Penn Virginia GP Holdings, L.P.
Form 424B3
September 10, 2009

The information in this preliminary prospectus supplement is not complete and may be changed. This preliminary prospectus supplement and the accompanying base prospectus are part of an effective registration statement filed with the Securities and Exchange Commission. This preliminary prospectus supplement and the accompanying base prospectus are not offers to sell these securities and are not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

Filed Pursuant to Rule 424(b)(3)
Registration No. 333-161257

Subject to Completion, dated September 10, 2009

PROSPECTUS SUPPLEMENT
(To Prospectus dated September 9, 2009)

Penn Virginia GP Holdings, L.P.
8,695,655 Common Units
Representing Limited Partner Interests

The selling unitholder, Penn Virginia Resource GP Corp., an indirect wholly owned subsidiary of Penn Virginia Corporation, is selling 8,695,655 common units representing limited partner interests in Penn Virginia GP Holdings, L.P. We will not receive any of the proceeds from the sale of our common units by the selling unitholder pursuant to this prospectus supplement.

Our common units are listed on the New York Stock Exchange under the symbol PVG. The last reported sales price of our common units on the New York Stock Exchange on September 9, 2009 was $13.21 per common unit.

Investing in our common units involves risk. See Risk Factors on page S-4 of this prospectus supplement as well as under Item 1A of our Annual Report on Form 10-K for the fiscal year ended December 31, 2008.

	Per Common Unit	Total
Price to the public	$	$
Underwriting discounts and commissions	$	$
Proceeds to the selling unitholder (before expenses)	$	$

The selling unitholder has granted the underwriters a 30-day option to purchase up to an additional 1,304,345 common units on the same terms and conditions set forth above if the underwriters sell more than 8,695,655 common units in this offering.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying base prospectus are truthful or complete. Any representation to the contrary is a criminal offense.

Barclays Capital, on behalf of the underwriters, expects to deliver the common units on or about , 2009.

Joint Book-Running Managers

Barclays Capital

UBS Investment Bank

J.P. Morgan

Wells Fargo Securities

Co-Managers

Credit Suisse

RBC Capital Markets

Stifel Nicolaus

SMH Capital

Prospectus Supplement dated , 2009

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In making your investment decision, you should rely only on the information contained or incorporated by reference in this prospectus supplement or any free writing prospectus relating to this offering of common units. Neither we nor the selling unitholder have authorized anyone to provide you with any other information. If anyone provides you with different or inconsistent information, you should not rely on it.

You should not assume that the information contained in this prospectus supplement, the accompanying base prospectus or any free writing prospectus relating to this offering of common units is accurate as of any date other than the dates shown in these documents. You should not assume that the information contained in the documents incorporated by reference in this prospectus supplement is accurate as of any date other than the respective dates of those documents. Our business, financial condition, results of operations and prospects may have changed since those dates.

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Prospectus Supplement

Prospectus

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ABOUT THIS PROSPECTUS SUPPLEMENT

This document is in two parts. The first part is this prospectus supplement and the documents incorporated by reference herein, which, among other things, describe the specific terms of this offering. The second part, the accompanying base prospectus and the documents incorporated by reference therein, give more general information, some of which may not apply to this offering. Generally, when we refer to the prospectus, we are referring to both parts combined. If the description of this offering varies between this prospectus supplement and the accompanying base prospectus, you should rely on the information in this prospectus supplement.

As used in this prospectus:

we, us, our and PVG mean Penn Virginia GP Holdings, L.P. and its wholly owned subsidiaries;
PVG GP means PVG GP, LLC, the general partner of PVG;
PVR means Penn Virginia Resource Partners, L.P. and its consolidated subsidiaries;
PVR GP means Penn Virginia Resource GP, LLC, the general partner of PVR; and
Penn Virginia means Penn Virginia Corporation.

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SUMMARY

This summary highlights information contained elsewhere in this prospectus supplement and the accompanying base prospectus. It does not contain all of the information you should consider before making an investment decision. You should read the entire prospectus supplement, the accompanying base prospectus, the documents incorporated by reference herein and the other documents to which we refer for a more complete understanding of this offering. See Risk Factors on page S-4 of this prospectus supplement and Item 1A of our Annual Report on Form 10-K for the fiscal year ended December 31, 2008, or our 2008 Annual Report, for more information about important factors that you should consider before buying common units in this offering.

Penn Virginia GP Holdings, LP

Penn Virginia GP Holdings, L.P. (NYSE: PVG) is a publicly traded Delaware limited partnership formed in June 2006. We own a 100% membership interest in PVR GP, which is the general partner of Penn Virginia Resource Partners, L.P., a publicly traded Delaware limited partnership (NYSE: PVR). Our only cash-generating assets are our ownership interests in PVR, which consist of the following:

a 2% general partner interest in PVR, which we hold through our 100% ownership interest in PVR GP;
all of the incentive distribution rights in PVR, which we hold through our 100% ownership interest in PVR GP; and
19,587,049 common units of PVR, representing an approximate 37% limited partner interest in PVR.

Our general partner, PVG GP, is an indirect wholly owned subsidiary of Penn Virginia. Penn Virginia owns an approximate 77% limited partner interest in us as of the date of this prospectus supplement through its wholly owned subsidiaries. One of Penn Virginia s wholly owned subsidiaries, Penn Virginia Resource GP Corp., is the selling unitholder in this offering. See Selling Unitholder.

Our principal executive offices are located at Three Radnor Corporate Center, Suite 300, 100 Matsonford Road, Radnor, Pennsylvania 19087 and our phone number is (610) 867-8900. Our website is *www.pvgpholdings.com*. Information contained on our website does not constitute a part of this prospectus supplement.

Penn Virginia Resource Partners, L.P.

PVR is a publicly traded Delaware limited partnership formed by Penn Virginia Corporation (NYSE: PVA) in 2001 that is principally engaged in the management of coal and natural resource properties and the gathering and processing of natural gas in the United States. Both in its current limited partnership form and in its previous corporate form, PVR has managed coal properties since 1882. PVR currently conducts operations in two business segments: (i) coal and natural resource management and (ii) natural gas midstream. We consolidate PVR s results into our financial statements because we control PVR s general partner.

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Ownership of Penn Virginia GP Holdings, L.P. Prior to this Offering

The following diagram depicts our and our affiliates simplified ownership structure immediately prior to this offering:

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The Offering

Common units offered by selling unitholder

8,695,655 common units, or up to 10,000,000 common units if the underwriters exercise in full their option to purchase an additional 1,304,345 common units.

Common units outstanding before and after this offering

39,074,500 common units.

Use of proceeds

We will not receive any proceeds from this offering.

Cash distributions

Our partnership agreement requires that we distribute all of our cash on hand as of the end of each quarter, less reserves established by our general partner. We refer to this as available cash, and we define it in our partnership agreement. Please see Cash Distribution Policy in the accompanying base prospectus.

On August 20, 2009, we paid a quarterly distribution for the quarter ended June 30, 2009 of $0.38 per common unit, or $1.52 per common unit on an annualized basis, to the holders of record of our common units on August 3, 2009.

Estimated ratio of taxable income to distributions

We estimate that if you own the common units you purchase in this offering through the record date for the distribution for the period ending December 31, 2011, you will be allocated, on a cumulative basis, an amount of federal taxable income for that period that will be less than 25% of the cash distributed to you with respect to that period. Please read Tax Considerations in this prospectus supplement for the basis of this estimate.

New York Stock Exchange symbol

PVG.

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RISK FACTORS

Limited partner interests are inherently different from capital stock of a corporation, although many of the business risks to which we and PVR are subject are similar to those that would be faced by a corporation engaged in a similar business. You should carefully consider those risk factors set forth under Item 1A of our 2008 Annual Report, together with all of the other information included in this prospectus supplement, the accompanying base prospectus and the documents that we have incorporated by reference in this prospectus supplement, before investing in the common units.

USE OF PROCEEDS

We will not receive any proceeds from the sale of our common units by the selling unitholder in this offering.

SELLING UNITHOLDER

The table below sets forth certain information regarding the selling unitholder s beneficial ownership of our common units as of September 1, 2009. The information presented below is based solely on our review of the Schedule 13D Statement of Beneficial Ownership filed by such person with the Securities and Exchange Commission, or the SEC, or information otherwise provided by the selling unitholder. The selling unitholder has advised us that it is not a registered broker-dealer or an affiliate of a registered broker-dealer.

	Number of Common Units Beneficially Owned Before this Offering	Percentage of Common Units Beneficially Owned Before this Offering[1]	Number of Common Units to be Offered[2]	Number of Common Units Beneficially Owned After this Offering[1]	Percentage of Common Units Beneficially Owned After this Offering
Penn Virginia Resource GP Corp.[3]	11,279,925	28.9 %	8,695,655	2,584,270	6.6 %

(1) Based on 39,074,500 common units issued and outstanding on September 1, 2009.

(2) Assumes no exercise of the underwriters option to purchase up to an additional 1,304,345 common units.

(3) Penn Virginia is the ultimate parent company of Penn Virginia Resource GP Corp. As such, Penn Virginia may be deemed to beneficially own the common units held by Penn Virginia Resource GP Corp. Penn Virginia has the sole voting power and sole investment power over the common units owned by the selling unitholder that are set forth in the table. The address for Penn Virginia Resource GP Corp. is c/o Penn Virginia Corporation, Three Radnor Corporate Center, Suite 300, 100 Matsonford Road, Radnor, Pennsylvania 19087.

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PRICE RANGE OF COMMON UNITS AND DISTRIBUTIONS

Our common units are traded on the New York Stock Exchange, referred to as the NYSE, under the symbol PVG. The high and low sales prices (composite transactions) and dividends paid for each calendar quarter indicated were as follows.

	Sales Price		Cash Dividend Per Common Unit[1]
Quarter Ended	High	Low	
September 30, 2009 (through September 9)	$ 17.42	$ 11.56	
June 30, 2009	$ 13.83	$ 10.75	$ 0.38
March 31, 2009	$ 13.86	$ 8.08	$ 0.38
December 31, 2008	$ 24.27	$ 5.91	$ 0.38
September 30, 2008	$ 32.99	$ 16.97	$ 0.38
June 30, 2008	$ 36.19	$ 25.82	$ 0.36
March 31, 2008	$ 29.75	$ 20.82	$ 0.34
December 31, 2007	$ 39.00	$ 28.17	$ 0.32
September 30, 2007	$ 40.74	$ 28.56	$ 0.30
June 30, 2007	$ 32.36	$ 22.29	$ 0.28
March 31, 2007	$ 26.75	$ 18.18	$ 0.26

(1) Represents cash distributions declared for each respective quarter. Cash distributions were declared and paid within 55 days following the close of each quarter.

