

Penn Virginia Corporation

One Radnor Corporate Center, Suite 200, 100 Matsonford Road, Radnor, PA 19087

FOR IMMEDIATE RELEASE

Contact: Frank A. Pici, Executive Vice President and Chief Financial Officer
(610) 687-8900 Fax (610) 687-3688 E-Mail: invest@pennvirginia.com

PENN VIRGINIA CORPORATION ANNOUNCES THIRD QUARTER 2002 RESULTS AND 2002 GUIDANCE UPDATE

RADNOR, Pa., October 30, 2002 – Penn Virginia Corporation (NYSE: PVA) today reported third quarter 2002 net income of \$3.2 million, or \$0.36 per share (diluted), compared to \$4.2 million, or \$0.47 per share (diluted) reported in the third quarter of 2001. A 42 percent increase in third quarter 2002 oil and natural gas production resulted in third quarter 2002 revenues of \$28.8 million, 20 percent higher than third quarter 2001 revenues of \$24.0 million. Cash flow from operations for the quarter (before changes in working capital) was \$19.9 million, or \$2.21 per share (diluted), up 40 percent from \$14.2 million, or \$1.58 per share (diluted) in the third quarter of 2001. The decrease in net income in the third quarter 2002 when compared to the same period of last year was primarily due to the ownership change in the coal royalty operations due to the creation of Penn Virginia Resource Partners, L.P. (NYSE: PVR). The decrease was offset in part by lower exploration expense in the Company's oil and gas operations.

In the first nine months of 2002, the Company reported net income of \$9.7 million, or \$1.09 per share (diluted). Net income for the first nine months of 2002 included after tax income from discontinued operations of \$0.2 million, or \$0.02 per share (diluted), relating to the sale of various marginal oil and gas properties sold during the second quarter. Net income for the first nine months of 2001 was \$58.0 million, or \$6.53 per share (diluted). Excluding the gain on the sale of Norfolk Southern common stock, the Company earned \$22.4 million, or \$2.53 per share (diluted), in the first nine months of 2001. The decrease in net income for the first nine months of 2002, compared to the same period of 2001 excluding the gain on sale of securities, was due primarily to lower oil and natural gas prices, increased expenses related to higher oil and natural gas production and the ownership change resulting from the creation of PVR. Revenues of \$78.8 million for the first nine months of 2002 were four percent higher than year earlier revenues of \$75.9 million, due to an increase in oil and natural gas production of 60 percent, offset by much lower commodity prices. Cash flow from operations (before changes in working capital and the gain net of taxes on the sale of securities) was \$48.7 million, or \$5.43 per share (diluted), for the first nine months of 2002, up seven percent from \$45.6 million, or \$5.13 per share (diluted), for the same period of 2001.

Oil & Gas Operations Review

Due primarily to increases in production, operating income for the Company's oil and gas segment increased to \$2.8 million in the third quarter of 2002, up from \$1.0 million for the same quarter of 2001. Oil and gas production during the third quarter of 2002 increased 42 percent to 5.6 billion cubic feet equivalent (Bcfe) compared to 3.9 Bcfe for the third quarter of 2001, and also increased nine percent from 5.1 Bcfe in the second quarter of 2002. The production increase in the third quarter of 2002 resulted primarily from the success of the Company's Gulf Coast development drilling program.

The Company's average natural gas price realized, including the impact of hedging activities, during the third quarter of 2002 decreased four percent to \$3.20 per thousand cubic feet (Mcf) from \$3.34 per Mcf in the third quarter of 2001. The average oil and condensate price realized in the third quarter of 2002 decreased slightly to \$22.91 per barrel from \$23.11 per barrel in the same quarter of 2001.

During the third quarter of 2002, Penn Virginia participated in the drilling of 11 gross (4.6 net) wells, all of which were successful development wells, including three 100 percent-owned wells in the Gulf Coast and eight gross (1.6 net) wells in Appalachia. Through the first nine months of 2002, the Company has drilled 74 gross (53.2 net) wells, all of which were development wells, at a success rate of 96 percent. Oil and gas capital program expenditures through the first nine months of 2002 included \$25.3 million for development drilling, \$1.1 million for activities related to exploratory drilling, \$6.2 million for lease acquisitions and field projects and \$3.6 million for the acquisition of seismic data.

