curtailed in September and October due to shut-ins of production and ongoing third-party fractionation disruptions as a result of Hurricane Ike. Natural gas production also increased during the third quarter of 2008 as compared to the second quarter of 2008, despite the negative impacts of Hurricane Ike and the transition from an exclusive vertical Cotton Valley development program at the beginning of 2008 to an exclusive horizontal Lower Bossier Shale horizontal program by the end of 2008.

In March 2008, PVA spud its first horizontal Lower Bossier Shale test well, the Fogle #5-H (100 percent working interest). In a May 30, 2008 news release, PVA announced an initial, restricted production rate of approximately 8.0 MMcfe per day. After its first 143 days of production and despite initial curtailments due to pipeline restrictions, the well produced approximately 0.46 Bcfe. The current production rate is approximately 2.0 MMcfe per day with a decline rate that is less than expected. Based on limited production history and as a result of a decline rate that has been less than anticipated, we estimate this well has reserves with a range of 6.0 to 8.0 Bcfe.

To date, PVA has drilled five Lower Bossier Shale wells and currently has four rigs drilling Lower Bossier Shale wells, with a fifth rig expected to commence drilling during November. Two rigs, which have been drilling Cotton Valley vertical wells, will be released during November. In addition to the Fogle #5-H, the Gibson #2-H (96 percent working interest) and McKenzie #1-H (100 percent working interest) have been drilled and completed, while the Brown #8-H (79 percent working interest) is currently being completed and the Fogle #6-H (100 percent working interest) is waiting on completion.

The Gibson #2-H, a development well in the Fogle area, was recently completed and has been producing at a restricted rate for over two weeks. The well is currently producing approximately 3.5 MMcfe per day with a flowing casing pressure of 2,800 pounds, along with approximately 500 barrels of water a day of frac fluid. The well had a lateral length in the Lower Bossier Shale of approximately 2,700 feet and was stimulated with 1.1 million pounds of sand over seven stages. The lateral length was designed with a shorter-than-typical length due to drilling unit line considerations.

The McKenzie #1-H, an exploratory well located approximately 20 miles north of the Fogle area, was a test of PVA's acreage position in the northern portion of Harrison County. This well was very recently placed to sales and is currently cleaning up after stimulation, producing gas along with significant volumes of frac fluids. The lateral length of the McKenzie well was approximately 4,500 feet and it was stimulated with 2.7 million pounds of sand over seven stages. Even though it is premature to fully assess the quality of the well, the early indications are encouraging. The tentative success of the McKenzie well and its location relative to the Fogle increases our confidence regarding our Lower Bossier Shale acreage in East Texas.

The Brown #8-H, also located in the Fogle area and drilled with a lateral length of approximately 4,500 feet, is currently being completed. The well was being stimulated when a mechanical problem developed with the casing. Operations are in progress to attempt to repair this problem. Lastly, the Fogle #6-H has been drilled with a lateral length of approximately 3,300 feet and is waiting on completion operations to commence.

<u>Mid-Continent</u> – During the third quarter, PVA drilled 31 (17.8 net) wells in the Mid-Continent region, including four (1.7 net) horizontal Granite Wash wells, 17 (14.2 net) Hartshorne horizontal coalbed methane (HCBM) wells, three (0.5 net) non-operated horizontal Woodford Shale wells, three (0.3 net) non-operated horizontal Fayetteville Shale wells and four (1.1 net) conventional wells. Of these wells, 29 (17.4 net) wells were successful, while two (0.4 net) conventional wells were under evaluation.

Mid-Continent production in the third quarter averaged 17.5 MMcfe per day, 29 percent higher than the 13.6 MMcfe per day produced in the third quarter of 2007 and three percent lower than the 18.1 MMcfe per day produced in the second quarter of 2008. The year-over-year production increase resulted primarily from successful development programs in the horizontal Granite Wash play in the Anadarko Basin and the Hartshorne HCBM play in the Arkoma Basin, while the sequential decrease was due to extended poor weather conditions in the Arkoma Basin in the third quarter of 2008, which delayed Hartshorne HCBM completions and pipeline installations. In addition, PVA continues to wait on a drilling rig for horizontal Bakken development wells in the Williston Basin. An additional drilling rig, which will be committed to drilling Bakken wells, will be delivered late in the second quarter of 2009.

Two of the four Granite Wash wells drilled in Washita County, Oklahoma are producing with initial production rates of 10.9 and 10.5 MMcfe per day (working interests of 11 and 43 percent, respectively). The third well (68 percent working interest) was recently placed to sales producing 7.2 MMcfe per day and the fourth well (48 percent working interest) is currently being completed.