On September 9, 2009, the closing sale price of our common units, as reported by the NYSE, was $13.21 per common unit. There are approximately 48 record holders and approximately 3,600 beneficial owners (held in street name) of our common units.

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TAX CONSIDERATIONS

The tax consequences to you of an investment in our common units will depend in part on your own tax circumstances. For a discussion of the principal federal income tax considerations associated with our operations and the purchase, ownership and disposition of our common units, please read Material Tax Consequences in the accompanying base prospectus, as updated and supplemented by the discussion included herein. You are urged to consult with your own tax advisor about the federal, state, local and foreign tax consequences particular to your circumstances.

Ratio of Taxable Income to Distributions. We estimate that a purchaser of common units in this offering who holds those common units from the date of closing of this offering through December 31, 2011 will be allocated an amount of federal taxable income for that period that will be less than 25% of the cash distributed with respect to that period. Thereafter, we anticipate that the ratio of allocable taxable income to cash distributions to the unitholders will increase. These estimates are based upon the assumption that gross income from operations will approximate the amount required to make the current quarterly distribution on all units and other assumptions with respect to capital expenditures, cash flow, net working capital and anticipated cash distributions. These estimates and assumptions are subject to, among other things, numerous business, economic, regulatory, legislative, competitive and political uncertainties beyond our control. Further, the estimates are based on current tax law and tax reporting positions that we will adopt and with which the Internal Revenue Service could disagree. Accordingly, we cannot assure you that these estimates will prove to be correct. The actual percentage of distributions that will constitute taxable income could be higher or lower than expected, and any differences could be material and could materially affect the value of the common units. For example, the ratio of allocable taxable income to cash distributions to a purchaser of common units in this offering will be greater, and perhaps substantially greater, than our estimate with respect to the period described above if (i) our gross income from operations exceeds the amount required to maintain current distributions on all units, yet we only distribute the current distributions on all units or (ii) we make a future offering of common units and use the proceeds of the offering in a manner that does not produce substantial additional deductions during the period described above, such as to repay indebtedness outstanding at the time of this offering or to acquire property that is not eligible for depreciation, depletion or amortization for federal income tax purposes or that is depreciable, depletable or amortizable at a rate significantly slower than the rate applicable to our assets at the time of this offering.

Tax-Exempt Organizations and Non-U.S. Investors. Ownership of common units by tax-exempt entities and non-U.S. investors raises issues unique to such persons. Tax-exempt entities and non-U.S. investors are encouraged to consult with your own tax advisor about the federal, state, local and foreign tax consequences particular to your circumstances before investing. Please read Material Tax Consequences Tax-Exempt Organizations and Other Investors in the accompanying base prospectus.

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UNDERWRITING

Barclays Capital Inc., UBS Securities LLC, J.P. Morgan Securities Inc. and Wells Fargo Securities, LLC are acting as the representatives of the underwriters and as joint book-running managers of this offering. Under the terms of an underwriting agreement, which we will file as an exhibit to a current report on Form 8-K and incorporate by reference in this prospectus supplement and the accompanying base prospectus, each of the underwriters named below have severally agreed to purchase common units from the selling unitholder. Each underwriter is obligated to purchase the respective number of common units indicated in the following table.

Underwriters	Number of Common Units
Barclays Capital Inc.	
UBS Securities LLC	
J.P. Morgan Securities Inc.	
Wells Fargo Securities, LLC	
Credit Suisse Securities (USA) LLC	
RBC Capital Markets Corporation	
Stifel Nicolaus & Company, Incorporated	
SMH Capital Inc.	
Total	8,695,655

The underwriting agreement provides that the underwriters obligation to purchase the common units depends on the satisfaction of the conditions contained in the underwriting agreement including:

the obligation to purchase all of the common units offered hereby, if any of the common units are purchased;
the representations and warranties made by us, our general partner and the selling unitholder to the underwriters are true;
there is no material adverse change in our business or in the financial markets; and
we and the selling unitholder deliver customary closing documents to the underwriters.

Commissions and Expenses

The following table summarizes the underwriting discounts and commissions the selling unitholder will pay to the underwriters in connection with this offering. These amounts are shown assuming both no exercise and full exercise of the underwriters option to purchase additional common units. The underwriting fee is the difference between the initial price to the public and the amount the underwriters pay to us for the common units.

	No Exercise	Full Exercise
Per common unit	$	$
Total	$	$

The representatives have advised us and the selling unitholder that they propose to offer the common units directly to the public at the public offering price on the cover of this prospectus supplement and to selected dealers, which may include the underwriters, at such offering price less a selling concession not in excess of $ per common unit. After the offering, the representatives may change the offering price and other selling terms.

The expenses of this offering that are payable by us are estimated to be $0.2 million (excluding underwriting discounts

and commissions).

Option to Purchase Additional Common Units

The selling unitholder has granted the underwriters an option, exercisable for 30 days after the date of this prospectus supplement, to purchase, from time to time, in whole or in part, up to an aggregate of

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1,304,345 common units at the public offering price less underwriting discounts and commissions. This option may be exercised if the underwriters sell more than 8,695,655 common units in connection with this offering. To the extent that this option is exercised, each underwriter will be obligated, subject to certain conditions, to purchase its pro rata portion of these additional common units based on the underwriter s underwriting commitment in the offering as indicated in the table at the beginning of this Underwriting Section.

Lock-Up Agreements

We, certain of our affiliates, including the selling unitholder, and all of the executive officers and non-independent directors of our general partner have agreed that without the prior written consent of Barclays Capital Inc., we and they will not, directly or indirectly, (1) offer for sale, sell, pledge or otherwise dispose of (or enter into any transaction or device that is designed to, or could be expected to, result in the disposition by any person at any time in the future of) any of our common units (including, without limitation, common units that may be deemed to be beneficially owned by such person or entity in accordance with the rules and regulations of the SEC and common units that may be issued upon exercise of any options or warrants) or securities convertible into or exercisable or exchangeable for common units, (2) enter into any swap or other derivatives transaction that transfers to another, in whole or in part, any of the economic benefits or risks of ownership of the common units, (3) make any demand for or exercise any right or file or cause to be filed a registration statement, including any amendments thereto, with respect to the registration of any common units or securities convertible, exercisable or exchangeable into common units or any of our other securities or (4) publicly disclose the intention to do any of the foregoing for a period of 60 days after the date of this prospectus supplement.

The restrictions described above do not apply to:

the sale of common units to the underwriters pursuant to the underwriting agreement; or
the issuance by us of common units pursuant to employee benefit plans, options plans or other employee compensation plans.

The 60-day restricted period described in the preceding paragraph will be extended if:

during the last 17 days of the 60-day restricted period, we issue an earnings release or material news or announce a material event relating to us; or
prior to the expiration of the 60-day restricted period, we announce that we will release earnings results during the 16-day period beginning on the last day of the 60-day period;
in which case the restrictions described in the preceding paragraph will continue to apply until the expiration of the 18-day period beginning on the issuance of the earnings release or the announcement of the material news or material event unless such extension is waived by Barclays Capital Inc.

Barclays Capital Inc., in its sole discretion, may release the common units and other securities subject to the lock-up agreements described above in whole or in part at any time with or without notice. When determining whether or not to release the common units and other securities from lock-up agreements, Barclays Capital Inc. will consider, among other factors, the holder s reasons for requesting the release, the number of common units or other securities for which the release is being requested and market conditions at the time.

Indemnification

We, our general partner and the selling unitholder have agreed to indemnify the underwriters against certain liabilities, including liabilities under the Securities Act, and to contribute to payments that the underwriters may be required to

make for these liabilities.

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Stabilization, Short Positions and Penalty Bids

The underwriters may engage in stabilizing transactions, short sales and purchases to cover positions created by short sales, and penalty bids or purchases for the purpose of pegging, fixing or maintaining the price of the common units, in accordance with Regulation M under the Securities Exchange Act of 1934:

Stabilizing transactions permit bids to purchase the underlying security so long as the stabilizing bids do not exceed a specified maximum.

A short position involves a sale by the underwriters of the common units in excess of the number of common units the underwriters are obligated to purchase in the offering, which creates the syndicate short position. This short position may be either a covered short position or a naked short position. In a covered short position, the number of common units involved in the sales made by the underwriters in excess of the number of common units they are obligated to purchase is not greater than the number of common units that they may purchase by exercising their option to purchase additional common units. In a naked short position, the number of common units involved is greater than the number of common units in their option to purchase additional common units. The underwriters may close out any short position by either exercising their option to purchase additional common units and/or purchasing common units in the open market. In determining the source of common units to close out the short position, the underwriters will consider, among other things, the price of common units available for purchase in the open market as compared to the price at which they may purchase common units through their option to purchase additional common units. A naked short position is more likely to be created if the underwriters are concerned that there could be downward pressure on the price of the common units in the open market after pricing that could adversely affect investors who purchase in the offering.

Syndicate covering transactions involve purchases of the common units in the open market after the distribution has been completed in order to cover syndicate short positions.

Penalty bids permit the representatives to reclaim a selling concession from a syndicate member when the common units originally sold by the syndicate member are purchased in a stabilizing or syndicate covering transaction to cover syndicate short positions.

These stabilizing transactions and covering transactions may have the effect of raising or maintaining the market price of our common units or preventing or retarding a decline in the market price of the common units. As a result, the price of the common units may be higher than the price that might otherwise exist in the open market. These transactions may be effected on the NYSE or otherwise and, if commenced, may be discontinued at any time.

Neither we, the selling unitholder nor the underwriters make any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of the common units. In addition, neither we, the selling unitholder nor the underwriters make representation that the underwriters will engage in these stabilizing transactions or that any transaction, once commenced, will not be discontinued without notice.

Electronic Distribution

A prospectus in electronic format may be made available on Internet sites or through other online services maintained by the underwriters or by their affiliates. In those cases, prospective investors may view offering terms online and may be allowed to place orders online. The underwriters may agree with the selling unitholder to allocate a specific number of common units for sale to online brokerage account holders. Any such allocation for online distributions will be made by the underwriters on the same basis as other allocations.