Coal Royalty Operations Review (Penn Virginia Resource Partners, L.P. – NYSE: PVR)

The Company owns approximately 52 percent of Penn Virginia Resource Partners, L.P., a master limited partnership engaged principally in coal land management. Operating income for PVR was \$7.0 million in the third quarter of 2002, basically flat as compared to \$6.9 million in the same quarter of 2001. Total revenues were \$10.4 million in the third quarter of 2002 compared to \$10.0 million in the third quarter of 2001. The slight increase in revenue was primarily due to increased minimum rental income earned on PVR properties, which more than offset reduced coal royalty revenue caused by lower coal royalty production. Coal production on PVR properties was down from 4.1 million tons in the third quarter of 2001 to 3.7 million tons in the same quarter of 2002 due primarily to the impact of the bankruptcy of PVR's lessee on its Fork Creek property in West Virginia and weaker coal demand. Coal production increased in the third quarter of 2002 from the second quarter of 2002 due primarily to slightly-improved market conditions in general and the previously-announced \$12 million acquisition of the Upshur properties in northern West Virginia in 2002's third quarter. General and administrative expenses also increased in the third quarter of 2002 compared to the third quarter of 2001 as a result of PVR becoming a publicly traded partnership in October of 2001.

Capital Resources

As of September 30, 2002, the Company had borrowed \$11.0 million against its credit facility led by JP Morgan Chase, and its borrowing base was recently reaffirmed at \$140.0 million. At the end of the third quarter, PVR continued to have a credit facility led by PNC Bank, consisting of an unsecured and undrawn \$50.0 million revolving credit facility and a currently outstanding \$43.4 million term loan, of which \$31.4 million is secured by United States treasury securities owned by PVR.

Management Comments

A. James Dearlove, Penn Virginia President and Chief Executive Officer, said, "During the third quarter of 2002, we continued to grow our base of oil and natural gas production, as evidenced by the 42 percent increase in production from the same quarter of 2001 and the nine percent increase from the second quarter of 2002. Our Gulf Coast assets continue to provide the majority of this growth. Our focus through the first nine months of this year was to increase our production base by emphasizing development drilling, while assembling the staffing, acreage and seismic position to undertake a more active exploration program in the Gulf Coast as we enter 2003. In the fourth quarter, we expect to drill 10 to 15 gross development wells, including two horizontal coalbed methane patterns in Appalachia and wells in our Gwinville, Mississippi, Gulf Coast and West Texas fields. We also expect to drill several exploratory wells in Appalachia and the Gulf Coast. Based on our success through the first nine months and our plans for additional fourth quarter drilling, we continue to expect a full year 2002 production increase of approximately 50 percent over 2001.

"We have seen a modest improvement in PVR's coal royalty and land management business from the second quarter, but 2002 continues to be a difficult year due to weaker than normal coal demand, the bankruptcy of PVR's Fork Creek property lessee, and delays in new mining permits on some PVR properties in West Virginia due to a Federal District Court ruling. During the third quarter of 2002, PVR completed its acquisition of the Upshur properties in northern West Virginia for \$12 million, which is significant in that it was PVR's first acquisition since the initial public offering. PVR has recovered its lease for the Fork Creek property and, in October, entered into an agreement to purchase the important pieces of the infrastructure associated with the mine. We are working vigorously to obtain a new operator for the Fork

Creek property. We expect cash distributions from PVR to continue at current levels to all unit holders, and PVR continues to actively pursue accretive acquisition opportunities using its strong balance sheet.

“To date, 2002 has been difficult for many publicly-traded companies, especially in energy and more particularly in coal. Penn Virginia’s strategy of maintaining an exposure to both coal and natural gas appears to be validated as the strong performance of our oil and gas business has helped offset the difficulties in coal.”

Guidance Update for 2002

Penn Virginia is providing the following guidance regarding the financial and operational expectations for the fourth quarter and full year 2002.

