

Penn Virginia Operational Update

21.07.2020 | [GlobeNewswire](#)

HOUSTON, July 21, 2020 - [Penn Virginia Corp.](#) (NYSE:PVAC) today announced an operational update and timing of its second-quarter 2020 earnings release and conference call.

Operational and Financial Update

- Estimated production for the second quarter of 2020 of between 18,500 and 18,900 barrels of oil per day and between 24,100 and 24,600 barrels of oil equivalent per day;
- Realized oil price for the second quarter of 2020 of approximately \$23.97 per barrel and \$50.37 per barrel including hedge settlements;
- Increased oil hedge positions (see appendix);
- Completed three drilled uncompleted (DUC) wells in June 2020;
- Estimated capital expenditures for the second quarter of 2020 of between \$10.5 and \$12.5 million;
- Reduced accounts payable by approximately \$45 million in the second quarter of 2020;
- Expect to be slightly free cash flow (FCF) positive for the second quarter of 2020 and significantly FCF positive in the third quarter of 2020; and
- Current credit facility balance, net of cash, of approximately \$315 million as of July 20, 2020.

John A. Brooks, President and Chief Executive Officer of Penn Virginia commented, "We are extremely proud of our operational and financial results for the quarter, especially in light of the challenging market conditions. Given these conditions and our commitment to capital discipline, we shut down activity in early April, minimizing the amount of capital incurred during the second quarter. We also actively added put hedge contracts that allowed us to benefit from falling oil prices in the second quarter. These contracts helped the Company generate a realized oil price of over \$50 per barrel as well as incremental cash flow, which we used to reduce payables and pay down debt. With respect to our production volumes, we proactively secured third party oil storage to give us the most operating flexibility possible. In early May, we recognized that the oil markets were in steep contango with June pricing, when taking effect of differentials, of approximately \$20 per barrel higher than May. To take advantage of this dislocation in the market, Penn Virginia elected to store a significant portion of our May oil production, rather than fully shutting in. By utilizing our storage assets, we were able to capture that arbitrage and sell that production in June at much higher pricing. Additionally, due to the short-term nature of the production shut-in, our PDP wells are performing very well, and no degradation of those wells is evident."

Mr. Brooks continued, "With our strong production profile and high realized pricing after taking into account substantial realized hedge gains, we will again be free cash flow positive for the second quarter. Since the beginning of the year, we have reduced the outstanding credit facility balance, net of cash on hand, by approximately \$40 million. Given our current outlook, we expect to continue our free cash flow positive trend for the remainder of the year and plan to use that free cash flow to reduce debt further. As always, we remain focused on capital discipline and cash on cash returns."

Second Quarter 2020 Earnings Release and Conference Call

Penn Virginia will release its second quarter 2020 results after the market closes on Thursday, August 6, 2020. A conference call and webcast discussing second quarter 2020 financial and operational results is scheduled for Friday, August 7, 2020 at 10:00 a.m. ET. Prepared remarks will be followed by a question and answer period. Investors and analysts may participate via phone by dialing (844) 707-6931 (international: (412) 317-9248) five to 10 minutes before the scheduled start time, or via webcast by logging on to the Company's website, www.pennvirginia.com, at least 15 minutes before the scheduled start time to download supporting materials and install audio software, as necessary. The webcast can also be accessed at <https://services.choruscall.com/links/pvc200807.html>.

An on-demand replay of the webcast will be available on the Company's website beginning shortly

after the webcast. The replay will also be available from August 7, 2020 through August 14, 2020 by dialing (877) 344-7529 (international (412) 317-0088) and entering the passcode 10146140.

About Penn Virginia Corporation

[Penn Virginia Corp.](#) is a pure-play independent oil and gas company engaged in the development and production of oil, NGLs, and natural gas, with operations in the Eagle Ford shale in south Texas. For more information, please visit our website at www.pennvirginia.com. The information on the Company's website is not part of this release.

Forward-Looking Statements

This communication contains certain "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. Statements regarding future financial or operating performance and other statements that are not historical facts are forward-looking statements, and such statements include, words such as "anticipate," "forward," "outlook," "expects," "intends," "plans," "believes," "future," "potential," "may," "possible," "should," "would," "could," "allow" and variations of such words or similar expressions, including the negative thereof, to identify forward-looking statements. Because such statements include assumptions, 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: our ability to realize the desired benefits of hedges and predict commodity price changes; the effect of commodity and financial derivative arrangements with other parties, and counterparty risk related to the ability of these parties to meet their future obligations; any further decline in, sustained depression in and volatility of expected and realized commodity prices for oil, NGLs, and natural gas; our ability to comply with our credit agreement and maintain or increase our borrowing base; the uncertainties inherent in projecting future rates of production for our wells and the extent to which actual production differs from that estimated in our proved oil and gas reserves; actions by third parties, including suppliers and customers; the impact of the COVID-19 pandemic, the related economic downturn and the related substantial decline in demand for oil and natural gas; and other risks set forth in our filings with the SEC. Strip pricing is a forecast that speaks only as of the date published and is not necessarily indicative of actual or realized prices, which may be materially different. Additional information concerning these and other factors can be found in our press releases and public filings with the SEC. Many of the factors that will determine our future results are beyond the ability of management to control or predict. The unprecedented nature of the current pandemic and economic downturn makes it more difficult for management to determine risks and the magnitude of the impact of risks known or unknown to management. The estimated results of the completed second quarter are preliminary and subject to change until the financial statements are published in our Form 10-Q filed with the SEC. Readers should not place undue reliance on forward-looking statements, which reflect management's views only as of the date hereof. The statements in this communication speak only as of the date of communication. 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, except as may be required by applicable law.