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Other than the prospectus in electronic format, the information on the underwriters websites and any information contained in any other website maintained by the underwriters is not part of the prospectus or the registration statement of which the prospectus forms a part, has not been approved and/or endorsed by us or the underwriters in their capacity as underwriters and should not be relied upon by investors.

Stamp Taxes

If you purchase common units offered in this prospectus supplement, you may be required to pay stamp taxes and other charges under the laws and practices of the country of purchase, in addition to the offering price listed on the cover page of this prospectus supplement.

New York Stock Exchange

Our common units are traded on the NYSE under the symbol PVG.

Relationships

From time to time, certain of the underwriters and their affiliates have, directly or indirectly, provided investment and commercial banking or financial advisory services to us and our affiliates, for which they have received customary fees and commissions, and may provide these services to us and our affiliates in the future, for which they expect to receive customary fees and commissions. Affiliates of J.P. Morgan Securities Inc., Wells Fargo Securities, LLC and RBC Capital Markets Corporation are lenders under Penn Virginia s revolving credit facility. Penn Virginia, the parent of the selling unitholder, may use a portion of the proceeds of this offering to repay amounts outstanding under this credit facility.

Additionally, because the Financial Industry Regulatory Authority, or the FINRA, views the common units offered hereby as interests in a direct participation program, the offering is being made in compliance with Rule 2310 of the FINRA Conduct Rules. Investor suitability with respect to the common units should be judged similarly to the suitability with respect to other securities that are listed for trading on a national securities exchange.

Foreign Selling Restrictions

No prospectus or other disclosure document (as defined in the Corporations Act 2001 (Cth) of Australia (Corporations Act)) in relation to the common units has been or will be lodged with the Australian Securities & Investments Commission (ASIC). This document has not been lodged with ASIC and is only directed to certain categories of exempt persons. Accordingly, if you receive this document in Australia:

(a) you confirm and warrant that you are either:

(i) a sophisticated investor under section 708(8)(a) or (b) of the Corporations Act;

(ii) a sophisticated investor under section 708(8)(c) or (d) of the Corporations Act and that you have provided an accountant s certificate to us which complies with the requirements of section 708(8)(c)(i) or (ii) of the Corporations Act and related regulations before the offer has been made;

(iii) a person associated with the company under section 708(12) of the Corporations Act; or

(iv) a professional investor within the meaning of section 708(11)(a) or (b) of the Corporations Act,

and to the extent that you are unable to confirm or warrant that you are an exempt sophisticated investor, associated person or professional investor under the Corporations Act any offer made to you under this document is void and

incapable of acceptance; and

(b) you warrant and agree that you will not offer any of the common units for resale in Australia within 12 months of those common units being issued unless any such resale offer is exempt from the requirement to issue a disclosure document under section 708 of the Corporations Act.

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This prospectus is only being distributed to, and is only directed at, persons in the United Kingdom that are qualified investors within the meaning of Article 2(1)(e) of the Prospectus Directive (Qualified Investors) that are also (i) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the Order) or (ii) high net worth entities, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as relevant persons). This prospectus and its contents are confidential and should not be distributed, published or reproduced (in whole or in part) or disclosed by recipients to any other persons in the United Kingdom. Any person in the United Kingdom that is not a relevant persons should not act or rely on this document or any of its contents.

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LEGAL MATTERS

The validity of the common units will be passed upon for us by Vinson & Elkins L.L.P., New York, New York. Certain legal matters in connection with the common units offered hereby will be passed upon for the underwriters by Baker Botts L.L.P., Houston, Texas.

EXPERTS

The consolidated financial statements of Penn Virginia GP Holdings, L.P. as of December 31, 2008 and 2007, and for each of the years in the three-year period ended December 31, 2008, and management s assessment of the effectiveness of internal control over financial reporting as of December 31, 2008, have been incorporated by reference herein in reliance upon the reports of KPMG LLP, an independent registered public accounting firm, incorporated by reference herein, and upon the authority of said firm as experts in accounting and auditing.

WHERE YOU CAN FIND MORE INFORMATION

This prospectus supplement, including any documents incorporated herein by reference, constitutes a part of a registration statement on Form S-3 that we filed with the SEC under the Securities Act. This prospectus supplement does not contain all the information set forth in the registration statement. You should refer to the registration statement, including the base prospectus included therein, and its related exhibits and schedules, and the documents incorporated herein by reference, for further information about our company and the securities offered in this prospectus supplement. Statements contained in this prospectus supplement concerning the provisions of any document are not necessarily complete and, in each instance, reference is made to the copy of that document filed as an exhibit to the registration statement or otherwise filed with the SEC, and each such statement is qualified by this reference. The registration statement and its exhibits and schedules, and the documents incorporated herein by reference, are on file at the offices of the SEC and may be inspected without charge.

We file annual, quarterly and current reports, proxy statements and other information with the SEC. You can read and copy any materials we file with the SEC at the SEC s Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. You can obtain information about the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. The SEC also maintains a website that contains information we file electronically with the SEC, which you can access over the Internet at *www.sec.gov*.

Our home page is located at *www.pvgpholdings.com*. Our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and other filings with the SEC are available free of charge through our website as soon as reasonably practicable after those reports or filings are electronically filed or furnished to the SEC. Information on our website or any other website is not incorporated by reference in this prospectus and does not constitute a part of this prospectus.

INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

We are incorporating by reference in this prospectus information we file with the SEC, which means that we are disclosing important information to you by referring you to those documents. The information we incorporate by

reference is an important part of this prospectus, and later information that we file with the SEC automatically will update and supersede this information. The following documents, which have previously been filed by us with the SEC under the Exchange Act, are incorporated herein by reference:

our Annual Report on Form 10-K for the year ended December 31, 2008;

our Quarterly Reports on Form 10-Q for the quarters ended March 31, 2009 and June 30, 2009;

our Current Reports on Form 8-K filed on February 24, 2009, March 31, 2009, July 24, 2009 and August 11, 2009; and

the description of our common units contained in our registration statement on Form 8-A filed on November 27, 2006, and including any other amendments or reports filed for the purpose of updating such description.

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An audited balance sheet of our general partner, PVG GP, is not presented in this prospectus supplement because (a) PVG GP has a non-economic interest in PVG and (b) PVG GP has nominal net assets and thus is not expected nor has any commitment to fund cash flow deficits or furnish other direct or indirect financial assistance to PVG.

All documents filed by us pursuant to Sections 13(a), 13(c), 14 and 15(d) of the Exchange Act (excluding any information furnished pursuant to Item 2.02 or Item 7.01 on any current report on Form 8-K) after the date of this prospectus supplement and prior to the termination of this offering shall be deemed to be incorporated in this prospectus by reference and to be a part hereof from the date of filing of such documents. Any statement contained herein, or in a document incorporated or deemed to be incorporated by reference herein, shall be deemed to be modified or superseded for purposes of this prospectus to the extent that a statement contained herein or in any subsequently filed document that also is or is deemed to be incorporated by reference herein, modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this prospectus.

This prospectus incorporates documents by reference that are not delivered herewith. You may request a copy of these filings, which we will provide to you at no cost, by writing or telephoning us at the following address and telephone number:

Penn Virginia GP Holdings, L.P.
Three Radnor Corporate Center, Suite 300
100 Matsonford Road
Radnor, Pennsylvania 19087
Attention: General Counsel

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Prospectus

Penn Virginia GP Holdings, L.P.

10,000,000 Common Units

Representing Limited Partner Interests

The securities to be offered and sold using this prospectus are currently issued and outstanding common units representing limited partner interests in us. These common units may be offered and sold by the selling unitholders named in this prospectus or in any supplement to this prospectus from time to time in accordance with the provisions set forth under Plan of Distribution.

The selling unitholders may sell the common units offered by this prospectus from time to time on any exchange on which the common units are listed on terms to be negotiated with buyers. They may also sell the common units in private sales or through dealers or agents. The selling unitholders may sell the common units at prevailing market prices or at prices negotiated with buyers. The selling unitholders will be responsible for any underwriting fees, discounts and commissions due to brokers, dealers or agents. We will be responsible for all other offering expenses. We will not receive any of the proceeds from the sale by the selling unitholders of the common units offered by this prospectus.

You should carefully read this prospectus and any supplement before you invest. You also should read the documents we have referred you to in the Where You Can Find More Information and the Incorporation of Certain Documents by Reference sections of this prospectus for information on us and our financial statements. This prospectus may not be used to consummate sales of securities unless accompanied by a prospectus supplement.

Our common units are listed on the New York Stock Exchange under the ticker symbol PVG.

Investing in our common units involves substantial risks. Limited partnerships are inherently different from corporations. You should carefully read Risk Factors beginning on page 2 of this prospectus as well as the risk factors set forth in the documents incorporated by reference herein and in any applicable prospectus supplement before you make an investment in our common units.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The date of this prospectus is September 9, 2009.

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In making your investment decision, you should rely only on the information contained or incorporated by reference in this prospectus. Neither we nor the selling unitholders have authorized anyone to provide you with any other information. If anyone provides you with different or inconsistent information, you should not rely on it.

You should not assume that the information contained in this prospectus is accurate as of any date other than the date on the front cover of this prospectus. You should not assume that the information contained in the documents incorporated by reference in this prospectus is accurate as of any date other than the respective dates of those documents. Our business, financial condition, results of operations and prospects may have changed since those dates.

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ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement that we filed with the Securities and Exchange Commission, or the SEC, using a shelf registration process. Under this shelf process, the selling unitholders named in this prospectus or in any supplement to this prospectus may, from time to time, sell the common units described in this prospectus in one or more offerings. This prospectus provides you with a general description of the common units the selling unitholders may offer. Each time they sell common units, the selling unitholders will provide a prospectus supplement that will contain specific information about the terms of that offering. The prospectus supplement may also add, update or change information contained in this prospectus. You should read both this prospectus and the prospectus supplement relating to the common units offered to you together with the additional information described under the headings Where You Can Find More Information and Incorporation of Certain Documents by Reference.