PENN VIRGINIA CORPORATION Guidance Estimates (Dollars in Millions)

| | Fourth Qtr. <u>2002</u> | Full Year <u>2002</u> |
|-------------------------------------------------|----------------------------|--------------------------|
| Oil & Gas Segment: | | |
| Natural gas production (Bcf) – See Note a | 4.3 – 5.0 | 18.2 – 18.9 |
| Oil production (MBbls) – See Note b | 90 – 110 | 350 – 370 |
| Expenses: | | |
| Operating | \$ 2.1 – 2.4 | \$ 9.0 – 9.3 |
| Taxes other than income | 2.2 – 2.4 | 6.3 – 6.5 |
| Exploration | 2.4 – 5.0 | 6.2 – 8.8 |
| General and administrative | 2.2 – 2.4 | 8.2 – 8.4 |
| Depreciation, depletion and amortization | 6.1 – 7.3 | 25.3 – 26.5 |
| Coal Land Management Segment (PVR): | | |
| Coal royalty tons (millions) | 3.1 – 3.5 | 13.7 – 14.1 |
| Coal royalties – See Note c | \$ 7.0 – 7.5 | \$ 30.4 – 30.9 |
| Coal services revenue | 0.3 – 0.4 | 1.7 – 1.8 |
| Timber and other revenue | 1.2 – 1.7 | 5.3 – 5.8 |
| Interest income, net | - | 0.3 |
| Expenses: | | |
| Operating | 0.6 – 0.7 | 2.5 – 2.6 |
| Taxes other than income | 0.2 – 0.3 | 0.9 – 1.0 |
| General and administrative | 1.5 – 1.6 | 6.2 – 6.3 |
| Depreciation and depletion | 0.6 – 0.8 | 3.2 – 3.4 |
| Corporate and other: | | |
| General and administrative expense – See Note d | 1.9 – 2.2 | 6.0 – 6.3 |
| Minority interest in PVR – See Note e | 3.0 – 3.3 | 12.3 – 12.6 |
| Income tax rate – See Note f | 31 - 33% | 31 - 33% |
| Capital expenditures | | |
| Development drilling | \$ 15.0 – 16.5 | \$ 40.2 – 41.7 |
| Exploratory drilling | 2.5 – 3.5 | 3.6 – 4.6 |
| Seismic | 2.2 – 2.5 | 5.6 – 5.9 |
| Lease acquisitions and field projects | 4.1 – 4.3 | 10.5 – 10.7 |
| Coal land management projects – See Note g | 4.8 – 5.0 | 17.7 – 17.9 |

Note a - As of September 30, 2002, the Company had in place open natural gas hedge positions for the fourth quarter of 2002 covering approximately 15,000 Mmbtu per day, or approximately 27 percent of base production, providing average floor and ceiling prices of \$3.08 and \$4.51 per Mmbtu, respectively. Including hedge

positions entered into after September 30, 2002, the Company also has in place open natural gas hedge positions as follows:

- for the first quarter of 2003 covering 15,000 Mmbtu per day at average floor and ceiling prices of \$2.92 and \$4.81 per Mmbtu, respectively;
- for the period April through September of 2003 covering 10,000 Mmbtu per day at average floor and ceiling prices of \$3.00 and \$4.59 per Mmbtu, respectively, and;
- for the period October 2003 through April 2004 covering 8,000 Mmbtu per day at average floor and ceiling prices of \$3.43 and \$4.93 per Mmbtu, respectively.

Note b - As of September 30, 2002, the Company had hedge positions in place for the fourth quarter of 2002 covering approximately 700 barrels of oil per day, or approximately 75 percent of base production, with average floor and ceiling prices of \$21.25 and \$25.68 per barrel, respectively. Subsequent to September 30, 2002, the Company entered into an additional hedge position covering 500 barrels of oil per day for the period January through June 2003 at average floor and ceiling prices of \$23.00 and \$28.75 per barrel, respectively.

Note c - Coal royalty revenue guidance for 2002 has been reduced from a range of \$31.0 to \$32.0 million indicated in a July 31, 2002 news release to a range of \$30.4 to \$30.9 million, due to expected continued weakness in market demand for coal from PVR properties, the impact of the bankruptcy of the lessee on the Fork Creek property and the impact of the Haden ruling. Cash flow from the properties will be supplemented in part by minimum rental payments to be received, which will be recorded on the balance sheet of PVR as deferred income and to a lesser extent in other revenue on the statement of earnings.

Note d - Guidance for corporate general & administrative expense for 2002 includes costs related to consulting and legal fees for the consideration of various shareholder proposals.

Note e - Reflects 48 percent minority interest in Penn Virginia Resource Partners, L.P. (PVR).

Note f - Income tax rate has been reduced from previous guidance to reflect tax benefit of certain tax credits available to the Company.