Footnote

1) Free cash flow is a non-GAAP financial measure. Definitions of non-GAAP financial measures and reconciliations of non-GAAP financial measures to the closest GAAP-based financial measures appear at the end of this release.

Appendix

Hedge Book

The table below sets forth Penn Virginia's net commodity hedge positions as of July 2, 2020:

3Q'20 4Q'20 1Q'21 2Q'21 3Q'21 4Q'21

WTI Swaps (BO/d)	11,457	9,804	5,000	4,945		
WTI Average Fixed Price (\$/Bbl)	\$51.17	\$55.18	\$51.60	\$51.60		
WTI Collars (BO/d)	4,043	2,000	5,000	4,945	3,261	3,
WTI Average Purchased Put (\$/Bbl)	\$52.70	\$48.00	\$45.00	\$45.00	\$40.00	\$
WTI Average Sold Call (\$/Bbl)	\$58.26	\$57.10	\$50.06	\$50.06	\$50.00	\$
WTI Purchased Puts (BO/d)	2,174					
WTI Average Purchased Put (\$/Bbl)	\$55.00					
WTI Average Premium (\$/Bbl)	\$0.06					
WTI Purchased Puts (BO/d)	674					
WTI Average Purchased Put (\$/Bbl)	\$48.00					
WTI Average Premium (\$/Bbl)	\$0.06					
WTI Purchased Puts (BO/d)	2,174					
WTI Average Purchased Put (\$/Bbl)	\$37.00					
WTI Average Deferred Premium (\$/Bbl)	\$1.23					
WTI Purchased Puts (BO/d)	2,717					
WTI Average Purchased Put (\$/Bbl)	\$30.00					
WTI Average Deferred Premium (\$/Bbl)	\$3.63					
WTI Purchased Puts (BO/d)			2,500	2,473		
WTI Average Purchased Put (\$/Bbl)			\$36.00	\$36.00		
WTI Average Premium (\$/Bbl)			\$4.50	\$4.50		
WTI Put Spread (BO/d)	2,174					
WTI Average Purchased Put (\$/Bbl)	\$39.00					
WTI Average Sold Put (\$/Bbl)	\$32.00					
WTI Average Deferred Premium (\$/Bbl)	\$3.25					
WTI Put Spread (BO/d)	2,174					
WTI Average Purchased Put (\$/Bbl)	\$30.00					
WTI Average Sold Put (\$/Bbl)	\$20.00					
WTI Average Deferred Premium (\$/Bbl)	\$2.45					
WTI Sold Puts (BO/d)		5,087	12,500	12,363	3,261	3,
WTI Average Sold Put (\$/Bbl)		\$43.50	\$36.73	\$36.73	\$35.00	\$
MEH Swaps (BO/d)	2,000	2,000				
MEH Average Fixed Price (\$/Bbl)	\$61.03	\$61.03				
MEH-WTI Basis Swaps (BO/d)	10,870					
MEH-WTI Average Fixed Price (\$/Bbl)	\$1.04					
WTI CMA Roll Basis Swaps (BO/d)	10,870					
WTI CMA Roll Average Fixed Price (\$/Bbl)	(\$0.45)					
HH Collars (MMBtu/d)	12,804	12,804	3,333	3,297	3,261	3,
HH Average Purchased Put (\$/MMBtu)	\$2.000	\$2.000	\$2.500	\$2.500	\$2.500	\$
HH Average Sold Call (\$/MMBtu)	\$2.207	\$2.207	\$2.851	\$2.851	\$2.851	\$

Definition and Explanation of Free Cash Flow

Free Cash Flow is not a measure of net income (loss) as determined by GAAP. We define Free Cash Flow as Discretionary Cash Flow (non-GAAP) less acquisition capital plus asset divestiture proceeds plus sales and use tax refunds less oil and gas capital expenditures. Discretionary Cash Flow is defined as net cash provided by operating activities (GAAP) less changes in working capital (current assets and liabilities). Free Cash flow is not a measure of financial performance under GAAP and should not be considered as a measure of liquidity or as an alternative to Net Cash Provided by Operating Activities. We believe this presentation is commonly used by investors and professional research analysts for the valuation, comparison, rating, investment recommendations of companies within the oil and gas exploration and production industry. We use this information for comparative purposes within our industry.

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