As used in this prospectus:

we, us, our and PVG mean Penn Virginia GP Holdings, L.P. and its wholly owned subsidiaries;
PVG GP means PVG GP, LLC, the general partner of PVG;
PVR means Penn Virginia Resource Partners, L.P. and its consolidated subsidiaries;
PVR GP means Penn Virginia Resource GP, LLC, the general partner of PVR, and
Penn Virginia means Penn Virginia Corporation.

PENN VIRGINIA GP HOLDINGS, L.P.

Penn Virginia GP Holdings, LP (NYSE: PVG) is a publicly traded Delaware limited partnership formed in June 2006. We own 100% of the membership interest in PVR GP, which is the general partner of Penn Virginia Resource Partners, L.P., a publicly traded Delaware limited partnership (NYSE: PVR). Our only cash-generating assets are our ownership interests in PVR, which consist of the following:

a 2% general partner interest in PVR, which we hold through our 100% ownership interest in PVR GP;
all of the incentive distribution rights in PVR, which we hold through our 100% ownership interest in PVR GP; and
19,587,049 common units of PVR, representing an approximate 37% limited partner interest in PVR.

Our general partner, PVG GP, is an indirect wholly owned subsidiary of Penn Virginia. Penn Virginia owns an approximate 77% limited partner interest in us as of the date of this prospectus through its wholly owned subsidiaries. One of Penn Virginia s wholly owned subsidiaries, Penn Virginia Resource GP Corp., is a selling unitholder under this prospectus. See Selling Unitholder.

Our principal executive offices are located at Three Radnor Corporate Center, Suite 300, 100 Matsonford Road, Radnor, Pennsylvania 19087 and our phone number is (610) 867-8900. Our website is *www.pvgpholdings.com*. Information contained on our website does not constitute a part of this prospectus.

PENN VIRGINIA RESOURCE PARTNERS, L.P.

PVR is a publicly traded Delaware limited partnership formed by Penn Virginia Corporation (NYSE: PVA) in 2001 that is principally engaged in the management of coal and natural resource properties and the gathering and processing of natural gas in the United States. Both in its current limited partnership form and in its previous corporate form, PVR has managed coal properties since 1882. PVR currently conducts operations in two business segments: (i) coal and natural resource management and (ii) natural gas midstream. We consolidate PVR s results into our financial

statements because we control PVR s general partner.

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RISK FACTORS

Limited partner interests are inherently different from capital stock of a corporation, although many of the business risks to which we and PVR are subject are similar to those that would be faced by a corporation engaged in a similar business. You should carefully consider those risk factors set forth in our Annual Report on Form 10-K for the year ended December 31, 2008, or our 2008 Annual Report, together with all of the other information included in this prospectus, any prospectus supplement and the information that we have incorporated by reference, before investing in the common units.

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FORWARD-LOOKING STATEMENTS

Some of the information included in this prospectus and the documents we incorporate by reference contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, referred to as the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended, referred to as the Exchange Act. These statements use forward-looking words such as may, will, should, could, achievable, ant believe, expect, estimate, project or other words and phrases of similar meaning. These statements discuss goals intentions and expectations as to future trends, plans, events, results of operations or financial condition or state other forward-looking information. A forward-looking statement may include a statement of the assumptions or bases underlying the forward-looking statements. We believe we have chosen these assumptions or bases in good faith and that they are reasonable. However, we caution you that assumed facts or bases almost always vary from actual results, and the differences between assumed facts or bases and actual results can be material, depending on the circumstances. When considering forward-looking statements, you should keep in mind the cautionary statements in this prospectus and the documents we have incorporated by reference. These statements reflect our current views with respect to future events and are subject to various risks, uncertainties and assumptions, including, but not limited, to the following:

PVR s ability to generate sufficient cash from its natural gas midstream and coal and natural resource management businesses to maintain and pay the quarterly distribution to its general partner and its unitholders;

the volatility of commodity prices for natural gas, natural gas liquids, referred to as NGLs, and coal;

the relationship between natural gas, NGL and coal prices;

the projected demand for, and supply of, natural gas, NGLs and coal;

competition among producers in the coal industry generally and among natural gas midstream companies;

the extent to which the amount and quality of actual production of PVR s coal differ from its estimated recoverable proved coal reserves;

the experience and financial condition of PVR s coal lessees and natural gas midstream customers, including the lessees ability to satisfy their royalty, environmental, reclamation and other obligations to PVR and others;

operating risks, including unanticipated geological problems, incidental to PVR s coal and natural resource management or natural gas midstream business;

PVR s ability to acquire new coal reserves or natural gas midstream assets and new sources of natural gas supply and connections to third-party pipelines on satisfactory terms;

PVR s ability to retain existing or acquire new natural gas midstream customers and coal lessees;

the ability of PVR s lessees to produce sufficient quantities of coal on an economic basis from PVR s reserves and obtain favorable contracts for such production;

the occurrence of unusual weather or operating conditions including force majeure events;

delays in anticipated start-up dates of PVR s lessees mining operations and related coal infrastructure projects and new processing plants in PVR s natural gas midstream business;

environmental risks affecting the mining of coal reserves and the production, gathering and processing of natural gas;

the timing of receipt of necessary governmental permits by PVR or PVR s lessees;

hedging results;

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accidents;

changes in governmental regulation or enforcement practices, especially with respect to environmental, health and safety matters, including with respect to emissions levels applicable to coal-burning power generators;

uncertainties relating to the outcome of current and future litigation regarding mine permitting;

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);

uncertainties relating to Penn Virginia s continued ownership of partner interests in us; and

other risks set forth in Item 1A, Risk Factors in our 2008 Annual Report and the other documents incorporated herein by reference.

All forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by the cautionary statements in this paragraph and elsewhere in this prospectus and in the documents incorporated herein by reference. When considering forward-looking statements, you should keep in mind the risk factors and other cautionary statements in this prospectus, including those described in the Risk Factors section of this prospectus. We will not update these statements unless the securities laws require us to do so.

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USE OF PROCEEDS

The common units to be offered and sold using this prospectus will be offered and sold by the selling unitholders named in this prospectus or in any supplement to this prospectus. We will not receive any proceeds from the sale of such common units.

DESCRIPTION OF OUR COMMON UNITS

Generally, our common units represent limited partner interests in us that entitle the holders to participate in our cash distributions and to exercise the rights and privileges available to limited partners under our partnership agreement. For a description of the rights and privileges of limited partners under our partnership agreement, including voting rights, please read Material Provisions of the Partnership Agreement of Penn Virginia GP Holdings, L.P. For a description of our distribution policy, please read Cash Distribution Policy.

Our common units are listed on the New York Stock Exchange under the ticker symbol PVG.

Transfer Agent and Registrar

American Stock Transfer & Trust Company serves as registrar and transfer agent for our common units. We pay all fees charged by the transfer agent for transfers of our common units, except the following that must be paid by unitholders:

surety bond premiums to replace lost or stolen certificates, taxes and other governmental charges;
special charges for services requested by a holder of a common unit; and
other similar fees or charges.

There is no charge to unitholders for disbursements of our cash distributions. We indemnify the transfer agent, its agents and each of their stockholders, directors, officers and employees against all claims and losses that may arise out of acts performed or omitted for its activities in that capacity, except for any liability due to any gross negligence or intentional misconduct of the indemnified person or entity.

The transfer agent may resign, by notice to us, or be removed by us. The resignation or removal of the transfer agent will become effective upon our appointment of a successor transfer agent and registrar and its acceptance of the appointment. If no successor has been appointed and has accepted the appointment within 30 days after notice of the resignation or removal, our general partner may act as the transfer agent and registrar until a successor is appointed.

Transfer of Common Units

By transfer of our common units in accordance with our partnership agreement, each transferee of our common units will be admitted as a unitholder with respect to the common units transferred when such transfer and admission is reflected in our books and records. Additionally, each transferee of our common units:

represents that the transferee has the capacity, power and authority to become bound by our partnership agreement;
automatically agrees to be bound by the terms and conditions of, and is deemed to have executed, our partnership agreement; and

gives the consents and approvals contained in our partnership agreement, such as the approval of all transactions and agreements that we entered into in connection with our formation and initial public offering.

A transferee will become a substituted limited partner for the transferred common units automatically upon the recording of the transfer on our books and records. Our general partner will cause any transfers to be recorded on our books and records no less frequently than quarterly.

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We may, at our discretion, treat the nominee holder of a common unit as the absolute owner. In that case, the beneficial holder s rights are limited solely to those that it has against the nominee holder as a result of any agreement between the beneficial owner and the nominee holder.

Common units are securities and are transferable according to the laws governing transfers of securities. In addition to other rights acquired upon transfer, the transferor gives the transferee the right to become a substituted limited partner in our partnership for the transferred common units.

Until a common unit has been transferred on our books, we and the transfer agent, notwithstanding any notice to the contrary, may treat the record holder of the common unit as the absolute owner for all purposes, except as otherwise required by law or stock exchange regulations.

Comparison of Rights of Holders of PVR s Common Units and Our Common Units

It is not likely that our common units and PVR s common units will trade in simple relation or proportion to one another. Instead, while the trading prices of our common units and PVR s common units are likely to follow generally similar broad trends, the trading prices may diverge because, among other things:

with respect to PVR s distributions, PVR s common unitholders have a priority over our incentive distribution rights in PVR;
we participate in PVR s general partner s distributions and the incentive distribution rights, and PVR s common unitholders do not; and
we may enter into other businesses separate from PVR or any of its affiliates.

The following table compares certain features of PVR s common units and our common units:

	PVR s Common Units	Our Common Units
Taxation of Entity and Entity Owners	PVR is a flow-through entity that is not subject to an entity-level federal income tax. PVR expects that holders of its common units will benefit for a period of time from tax basis adjustments and remedial allocations of deductions.	Similarly, we are a flow-through entity that is not subject to an entity-level federal income tax. We also expect that holders of our common units will benefit for a period of time from tax basis adjustments and remedial allocations of deductions as a result of our ownership of common units of PVR. However, incentive distribution rights do not benefit from such adjustments and allocations. Therefore, we expect the ratio of our taxable income to the distributions you will receive to be higher than the ratio of taxable income to the distributions received by the common unitholders of PVR. Moreover, if PVR is successful in

increasing its distributable cash flow over time, we expect the ratio of our taxable income to distributions will increase.