Note g - Coal land management capital expenditures for the fourth quarter includes PVR's expected \$4.8 million purchase of infrastructure from the bankrupt lessee at the Fork Creek property. Full year guidance for coal land management capital expenditures also includes PVR's third quarter \$12.0 million purchase of the Upshur properties in northern West Virginia.

These estimates, including capital expenditure plans, are meant to provide guidance only and are subject to change as commodity prices and the operating environment of the Company changes.

Conference Call

A conference call and webcast, at which management will discuss results and the outlook for the remainder of 2002, is scheduled for Thursday, October 31, 2002 at 3:00 p.m. EDT. Prepared remarks by A. James Dearlove, President and Chief Executive Officer, will be followed by a question and answer period. You can participate in the conference call by phone by dialing 800-834-5981 or via the Internet by going to the Company's website www.pennvirginia.com. An on-demand replay of the conference call will be available at the Company's website for 14 days beginning after the call.

Forward-looking statements: Penn Virginia Corporation is including the following cautionary statement to make applicable and take advantage of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 for any forward-looking statements made by, or on behalf of, the Company. With the exception of historical matters, any matters discussed are forward-looking (as defined in Section 21E of the Securities Exchange Act of 1934) and, therefore involve risks and uncertainties that could cause actual results to differ materially from projected results. These risks, uncertainties and contingencies include, but are not limited to, the following: development activities, capital expenditures, acquisitions and dispositions, drilling and exploration programs, expected commencement dates of oil and natural gas production, projected quantities of future oil and natural gas production by the Company, expected commencement dates and projected quantities of future coal production by lessees producing coal from reserves leased from PVR, costs and expenditures, as well as projected demand or supply, for coal and oil and natural gas, which will affect sales levels, prices and royalties realized by the Company and PVR. 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, 2001 filed on March 22, 2002. Except as required by applicable securities laws, the Company does not intend to update its forward-looking statements.

PVA is an energy company engaged in the exploration, acquisition, development and production of crude oil and natural gas. Through its ownership in Penn Virginia Resource Partners, L.P. (NYSE:PVR), PVA is also in the business of managing coal and timber properties. PVA is headquartered in Radnor, PA.

OPERATIONS SUMMARY

| | Three Months | | Nine Months | |
|-----------------------------|---------------------|----------|---------------------|----------|
| | Ended September 30, | | Ended September 30, | |
| | 2002 | 2001 | 2002 | 2001 |
| Production | | | | |
| Natural gas (MMcf) | 5,008 | 3,482 | 13,916 | 9,177 |
| Oil and condensate (MBbls) | 91 | 73 | 259 | 80 |
| Total oil and natural gas | | | | |
| Production (MMcfe) | 5,554 | 3,920 | 15,470 | 9,657 |
| Coal royalty tons (000) | 3,716 | 4,131 | 10,614 | 11,682 |
| Prices | | | | |
| Natural gas (\$/Mcf) | \$ 3.20 | \$ 3.34 | \$ 3.09 | \$ 4.70 |
| Oil and condensate (\$/Bbl) | \$ 22.91 | \$ 23.11 | \$ 22.99 | \$ 23.08 |
| Coal royalties (\$/ton) | \$ 2.22 | \$ 2.22 | \$ 2.21 | \$ 2.09 |

CONSOLIDATED STATEMENT OF EARNINGS - unaudited

(in thousands, except per share data)