In the third quarter of 2008, we participated in three (0.5 net) non-operated horizontal Woodford Shale wells in the Arkoma Basin, producing at initial rates of approximately 3.6, 4.6 and 2.7 MMcfe per day (working interests of 11, 31 and 13 percent, respectively). Based on the encouraging results of the five Woodford Shale wells in which we have participated to date, we plan to continue to participate in the drilling of additional wells in the near term in the Arkoma Basin. Our internally generated Woodford Shale prospect in the Anadarko Basin will be tested during the fourth quarter of 2008.

Selma Chalk / Mississippi – During the third quarter, PVA drilled three (2.9 net) horizontal Selma Chalk wells in Mississippi. All of the wells were successful.

Mississippi production in the third quarter averaged 20.0 MMcfe per day, nine percent lower than the 21.9 MMcfe per day produced in the third quarter of 2007 and flat as compared to the 20.0 MMcfe per day produced in the second quarter of 2008. The year-over-year production decrease resulted from reduced drilling activity and the delay in the arrival of a second drilling rig, which will also drill horizontally. Production was flat as compared to the second quarter of 2008 as a result of having only one rig drilling horizontally. During the fourth quarter of 2008 and into 2009, we expect to have both rigs dedicated to horizontal drilling in the Baxterville and Gwinville Fields and expect production increases thereafter.

The results of recent horizontal Selma Chalk wells continue to be encouraging, with the first 90 days of production averaging approximately 0.8 MMcfe per day per well. In addition, improvements continue to be made in reducing drilling time, resulting in correspondingly lower drilling costs and enhanced well economics.

Appalachia – During the third quarter, PVA drilled eight (5.0 net) wells in Appalachia, including five (2.5 net) multi-lateral HCBM development wells and three (2.5 net) Lower Huron Shale exploratory wells. All of the HCBM wells were successful, with one of the Lower Huron Shale wells drilled in Mason County, West Virginia having been completed and under evaluation and the other two Lower Huron Shale wells waiting on completion.

Appalachian production in the third quarter averaged 30.8 MMcfe per day, 16 percent lower than the 36.7 MMcfe per day produced in the third quarter of 2007 and four percent lower than the 31.9 MMcfe per day produced in the second quarter of 2008. The year-over-year decrease was largely attributable to reduced drilling activity year-to-date in Appalachia as compared to the first nine months of 2007, as well as the sale of approximately 2.7 MMcfe per day of royalty production in the third quarter of 2007. The year-over-year and sequential decreases were also attributable to delays associated with the timing of completions and delays in the turning in line of HCBM wells and pipeline capacity issues associated with a third-party pipeline. A resolution to the capacity issues is in progress.

We continued to add acreage in the Marcellus Shale in the third quarter of 2008, primarily in Pennsylvania, with current holdings of approximately 40,000 net acres. Initial exploratory drilling is expected during the second half of 2009.

Gulf Coast – During the third quarter, PVA drilled three (1.6 net) wells in the Gulf Coast, including two (0.6 net) wells in South Louisiana and one (1.0 net) well in South Texas. One (0.4 net) well was successful in South Louisiana, while two (1.2 net) wells were unsuccessful.

Gulf Coast production in the third quarter averaged 16.3 MMcfe per day, 37 percent lower than the 25.7 MMcfe per day produced in the third quarter of 2007 and seven percent lower than the 17.6 MMcfe per day produced in the second quarter of 2008. The decreases were attributable to natural declines, primarily in Bayou Postillion in Iberia Parish in South Louisiana, a late 2006 discovery. In addition, exploration activity in the Gulf Coast over the last year has been has been lower than in prior years.

The Cotten Land #5 (39 percent working interest), a third quarter 2008 development well in Bayou Postillion, was placed to sales in mid-October and is currently producing approximately 15 MMcfe per day with a flowing tubing pressure of 3,100 pounds. In September, we also obtained a 25 percent working interest via a payout reversion in the C.M. Peterson, Jr. #1 well operated by McMoRan Exploration Co. (NYSE: MMR). The Peterson #1 was a successful third quarter 2007 test of our Laphroaig prospect in St. Mary Parish, Louisiana, in which we originally decided to decline participation. The well has produced approximately 17 Bcfe since August 2007 and continues to produce approximately 45 MMcfe per day with flowing tubing pressure of 9,600 pounds. In addition to the reversionary working interest in this well, we have the right to participate in future drilling in the prospect area, which is expected to commence in mid-2009.

Third Quarter 2008 Financial and Operational Results Conference Call

A conference call and webcast, during which management will discuss third quarter 2008 financial and operational results for PVA, is scheduled for Thursday, November 6, 2008 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 PVA'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 telephonic replay of the call will be available until November 20, 2008 at 11:59 p.m. ET by dialing 1-877-660-6853 and using the following replay pass codes: account #286, conference ID #300120. An on-demand replay of the conference call will be available at PVA's website beginning shortly after the call.

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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 East Texas, 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 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.

For more information, please visit PVA'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 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.