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	PVR s Common Units	Our Common Units
Distributions and Incentive Distribution Rights	PVR common unitholders receive Schedule K-1s from PVR reflecting the unitholders share of PVR s items of income, gain, loss and deduction at the end of each fiscal year. PVR pays its limited partners and general partner quarterly distributions equal to the cash it receives from its operations, less certain reserves for expenses and other uses of cash. PVR s general partner owns the incentive distribution rights in PVR.	Our common unitholders also receive Schedule K-1s from us reflecting the unitholders share of our items of income, gain, loss and deduction at the end of each fiscal year. We pay our limited partners quarterly distributions equal to the cash we receive from PVR, less certain reserves for expenses and other uses of cash. Our general partner is not entitled to any distributions.
Sources of Cash Flow	PVR currently generates its cash flow from managing coal and natural resource properties and the gathering and processing of natural gas and related services.	Our cash-generating assets consist of our partnership interests, including the incentive distribution rights, in PVR, and we currently have no independent operations. Accordingly, our financial performance and our ability to pay cash distributions to our unitholders is currently completely dependent upon the performance of PVR.
Limitation on Issuance of Additional Units	PVR may issue an unlimited number of additional partnership interests and other equity securities without obtaining unitholder approval.	Similarly, we may issue an unlimited number of additional partnership interests and other equity securities without obtaining unitholder approval.

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CASH DISTRIBUTION POLICY

Set forth below is a summary of the significant provisions of our partnership agreement that relate to cash distributions.

General

Our partnership agreement requires that, within 55 days after the end of each quarter, we distribute all of our available cash to the holders of record of our common units on the applicable record date. Available cash is defined in our partnership agreement and generally means, with respect to any calendar quarter, all cash on hand at the date of determination of available cash for the distribution in respect of such quarter less the amount of cash reserves necessary or appropriate, as determined in good faith by our general partner, to:

satisfy general, administrative and other expenses and any debt service requirements;

permit PVR s general partner to make capital contributions to PVR to maintain its 2.0% general partner interest upon the issuance of additional partnership securities by PVR;

comply with applicable law or any debt instrument or other agreement;

provide funds for distributions to unitholders and our general partner in respect of any one or more of the next four quarters; and

otherwise provide for the proper conduct of our business.

Adjustments to Capital Accounts

We will make adjustments to capital accounts upon the issuance of additional units. In doing so, we will allocate any unrealized and, for tax purposes, unrecognized gain or loss resulting from the adjustments to the unitholders and the general partner in the same manner as we allocate gain or loss upon liquidation. In the event that we make positive adjustments to the capital accounts upon the issuance of additional units, we will allocate any later negative adjustments to the capital accounts resulting from the issuance of additional units or upon our liquidation in a manner which results, to the extent possible, in the partners capital account balances equaling the amount which they would have been if no earlier positive adjustments to the capital accounts had been made.

Distributions of Cash upon Liquidation

If we dissolve in accordance with the partnership agreement, we will sell or otherwise dispose of our assets in a process called a liquidation. We will first apply the proceeds of liquidation to the payment of our creditors in the order of priority provided in the partnership agreement and by law and, thereafter, we will distribute any remaining proceeds to the unitholders and our general partner in accordance with their respective capital account balances, as adjusted to reflect any gain or loss upon the sale or other disposition of our assets in liquidation.

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MATERIAL PROVISIONS OF THE PARTNERSHIP AGREEMENT OF PENN VIRGINIA GP HOLDINGS, L.P.

The following is a summary of the material provisions of our partnership agreement. Our partnership agreement is included as an exhibit to the registration statement of which this prospectus constitutes a part.

We summarize the following provisions of our partnership agreement elsewhere in this prospectus:

with regard to distributions of available cash, please read Cash Distribution Policy,
with regard to the rights of holders of common units, please read Description of Our Common Units; and
with regard to allocations of taxable income and taxable loss, please read Material Tax Consequences.

Organization and Duration

We were formed on June 14, 2006 and have a perpetual existence.

Purpose

Under our partnership agreement we are permitted to engage, directly or indirectly, in any business activity that is approved by our general partner and that lawfully may be conducted by a limited partnership organized under Delaware law; *provided, however*, that our general partner may not cause us to engage, directly or indirectly, in any business activity that our general partner determines would cause us to be treated as an association taxable as a corporation or otherwise taxable as an entity for federal income tax purposes.

Although our general partner has the ability to cause us, our affiliates or our subsidiaries to engage in activities other than the ownership of partnership interests in PVR, our general partner has no current plans to do so and may decline to do so free of any fiduciary duty or obligation whatsoever to us or the limited partners, including any duty to act in good faith or in the best interest of us or our limited partners. Our general partner is authorized in general to perform all acts it determines to be necessary or appropriate to carry out our purposes and to conduct our business.

Power of Attorney

Each limited partner, and each person who acquires a unit from a unitholder by accepting a unit, automatically grants to our general partner and, if appointed, a liquidator, a power of attorney to, among other things, execute and file documents required for our qualification, continuance or dissolution. The power of attorney also grants our general partner the authority to amend, and to grant consents and waivers under, our partnership agreement.

Capital Contributions

Our unitholders are not obligated to make additional capital contributions, except as described below under Limited Liability.

Limited Liability

Assuming that a limited partner does not participate in the control of our business within the meaning of the Delaware Revised Uniform Limited Partnership Act, or the Delaware Act, and that he otherwise acts in conformity with the provisions of our partnership agreement, his liability under the Delaware Act will be limited, subject to possible exceptions, to the amount of capital he is obligated to contribute to us for his common units plus his share of any undistributed profits and assets. If it were determined, however, that the right, or exercise of the right, by the limited partners as a group:

to remove or replace our general partner;
to approve some amendments to our partnership agreement; or
to take other action under our partnership agreement,

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constituted participation in the control of our business for the purposes of the Delaware Act, then our limited partners could be held personally liable for our obligations under the laws of Delaware, to the same extent as our general partner. This liability would extend to persons who transact business with us who reasonably believe that the limited partner is a general partner. Neither our partnership agreement nor the Delaware Act specifically provides for legal recourse against our general partner if a limited partner were to lose limited liability through any fault of our general partner. While this does not mean that a limited partner could not seek legal recourse, we know of no precedent for this type of a claim in Delaware case law.

Under the Delaware Act, a limited partnership may not make a distribution to a partner if, after the distribution, all liabilities of the limited partnership, other than liabilities to partners on account of their partnership interests and liabilities for which the recourse of creditors is limited to specific property of the partnership, would exceed the fair value of the assets of the limited partnership. For the purpose of determining the fair value of the assets of a limited partnership, the Delaware Act provides that the fair value of property subject to liability for which recourse of creditors is limited will be included in the assets of the limited partnership only to the extent that the fair value of that property exceeds the nonrecourse liability. The Delaware Act provides that a limited partner who receives a distribution and knew at the time of the distribution that the distribution was in violation of the Delaware Act will be liable to the limited partnership for the amount of the distribution for three years. Under the Delaware Act, a substituted limited partner of a limited partnership is liable for the obligations of his assignor to make contributions to the partnership, except that such person is not obligated for liabilities unknown to him at the time he became a limited partner and that could not be ascertained from the partnership agreement.

Limitations on the liability of limited partners for the obligations of a limited partner have not been clearly established in many jurisdictions. While we currently have no operations distinct from PVR, if in the future, by our ownership in an operating company or otherwise, it were determined that we were conducting business in any state without compliance with the applicable limited partnership or limited liability company statute, or that the right or exercise of the right by the limited partners as a group to remove or replace our general partner, to approve some amendments to our partnership agreement, or to take other action under our partnership agreement constituted participation in the control of our business for purposes of the statutes of any relevant jurisdiction, then the limited partners could be held personally liable for our obligations under the law of that jurisdiction to the same extent as our general partner under the circumstances. We will operate in a manner that our general partner considers reasonable and necessary or appropriate to preserve the limited liability of the limited partners.

Limited Voting Rights

Our general partner will manage and operate us. Unlike the holders of common stock in a corporation, you will have only limited voting rights on matters affecting our business. You will not have the right to elect our general partner or its directors on an annual or other continuing basis.

The following is a summary of the unitholder vote required for the matters specified below. The holders of a majority of the outstanding units, represented in person or by proxy, will constitute a quorum unless any action by the unitholders requires approval by holders of a greater percentage of the units, in which case the quorum will be the greater percentage. In voting their units, our general partner and its affiliates will have no fiduciary duty or obligation whatsoever to us or the limited partners, including any duty to act in good faith or in the best interests of us or the limited partners.

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Issuance of additional units	No approval right.
Amendment of our partnership agreement	Certain amendments may be made by our general partner without the approval of our unitholders. Other amendments generally require the approval of a majority of our outstanding units. Please read Amendments to Our Partnership Agreement.
Merger of our partnership or the sale of all or substantially all of our assets	A majority of our outstanding units in certain circumstances. Please read Merger, Sale or Other Disposition of Assets.
Dissolution	A majority of our outstanding units. Please read Termination and Dissolution.
Reconstitution upon dissolution	A majority of our outstanding units. Please read Termination and Dissolution.
Withdrawal of our general partner	Under most circumstances, the approval of a majority of our outstanding units, excluding units held by our general partner and its affiliates, is required for the withdrawal of the general partner prior to December 31, 2016 in a manner that would cause our dissolution. Please read Withdrawal or Removal of the General Partner.
Removal of our general partner	Not less than 66 2/3% of our outstanding units, including units held by our general partner and its affiliates. Please read Withdrawal or Removal of the General Partner.
Transfer of the general partner interest	Our general partner may transfer all, but not less than all, of its general partner interest in us without a vote of our unitholders to (i) an affiliate (other than an individual) or (ii) another entity in connection with its merger or consolidation with or into, or sale of all or substantially all of its assets to, such entity. The approval of a majority of the units, excluding units held by our general partner and its affiliates, is required in other circumstances for a transfer of the general partner interest to a third party prior to December 31, 2016. Please read Transfer of General Partner Interest.

Transfer of Ownership Interests in Our General Partner

At any time, Penn Virginia Resource GP Corp., as the sole member of our general partner, may sell or transfer all or part of its ownership interest in our general partner without the approval of our unitholders.

Issuance of Additional Securities

Our partnership agreement authorizes us to issue an unlimited number of additional limited partner interests and other equity securities for the consideration and on the terms and conditions established by our general partner in its sole

discretion without the approval of our unitholders.