| | Three Months | | Nine Months | |
|---------------------------------------------------------------------------------------------------------|---------------------|-----------------|---------------------|------------------|
| | Ended September 30, | | Ended September 30, | |
| | 2002 | 2001 | 2002 | 2001 |
| Revenues | | | | |
| Natural gas | \$ 16,012 | \$ 11,627 | \$ 43,032 | \$ 43,174 |
| Oil and condensate | 2,085 | 1,687 | 5,954 | 1,846 |
| Coal royalties | 8,253 | 9,154 | 23,437 | 24,415 |
| Timber | 360 | 358 | 1,441 | 1,116 |
| Other | 2,044 | 1,205 | 4,921 | 5,342 |
| | <u>28,754</u> | <u>24,031</u> | <u>78,785</u> | <u>75,893</u> |
| Expenses | | | | |
| Lease operating | 3,417 | 2,735 | 8,799 | 6,306 |
| Exploration | 1,682 | 3,747 | 3,846 | 6,402 |
| Taxes other than income | 1,653 | 1,245 | 4,775 | 3,860 |
| General and administrative | 5,567 | 4,062 | 15,303 | 9,903 |
| Impairment of oil and gas properties | 501 | - | 501 | - |
| Depreciation, depletion and amortization | 8,146 | 5,401 | 21,758 | 12,162 |
| | <u>20,966</u> | <u>17,190</u> | <u>54,982</u> | <u>38,633</u> |
| Operating Income | 7,788 | 6,841 | 23,803 | 37,260 |
| Other Income (Expense) | | | | |
| Interest expense | (707) | (721) | (1,988) | (1,939) |
| Gain on the sale of securities | - | - | - | 54,688 |
| Interest and other income | 508 | 371 | 1,583 | 1,215 |
| Income from continuing operations before minority interest, income taxes and discontinued operations | 7,589 | 6,491 | 23,398 | 91,224 |
| Minority interest in Penn Virginia Resource Partners, L.P. | 3,379 | - | 9,321 | - |
| Income tax expense | 1,002 | 2,244 | 4,557 | 33,249 |
| Income from continuing operations | 3,208 | 4,247 | 9,520 | 57,975 |
| Income from discontinued operations (including gain on sale and net of taxes) | - | - | 221 | - |
| Net income | <u>\$ 3,208</u> | <u>\$ 4,247</u> | <u>\$ 9,741</u> | <u>\$ 57,975</u> |
| Net income from continuing operations per share, basic | <u>\$ 0.36</u> | <u>\$ 0.48</u> | <u>\$ 1.07</u> | <u>\$ 6.64</u> |
| Net income per share, basic | <u>\$ 0.36</u> | <u>\$ 0.48</u> | <u>\$ 1.09</u> | <u>\$ 6.64</u> |
| Net income from continuing operations per share, diluted | <u>\$ 0.36</u> | <u>\$ 0.47</u> | <u>\$ 1.07</u> | <u>\$ 6.53</u> |
| Net income per share, diluted | <u>\$ 0.36</u> | <u>\$ 0.47</u> | <u>\$ 1.09</u> | <u>\$ 6.53</u> |
| Weighted average shares outstanding, basic | 8,944 | 8,869 | 8,926 | 8,736 |
| Weighted average shares outstanding, diluted | 8,992 | 9,007 | 8,975 | 8,880 |

CONSOLIDATED BALANCE SHEET
(in thousands)

| | September 30, <u>2002</u> (unaudited) | December 31, <u>2001</u> |
|------------------------------------------------------------|---------------------------------------------|-----------------------------|
| Assets | | |
| Current assets | \$ 27,556 | \$ 30,402 |
| Net property, plant and equipment | 405,274 | 381,188 |
| Restricted U.S. Treasury Notes | 31,387 | 43,387 |
| Other assets, including long-term notes | 5,039 | 5,194 |
| Total assets | <u>\$ 469,256</u> | <u>\$ 460,171</u> |
| Liabilities and Shareholders' Equity | | |
| Current liabilities | \$ 10,884 | \$ 19,053 |
| Long-term debt | 23,000 | 3,500 |
| Long-term debt secured by U.S. Treasury Notes | 31,387 | 43,387 |
| Other liabilities and deferred taxes | 73,169 | 64,738 |
| Minority interest in Penn Virginia Resource Partners, L.P. | 142,803 | 144,039 |
| Shareholders' equity | 188,013 | 185,454 |
| Total liabilities and shareholders' equity | <u>\$ 469,256</u> | <u>\$ 460,171</u> |

CONSOLIDATED STATEMENTS OF CASH FLOWS - unaudited
(in thousands)