It is possible that we will fund acquisitions through the issuance of additional units or other equity securities. Holders of any additional units we issue will be entitled to share equally with the then-existing holders of units in our cash distributions. In addition, the issuance of additional partnership interests may dilute the value of the interests of the then-existing holders of units in our net assets.

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In accordance with Delaware law and the provisions of our partnership agreement, we may also issue additional partnership interests that have special voting rights to which the common units are not entitled.

Amendments to Our Partnership Agreement

General

Amendments to our partnership agreement may be proposed only by or with the consent of our general partner. However, our general partner will have no duty or obligation to propose any amendment and may decline to do so free of any fiduciary duty or obligation whatsoever to us or the limited partners, including any duty to act in good faith or in the best interests of us or the limited partners. To adopt a proposed amendment, other than the amendments discussed below, our general partner must seek written approval of the holders of the number of units required to approve the amendment or call a meeting of the limited partners to consider and vote upon the proposed amendment. Except as described below, an amendment must be approved by a majority of our outstanding units.

Prohibited Amendments

No amendment may be made that would:

(1) enlarge the obligations of any limited partner without its consent, unless approved by at least a majority of the type or class of limited partner interests so affected; or

(2) enlarge the obligations of, restrict in any way any action by or rights of, or reduce in any way the amounts distributable, reimbursable or otherwise payable by us to our general partner or any of its affiliates without the consent of our general partner, which may be given or withheld in its sole discretion.

The provision of our partnership agreement preventing the amendments having the effects described in clauses (1) or (2) above can be amended upon the approval of the holders of at least 90% of the outstanding units.

No Unitholder Approval

Our general partner may generally make amendments to our partnership agreement without the approval of any limited partner or assignee to reflect:

(1) a change in our name, the location of our principal place of business, our registered agent or its registered office;

(2) the admission, substitution, withdrawal or removal of partners in accordance with our partnership agreement;

(3) a change that our general partner determines is necessary or appropriate for us to qualify or to continue our qualification as a limited partnership or a partnership in which the limited partners have limited liability under the laws of any state or to ensure that we will not be treated as an association taxable as a corporation or otherwise taxed as an entity for federal income tax purposes;

(4) an amendment that is necessary, in the opinion of our counsel, to prevent us or our general partner or its directors, officers, agents or trustees, from in any manner being subjected to the provisions of the Investment Company Act of 1940, the Investment Advisors Act of 1940, or plan asset regulations adopted under the Employee Retirement Income Security Act of 1974, whether or not substantially similar to plan asset regulations currently applied or proposed;

(5) an amendment that our general partner determines to be necessary or appropriate for the authorization of additional partnership securities or rights to acquire partnership securities;

(6) any amendment expressly permitted in our partnership agreement to be made by our general partner acting alone;

(7) an amendment effected, necessitated or contemplated by a merger agreement that has been approved under the terms of our partnership agreement;

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(8) an amendment that our general partner determines to be necessary or appropriate for the formation by us, or our investment in, any corporation, partnership or other entity, as otherwise permitted by our partnership agreement;

(9) a change in our fiscal year or taxable year and related changes;

(10) a merger with or conveyance to another limited liability entity that is newly formed and has no assets, liabilities or operations at the time of the merger or conveyance other than those it receives by way of the merger or conveyance;

(11) an amendment effected, necessitated or contemplated by an amendment to PVR s partnership agreement that requires PVR unitholders to provide a statement, certificate or other proof of evidence to PVR regarding whether such unitholder is subject to United States federal income tax on the income generated by PVR; or

(12) any other amendments substantially similar to any of the matters described in (1) through (11) above.

In addition, our general partner may make amendments to our partnership agreement without the approval of any limited partner or assignee if those amendments, in the discretion of our general partner:

(1) do not adversely affect our limited partners (or any particular class of limited partners) in any material respect;

(2) are necessary or appropriate to satisfy any requirements, conditions or guidelines contained in any opinion, directive, order, ruling or regulation of any federal or state agency or judicial authority or contained in any federal or state statute;

(3) are necessary or appropriate to facilitate the trading of our limited partner interests or to comply with any rule, regulation, guideline or requirement of any securities exchange on which our limited partner interests are or will be listed for trading;

(4) are necessary or appropriate for any action taken by our general partner relating to splits or combinations of units under the provisions of our partnership agreement; or

(5) are required to effect the intent of the provisions of our partnership agreement or are otherwise contemplated by our partnership agreement.

Finally, our partnership agreement specifically permits our general partner to authorize PVR GP, the general partner of PVR, to limit or modify its incentive distribution rights if our general partner determines that such limitation or modification does not adversely affect our limited partners (or any particular class of limited partners) in any material respect.

Opinion of Counsel and Unitholder Approval

Our general partner will not be required to obtain an opinion of counsel that an amendment will not result in a loss of limited liability to the limited partners or result in PVR or our being treated as an entity for federal income tax purposes if one of the amendments described above under No Unitholder Approval should occur. No other amendments to our partnership agreement will become effective without the approval of holders of at least 90% of the outstanding units, unless we obtain an opinion of counsel to the effect that the amendment will not affect the limited liability under applicable law of any of our limited partners.

In addition to the above restrictions, any amendment that would have a material adverse effect on the rights or preferences of any type or class of outstanding units in relation to other classes of units will require the approval of at least a majority of the type or class of units so affected. Any amendment that reduces the voting percentage required to take any action must be approved by the affirmative vote of limited partners whose aggregate outstanding units constitute not less than the voting requirement sought to be reduced.

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Merger, Sale or Other Disposition of Assets

Our partnership agreement generally prohibits our general partner, without the prior approval of a majority of our outstanding units, from causing us to, among other things, sell, exchange or otherwise dispose of all or substantially all of our assets in a single transaction or a series of related transactions, including by way of merger, consolidation or other combination, or approving on our behalf the sale, exchange or other disposition of all or substantially all of the assets of PVR and its subsidiaries in a single transaction or a series of related transactions, including by way of merger, consolidation or other combination. Our general partner may, however, mortgage, pledge, hypothecate or grant a security interest in all or substantially all of our assets without that approval. Our general partner may also sell all or substantially all of our assets under a foreclosure or other realization upon those encumbrances without that approval.

A merger, consolidation or conversion of us requires the prior consent of the general partner. In addition, our partnership agreement provides that, to the maximum extent permitted by law, our general partner will have no duty or obligation to consent to any merger, consolidation or conversion of us and may decline to do so free of any fiduciary duty or obligation whatsoever to us, or any of our unitholders. Further, in declining to consent to a merger, consolidation or conversion, our general partner will not be required to act in good faith or pursuant to any other standard imposed by our partnership agreement, any other agreement, under the Delaware Act or any other law, rule or regulation or at equity.

If conditions specified in our partnership agreement are satisfied, our general partner may merge us or any of our subsidiaries into, or convey some or all of our assets to, a newly formed entity if the sole purpose of that merger or conveyance is to effect a mere change in our legal form into another limited liability entity. Our unitholders are not entitled to dissenters rights or appraisal rights (and, therefore, will not be entitled to demand payment of a fair price for their units) under our partnership agreement or applicable Delaware law in the event of a merger or consolidation, a sale of substantially all of our assets or any other transaction or event.

Termination and Dissolution

We will continue as a limited partnership until terminated under our partnership agreement. We will dissolve upon:

(1) the election of our general partner to dissolve us, if approved by a majority of our outstanding units;

(2) there being no limited partners, unless we are continued without dissolution in accordance with applicable Delaware law;

(3) the entry of a decree of judicial dissolution of us; or

(4) the withdrawal or removal of our general partner or any other event that results in its ceasing to be our general partner other than by reason of a transfer of its general partner interest in accordance with our partnership agreement or withdrawal or removal of our general partner following approval and admission of a successor.

Upon a dissolution under clause (4) above, the holders of a majority of our outstanding units may also elect, within specific time limitations, to continue our business on the same terms and conditions described in our partnership agreement by appointing as a successor general partner an entity approved by the holders of a majority of the outstanding units, subject to our receipt of an opinion of counsel to the effect that:

(1) the action would not result in the loss of limited liability of any limited partner; and

(2) neither our partnership nor PVR would be treated as an association taxable as a corporation or otherwise be taxable as an entity for federal income tax purposes upon the exercise of that right to continue.

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Liquidation and Distribution of Proceeds

Upon our dissolution, unless we are reconstituted and continued as a new limited partnership, the person authorized to wind up our affairs (the liquidator) will, acting with all of the powers of our general partner that the liquidator deems necessary or desirable in its judgment, liquidate our assets. The proceeds of the liquidation will be applied as follows:

first, towards the payment of all of our creditors and the settlement of or creation of a reserve for contingent liabilities; and

then, to all partners in accordance with the positive balance in the respective capital accounts.

If the liquidator determines that a sale would be impractical or would cause a loss to our partners, it may defer liquidation of our assets for a reasonable period of time or distribute assets to partners in kind if it determines that a sale would be impractical or would cause undue loss to the partners.

Withdrawal or Removal of the General Partner

Except as described below, our general partner has agreed not to withdraw voluntarily as our general partner prior to December 31, 2016 without obtaining the approval of the holders of at least a majority of the outstanding units, excluding units held by our general partner, its owner Penn Virginia and its affiliates, voting as a single class, and furnishing an opinion of counsel regarding limited liability and tax matters. On or after December 31, 2016, our general partner may not withdraw as general partner without first giving 90 days written notice to unitholders, and that withdrawal will not constitute a violation of our partnership agreement. In addition, our general partner may withdraw without unitholder approval upon 90 days notice to our limited partners if at least 50% of our outstanding common units are held or controlled by one person and its affiliates other than our general partner and its affiliates.

Upon the voluntary withdrawal of our general partner, the holders of a majority of our outstanding units, may elect a successor to that withdrawing general partner. If a successor is not elected, or is elected but an opinion of counsel regarding limited liability and tax matters cannot be obtained, we will be dissolved, wound up and liquidated, unless within 180 days after that withdrawal, the holders of a majority of the outstanding units, agree in writing to continue our business and to appoint a successor general partner. Please read Termination and Dissolution above.