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|-----------------------------------------------------------------------------------|-------------------------------------|------------------|------------------------------------|------------------|
| | <u>2002</u> | <u>2001</u> | <u>2002</u> | <u>2001</u> |
| Operating Activities | | | | |
| Net income | \$ 3,208 | \$ 4,247 | \$ 9,741 | \$ 57,975 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | | | |
| Depreciation, depletion and amortization | 8,146 | 5,401 | 21,758 | 12,162 |
| Impairment of oil and gas properties | 501 | - | 501 | - |
| Minority interest in Penn Virginia Resource Partners, L.P. | 3,379 | - | 9,321 | - |
| Discontinued operations gain on sale of properties and depletion | - | - | (312) | - |
| Loss (gain) on sale of properties | 11 | (313) | 7 | (1,147) |
| Gain on sale of securities | - | - | - | (54,688) |
| Deferred income taxes | 4,221 | 1,929 | 6,101 | 4,952 |
| Dry hole and leasehold amortization | 5 | 2,846 | 149 | 4,300 |
| Tax benefit from stock option exercises | 4 | - | 224 | 2,716 |
| Other | 399 | 78 | 1,250 | 162 |
| | <u>19,874</u> | <u>14,188</u> | <u>48,740</u> | <u>26,432</u> |
| Changes in operating assets and liabilities | <u>(1,278)</u> | <u>(12,458)</u> | <u>(7,492)</u> | <u>1,498</u> |
| Net cash provided by operating activities | <u>18,596</u> | <u>1,730</u> | <u>41,248</u> | <u>27,930</u> |
| Investing activities: | | | | |
| Proceeds from sale of U.S. Treasury notes | 12,000 | - | 12,000 | - |
| Proceeds from sale of securities | - | - | - | 57,525 |
| Proceeds from sale of properties | 14 | 37 | 1,314 | 1,283 |
| Proceeds from long-term notes receivable | 110 | 245 | 445 | 736 |
| Additions to property and equipment | <u>(24,477)</u> | <u>(125,267)</u> | <u>(45,739)</u> | <u>(180,238)</u> |
| Net cash used in investing activities | <u>(12,353)</u> | <u>(124,985)</u> | <u>(31,980)</u> | <u>(120,694)</u> |
| Financing Activities: | | | | |
| Dividends paid | (2,012) | (1,996) | (6,027) | (5,928) |
| Distributions paid to minority interest holders | (3,746) | - | (10,041) | - |
| Net income from continuing operations per share, basic | (3,051) | 124,546 | 6,280 | 88,824 |
| Purchase of units of Penn Virginia Resource Partners, L.P. | - | - | (1,067) | - |
| Purchase of treasury stock | - | - | (557) | - |
| Issuance of stock | 144 | 108 | 1,900 | 9,133 |
| Net cash provided by (used in) financing activities | <u>(8,665)</u> | <u>122,658</u> | <u>(9,512)</u> | <u>92,029</u> |
| Net decrease in cash and cash equivalents | (2,422) | (597) | (244) | (735) |
| Cash and cash equivalents-beginning balance | 11,799 | 597 | 9,621 | 735 |
| Cash and cash equivalents-ending balance | <u>\$ 9,377</u> | <u>\$ -</u> | <u>\$ 9,377</u> | <u>\$ -</u> |

SEGMENT INFORMATION - unaudited

(in thousands)

| | <u>Oil and Gas</u> | <u>Coal Royalty and Land Management</u> | <u>All Other</u> | <u>Consolidated</u> |
|--------------------------------------------|--------------------|-------------------------------------------------|------------------|---------------------|
| Quarter ended September 30, 2002 | | | | |
| Revenues | | | | |
| Natural gas | \$ 16,012 | \$ - | \$ - | \$ 16,012 |
| Oil and condensate | 2,085 | - | - | 2,085 |
| Coal royalties | - | 8,253 | - | 8,253 |
| Timber | - | 360 | - | 360 |
| Other | 85 | 1,791 | 168 | 2,044 |
| | <u>18,182</u> | <u>10,404</u> | <u>168</u> | <u>28,754</u> |
| Expenses | | | | |
| Lease operating | 2,712 | 555 | 150 | 3,417 |
| Exploration | 1,614 | - | 68 | 1,682 |
| Taxes other than income | 1,355 | 241 | 57 | 1,653 |
| General and administrative | 2,142 | 1,574 | 1,851 | 5,567 |
| Impairment of oil and gas properties | 501 | - | - | 501 |
| Depreciation, depletion and amortization | 7,098 | 995 | 53 | 8,146 |
| | <u>15,422</u> | <u>3,365</u> | <u>2,179</u> | <u>20,966</u> |
| Operating Income | \$ 2,760 | \$ 7,039 | \$ (2,011) | \$ 7,788 |
| Additions to property and equipment | \$ 12,329 | \$ 12,106 | \$ 42 | \$ 24,477 |
| | | | | |
| | <u>Oil and Gas</u> | <u>Coal Royalty and Land Management</u> | <u>All Other</u> | <u>Consolidated</u> |
| Quarter ended September 30, 2001 | | | | |
| Revenues | | | | |
| Natural gas | \$ 11,627 | \$ - | \$ - | \$ 11,627 |
| Oil and condensate | 1,687 | - | - | 1,687 |
| Coal royalties | - | 9,154 | - | 9,154 |
| Timber | - | 358 | - | 358 |
| Other | 377 | 462 | 366 | 1,205 |
| | <u>13,691</u> | <u>9,974</u> | <u>366</u> | <u>24,031</u> |
| Expenses | | | | |
| Lease operating | 1,917 | 668 | 150 | 2,735 |
| Exploration | 3,627 | 48 | 72 | 3,747 |
| Taxes other than income | 1,083 | 131 | 31 | 1,245 |
| General and administrative | 1,542 | 1,338 | 1,182 | 4,062 |
| Depreciation, depletion and amortization | 4,537 | 845 | 19 | 5,401 |
| | <u>12,706</u> | <u>3,030</u> | <u>1,454</u> | <u>17,190</u> |
| Operating Income | \$ 985 | \$ 6,944 | \$ (1,088) | \$ 6,841 |
| Additions to property and equipment | \$ 125,046 | \$ 162 | \$ 59 | \$ 125,267 |

SEGMENT INFORMATION - unaudited

(in thousands)

| | <u>Oil and Gas</u> | <u>Coal Royalty and Land Management</u> | <u>All Other</u> | <u>Consolidated</u> |
|---------------------------------------------|--------------------|-------------------------------------------------|------------------|---------------------|
| Nine months ended September 30, 2002 | | | | |
| Revenues | | | | |
| Natural gas | \$ 43,032 | \$ - | \$ - | \$ 43,032 |
| Oil and condensate | 5,954 | - | - | 5,954 |
| Coal royalties | - | 23,437 | - | 23,437 |
| Timber | - | 1,441 | - | 1,441 |
| Other | 190 | 4,072 | 659 | 4,921 |
| | <u>49,176</u> | <u>28,950</u> | <u>659</u> | <u>78,785</u> |
| Expenses | | | | |
| Lease operating | 6,475 | 1,868 | 456 | 8,799 |
| Exploration | 3,663 | 18 | 165 | 3,846 |
| Taxes other than income | 3,922 | 663 | 190 | 4,775 |
| General and administrative | 6,026 | 4,658 | 4,619 | 15,303 |
| Impairment of oil and gas properties | 501 | - | - | 501 |
| Depreciation, depletion and amortization | 19,041 | 2,558 | 159 | 21,758 |
| | <u>39,628</u> | <u>9,765</u> | <u>5,589</u> | <u>54,982</u> |
| Operating Income | \$ 9,548 | \$ 19,185 | \$ (4,930) | \$ 23,803 |
| Additions to property and equipment | \$ 32,542 | \$ 12,887 | \$ 310 | \$ 45,739 |
| | | | | |
| | <u>Oil and Gas</u> | <u>Coal Royalty and Land Management</u> | <u>All Other</u> | <u>Consolidated</u> |
| Nine months ended September 30, 2001 | | | | |
| Revenues | | | | |
| Natural gas | \$ 43,174 | \$ - | \$ - | \$ 43,174 |
| Oil and condensate | 1,846 | - | - | 1,846 |
| Coal royalties | - | 24,415 | - | 24,415 |
| Timber | - | 1,116 | - | 1,116 |
| Other | 1,309 | 2,887 | 1,146 | 5,342 |
| | <u>46,329</u> | <u>28,418</u> | <u>1,146</u> | <u>75,893</u> |
| Expenses | | | | |
| Lease operating | 3,787 | 2,069 | 450 | 6,306 |
| Exploration | 6,104 | 144 | 154 | 6,402 |
| Taxes other than income | 3,156 | 478 | 226 | 3,860 |
| General and administrative | 3,573 | 3,671 | 2,659 | 9,903 |
| Depreciation, depletion and amortization | 9,987 | 2,116 | 59 | 12,162 |
| | <u>26,607</u> | <u>8,478</u> | <u>3,548</u> | <u>38,633</u> |
| Operating Income | \$ 19,722 | \$ 19,940 | \$ (2,402) | \$ 37,260 |
| Additions to property and equipment | \$ 146,419 | \$ 33,719 | \$ 100 | \$ 180,238 |