Our general partner may not be removed unless that removal is approved by the vote of the holders of not less than 66 2/3% of our outstanding units, including units held by our general partner and its affiliates, and we receive an opinion of counsel regarding limited liability and tax matters. Any removal of our general partner is also subject to the approval of a successor general partner by the vote of the holders of a majority of the outstanding units. The ownership of more than 33 1/3% of our outstanding units by our general partner and its affiliates would give it the practical ability to prevent its removal. As of the date of this prospectus, Penn Virginia beneficially owns approximately 77% of our outstanding units. In addition, we will be required to reimburse the departing general partner for all amounts due the departing general partner, including, without limitation, all employee-related liabilities, including severance liabilities, incurred for the termination of any employees employed by the departing general partner or its affiliates for our benefit.

Transfer of General Partner Interest

Except for a transfer by our general partner of all, but not less than all, of its general partner interests in us to:

an affiliate of the general partner (other than an individual); or

another entity as part of the merger or consolidation of the general partner with or into another entity or the transfer by the general partner of all or substantially all of its assets to another entity,

our general partner may not transfer all or any part of its general partner interest in us to another person prior to December 31, 2016 without the approval of the holders of at least a majority of the outstanding

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units, excluding units held by our general partner and its affiliates. As a condition of this transfer, the transferee must assume the rights and duties of the general partner to whose interest that transferee has succeeded, agree to be bound by the provisions of our partnership agreement and furnish an opinion of counsel regarding limited liability and tax matters.

On or after December 31, 2016, our general partner may transfer all or any of its general partner interest in us without obtaining approval of any unitholder.

Change of Management Provisions

Our partnership agreement contains specific provisions that are intended to discourage a person or group from attempting to remove our general partner as general partner or otherwise change management. If any person or group other than our general partner and its affiliates acquires beneficial ownership of 20% or more of any class of our units, that person or group loses voting rights on all of its units. This loss of voting rights does not apply to (i) any person or group that acquires the units from our general partner or its affiliates, (ii) any transferees of that person or group approved by our general partner or (iii) any person or group that acquires 20% of any class of units with the prior approval of the board of directors of our general partner.

Limited Call Right

If at any time not more than 10% of the then-issued and outstanding limited partner interests of any class are held by persons other than our general partner and its affiliates, our general partner will have the right, which it may assign in whole or in part to any of its affiliates or to us, to acquire all, but not less than all, of the remaining limited partner interests of the class held by unaffiliated persons as of a record date to be selected by our general partner, on at least ten but not more than 60 days notice. The purchase price in the event of such a purchase will be the greater of:

the highest price paid by our general partner or any of its affiliates for any limited partner interests of the class purchased within the 90 days preceding the date that notice is mailed; and
the current market price of the limited partner interests of the class as of the date three days prior to the date that notice is mailed.

As of the date of this prospectus, Penn Virginia beneficially owns approximately 77% of our common units.

As a result of our general partner s right to purchase outstanding limited partner interests, a holder of limited partner interests may have his limited partner interests purchased at an undesirable time or price. The tax consequences to a unitholder of the exercise of this call right are the same as a sale by that unitholder of his units in the market. Please read Material Tax Consequences Disposition of Units.

Meetings; Voting

Except as described below regarding a person or group owning 20% or more of units then outstanding, unitholders on the record date will be entitled to notice of, and to vote at, meetings of our limited partners and to act upon matters for which approvals may be solicited. Common units that are owned by non-citizen assignees will be voted by our general partner on behalf of non-citizen assignees and our general partner will distribute the votes on those common units in the same ratios as the votes of limited partners on other units are cast.

Our general partner does not anticipate that any meeting of unitholders will be called in the foreseeable future. Any action that is required or permitted to be taken by the unitholders may be taken either at a meeting of the unitholders or without a meeting if consents in writing describing the action so taken are signed by holders of the number of units as would be necessary to authorize or take that action at a meeting. Meetings of the unitholders may be called by our general partner or by unitholders owning at least 20% of the outstanding units. Unitholders may vote either in person or by proxy at meetings. The holders of a majority of the outstanding units, represented in person or by proxy, will constitute a quorum unless any action by the unitholders requires approval by holders of a greater percentage of the units, in which case the quorum will be the greater percentage.

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Each record holder of a unit has a vote according to his percentage interest in us, although additional limited partner interests having special voting rights could be issued. Please read Issuance of Additional Securities above. However, if at any time any person or group, other than our general partner and its affiliates, or a direct or subsequently approved transferee of our general partner or its affiliates, acquires, in the aggregate, beneficial ownership of 20% or more of any class of units then outstanding, that person or group will lose voting rights on all of its units and the units may not be voted on any matter and will not be considered to be outstanding when sending notices of a meeting of unitholders, calculating required votes, determining the presence of a quorum or for other similar purposes. For more information on persons and groups to which this loss of voting rights does not apply, please read Change of Management Provisions above. Common units held in nominee or street name account will be voted by the broker or other nominee in accordance with the instruction of the beneficial owner unless the arrangement between the beneficial owner and his nominee provides otherwise.

Any notice, demand, request, report or proxy material required or permitted to be given or made to record holders of common units under our partnership agreement will be delivered to the record holder by us or by the transfer agent.

Status as Limited Partner

By transfer of common units in accordance with our partnership agreement, each transferee of common units shall be admitted as a limited partner with respect to the common units transferred when such transfer and admission is reflected in our books and records. Except as described under Limited Liability above, the common units will be fully paid, and unitholders will not be required to make additional contributions.

Non-Citizen Assignees; Redemption

If we are or become subject to federal, state or local laws or regulations that, in the reasonable determination of our general partner, create a substantial risk of cancellation or forfeiture of any property that we have an interest in because of the nationality, citizenship or other related status of any limited partner, we may redeem the units held by the limited partner or assignee at their current market price. To avoid any cancellation or forfeiture, our general partner may require each limited partner or assignee to furnish information about his nationality, citizenship or related status. If a limited partner or assignee fails to furnish information about his nationality, citizenship or other related status within 30 days after a request for the information or our general partner determines after receipt of the information that the limited partner or assignee is not an eligible citizen, the limited partner or assignee may be treated as a non-citizen assignee. In addition to other limitations on the rights of an assignee that is not a substituted limited partner, a non-citizen assignee does not have the right to direct the voting of his units and may not receive distributions in kind upon our liquidation.

Indemnification

Under our partnership agreement, in most circumstances, we will indemnify the following persons, to the fullest extent permitted by law, from and against all losses, claims, damages or similar events:

our general partner;

any departing general partner;

any person who is or was an affiliate of our general partner or any departing general partner;

any person who is or was a member, partner, officer, director, employee, fiduciary or trustee of our general partner or any departing general partner or any affiliate of our general partner or any departing general partner;

any person who is or was serving at the request of our general partner or any departing general partner or any affiliate of our general partner or any departing general partner as an officer, director, member, partner, fiduciary or trustee of another person; or

any person designated by our general partner.

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Any indemnification under these provisions will only be out of our assets. Unless it otherwise agrees, our general partner will not be personally liable for, or have any obligation to contribute or loan funds or assets to us to enable it to effectuate, indemnification. We may purchase insurance against liabilities asserted against and expenses incurred by persons for our activities, regardless of whether we would have the power to indemnify the person against liabilities under our partnership agreement.

Reimbursement of Expenses

Our partnership agreement requires us to reimburse our general partner for all direct and indirect expenses it incurs or payments it makes on our behalf and all other expenses allocable to us or otherwise incurred by our general partner in connection with operating our business. These expenses include salary, bonus, incentive compensation and other amounts paid to persons who perform services for us or on our behalf and expenses allocated to our general partner by its affiliates. Our general partner is entitled to determine in good faith the expenses that are allocable to us.

Books and Reports

Our general partner is required to keep appropriate books of our business at our principal offices. The books will be maintained for both tax and financial reporting purposes on an accrual basis. For fiscal reporting and tax reporting purposes, our year ends on December 31 each year.

We furnish or make available to record holders of units, within 120 days after the close of each fiscal year, an annual report containing audited financial statements and a report on those financial statements by our independent public accountants. Except for our fourth quarter, we also furnish or make available summary financial information within 90 days after the close of each quarter.

We furnish each record holder of a unit with information reasonably required for tax reporting purposes within 90 days after the close of each calendar year. This information is furnished in summary form so that some complex calculations normally required of partners can be avoided. Our continued ability to furnish this summary information to unitholders will depend on the cooperation of unitholders in supplying us with specific information. Every unitholder will receive information to assist him in determining his federal and state tax liability and filing his federal and state income tax returns, regardless of whether he supplies us with information.

Right to Inspect Our Books and Records

Our partnership agreement provides that a limited partner can, for a purpose reasonably related to his interest as a limited partner, upon reasonable written demand and at his own expense, have furnished to him:

a current list of the name and last known address of each partner;
a copy of our tax returns;
information as to the amount of cash, and a description and statement of the agreed value of any other property or services, contributed or to be contributed by each partner and the date on which each became a partner;
copies of our partnership agreement, the certificate of limited partnership of the partnership, related amendments and powers of attorney under which they have been executed;
information regarding the status of our business and financial condition; and
any other information regarding our affairs as is just and reasonable.

Our general partner may, and intends to, keep confidential from the limited partners trade secrets or other information the disclosure of which our general partner believes is not in our best interests or which we are required by law or by agreements with third parties to keep confidential.

Registration Rights

Under our partnership agreement, we have agreed to register for resale under the Securities Act and applicable state securities laws any units or other partnership securities proposed to be sold by our general partner or any of its affiliates or their assignees if an exemption from the registration requirements is not otherwise available. We are obligated to pay all expenses incidental to the registration, excluding underwriting discounts and commissions.

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MATERIAL PROVISIONS OF THE PARTNERSHIP AGREEMENT OF PENN VIRGINIA RESOURCE PARTNERS, L.P.

The following is a summary of the material provisions of the partnership agreement of Penn Virginia Resource Partners, L.P., which could impact our results of operations and those of PVR. Unless the context otherwise requires, references in this prospectus to the PVR partnership agreement, constitute references to the partnership agreement of Penn Virginia Resource Partners, L.P.

We summarize provisions of the PVR partnership agreement relating to allocations of taxable income and taxable loss in Material Tax Consequences.

Organization and Duration

PVR was organized on July 9, 2001 and has perpetual existence.

Purpose

PVR s purpose is to engage in any business activities that may be engaged in by its subsidiaries or that are approved by PVR s general partner.

PVR s general partner is authorized in general to perform all acts deemed necessary to carry out PVR s purposes and to conduct its business.

Power of Attorney

Each PVR limited partner, and each person who acquires a unit from a unitholder and executes and delivers a transfer application, grants to PVR s general partner and, if appointed, a liquidator, a power of attorney to, among other things, execute and file documents required for PVR s qualification, continuance or dissolution. The power of attorney also grants PVR s general partner the authority to make certain amendments, and consents and waivers under, the PVR partnership agreement.

Cash Distribution Policy

General

PVR s partnership agreement requires it to distribute its available cash to its unitholders within 45 days after the end of each quarter. Distributions are made concurrently to all record holders on the record date set for purposes of such distribution. Available cash generally means, for each fiscal quarter all cash on hand at the end of the quarter, plus all cash on hand on the date of determination of available cash for the quarter resulting from working capital borrowings made after the end of the quarter (generally borrowings that are made under PVR s credit facility for working capital purposes or to pay distributions to PVR s unitholders), less the amount of cash reserves that PVR s general partner determines in its reasonable discretion is necessary or appropriate to:

provide for the proper conduct of PVR s business;
comply with applicable law, any of PVR s debt instruments, or other agreements; or
provide funds for distributions to PVR s unitholders and to PVR s general partner for any one or more of the next four quarters.

Operating Surplus and Capital Surplus

All cash distributed to PVR unitholders is characterized either as operating surplus or capital surplus. PVR distributes available cash from operating surplus differently than available cash from capital surplus.

Definition of Operating Surplus. For any period, operating surplus generally means:

PVR s cash balance on the closing date of PVR s initial public offering in 2001; plus
$15.0 million (as described below); plus
all of PVR s cash receipts since the closing of PVR s initial public offering, excluding cash from borrowings that are not working capital borrowings, sales of equity and debt securities and sales or other dispositions of assets outside the ordinary course of business; plus

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working capital borrowings made after the end of a quarter but before the date of determination of operating surplus for that quarter; less

all of PVR s operating expenses since the closing of PVR s initial public offering, including the repayment of working capital borrowings, but not the repayment of other borrowings, and including maintenance capital expenditures; less

the amount of cash reserves that PVR s general partner deems necessary or advisable to provide funds for future operating expenditures.

Definition of Capital Surplus. Capital surplus will generally be generated only by:

borrowings other than working capital borrowings;

sales of debt and equity securities; and

sales or other disposition of assets for cash, other than inventory, accounts receivable and other current assets sold in the ordinary course of business or as part of normal retirements or replacements of assets.

Characterization of Cash Distributions. PVR treats all available cash distributed as coming from operating surplus until the sum of all available cash distributed since it began operations equals the operating surplus as of the most recent date of determination of available cash. PVR treats any amount distributed in excess of operating surplus, regardless of its source, as capital surplus. PVR does not anticipate that it will make any distributions from capital surplus. As reflected above, operating surplus includes $15.0 million in addition to PVR s cash balance on the closing date of PVR s initial public offering, cash receipts from PVR s operations and cash from working capital borrowings. This amount does not reflect actual cash on hand that is available for distribution to its unitholders. Rather, it is a provision that will enable PVR, if it chooses, to distribute as operating surplus up to $15.0 million of cash PVR receives in the future from non-operating sources, such as asset sales, issuances of securities, and long-term borrowings, that would otherwise be distributed as capital surplus. PVR has not made, and does not anticipate that it will make, any distributions from capital surplus.

Distributions of Available Cash from Operating Surplus

PVR s partnership agreement provides that distributions of available cash from operating surplus for any quarter will be made in the following manner:

first, 98% to all unitholders, pro rata, and 2% to PVR s general partner until PVR distributes for each outstanding unit an amount equal to $0.275 for that quarter; and

thereafter, in the manner described in Incentive Distribution Rights below.

Incentive Distribution Rights

PVR s partnership agreement provides that if a quarterly cash distribution to PVR s limited partnership units exceeds a target of $0.275 per limited partner unit, PVR will pay PVR GP, our wholly owned subsidiary, for each outstanding limited partner unit, incentive distributions equal to:

first, 98% to all unitholders, and 2% to the general partner, until each unitholder has received a total of $0.275 per unit for that quarter;

second, 85% to all unitholders, and 15% to the general partner, until each unitholder has received a total of $0.325 per unit for that quarter;

third, 75% to all unitholders, and 25% to the general partner, until each unitholder has received a total of $0.375 per unit for that quarter; and

thereafter, 50% to all unitholders and 50% to the general partner.

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Distributions of Available Cash from Capital Surplus

PVR will make distributions of available cash from capital surplus, if any, in the following manner:

first, 98% to all unitholders of PVR, pro rata, and 2% to the general partner, until PVR distributes for each common unit that was issued in the initial public offering, an amount of available cash from capital surplus equal to the initial public offering price;
second, 98% to the common unitholders of PVR, pro rata, and 2% to the general partner, until PVR distributes for each common unit, an amount of available cash from capital surplus equal to any unpaid arrearages in payment of the minimum quarterly distribution on the common units; and
thereafter, PVR will make all distributions of available cash from capital surplus as if they were from operating surplus.

Under the terms of the PVR partnership agreement, a distribution of capital surplus is treated as repayment of the initial unit price from the PVR initial public offering, which is a return of capital. The initial public offering price per PVR common unit less any distributions of capital surplus per unit is referred to as the unrecovered initial unit price. Each time a distribution of capital surplus is made, the minimum quarterly distribution and the target distribution levels will be reduced in the same proportion as the corresponding reduction in the unrecovered initial unit price. Because distributions of capital surplus will reduce the minimum quarterly distribution, after any of these distributions are made, it may be easier for PVR s general partner to receive incentive distributions. However, any distribution of capital surplus before the unrecovered initial unit price is reduced to zero cannot be applied to the payment of the minimum quarterly distribution or any arrearages.

Once PVR distributes capital surplus on a unit in an amount equal to the initial unit price, PVR will reduce the minimum quarterly distribution and the target distribution levels to zero and PVR will make all future distributions from operating surplus, with 50% being paid to the holders of units, and 50% to PVR s general partner.

Adjustment to the Minimum Quarterly Distribution and Target Distribution Levels

In addition to adjustments made upon a distribution of available cash from capital surplus, PVR will adjust the following proportionately upward or downward, as appropriate, if any combination or subdivision of units should occur:

the minimum quarterly distribution;
the target distribution levels; and
the unrecovered initial unit price.

In addition, if legislation is enacted or if existing law is modified or interpreted in a manner that causes PVR to become taxable as a corporation or otherwise subject to taxation as an entity for federal, state or local income tax purposes, PVR will reduce the minimum quarterly distribution and the target distribution levels by multiplying the same by one minus the sum of the highest marginal federal corporate income tax rate that could apply and any increase in the effective overall state and local income tax rates.

Distributions of Cash Upon Liquidation

If PVR dissolves in accordance with its partnership agreement, PVR will sell or otherwise dispose of its assets in a process called liquidation. PVR will first apply the proceeds of liquidation to the payment of its creditors. PVR will distribute any remaining proceeds to its unitholders and the general partner, in accordance with their capital account

balances, as adjusted to reflect any gain or loss upon the sale or other disposition of PVR s assets in liquidation.

Adjustments to Capital Accounts Upon the Issuance of Additional Units

PVR will make adjustments to capital accounts upon the issuance of additional units. In doing so, PVR will allocate any gain or loss resulting from the adjustments to the unitholders and PVR s general

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partner in the same manner as PVR allocates gain or loss upon liquidation. In the event that PVR makes positive interim adjustments to the capital accounts, PVR will allocate any later negative adjustments to the capital accounts resulting from the issuance of additional units or distributions of property or upon liquidation in a manner which results, to the extent possible, in the capital account balance of PVR s general partner equaling the amount which would have been in its capital account if no earlier positive adjustments to the capital accounts had been made.

Issuance of Additional Securities

The PVR partnership agreement authorizes PVR to issue an unlimited number of additional limited partner interests and other equity securities for the consideration and on the terms and conditions established by PVR s general partner in its sole discretion without the approval of any limited partners.

It is possible that PVR will fund acquisitions through the issuance of additional limited partner units or other equity securities. Holders of any additional limited partner units issued by PVR will be entitled to share equally with the then-existing holders of limited partner units, the general partner interest and other securities in PVR s distributions of available cash. In addition, the issuance of additional partnership interests may dilute the value of the interests of the then-existing holders of limited partner units in PVR s net assets.

In accordance with Delaware law and the provisions of the PVR partnership agreement, PVR may also issue additional partnership interests that, in the sole discretion of PVR s general partner, have special voting rights to which the limited partner units are not entitled.

Amendment of the PVR Partnership Agreement

General

Amendments to the PVR partnership agreement may be proposed only by or with the consent of PVR s general partner. To adopt a proposed amendment, other than the amendments discussed below, PVR s general partner must seek written approval of the holders of the number of units required to approve the amendment or call a meeting of the limited partners to consider and vote upon the proposed amendment. Except as described below, an amendment must be approved by a majority of the common units. These voting provisions are referred to in this Material Provisions of the Partnership Agreement of Penn Virginia Resource Partners, L.P. section as a unit majority.

Prohibited Amendments

Without the consent of the holders of at least 90% of the outstanding units voting together as a single class (including units owned by PVR s general partner and its affiliates), PVR s partnership agreement may not be amended to:

enlarge the obligations of any limited partner without its consent, unless approved by at least a majority of the type or class of limited partner interests so affected;
enlarge the obligations of, restrict in any way any action by or rights of, or reduce in any way the amounts distributable, reimbursable or otherwise payable by PVR to its general partner or any of its affiliates without the consent of PVR s general partner, which may be given or withheld in its sole discretion;
change the term of the PVR partnership;
provide that the PVR partnership is not dissolved upon an election to dissolve the partnership by PVR s general partner that is approved by a unit majority; or

give any person the right to dissolve the PVR partnership other than PVR s general partner s right to dissolve the PVR partnership with the approval of a unit majority.

No Unitholder Approval

PVR s general partner may generally make amendments to the PVR partnership agreement without the approval of any limited partner or assignee to reflect:

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a change in PVR s name, the location of its principal place of business, the registered agent or registered office;
the admission, substitution, withdrawal or removal of partners in accordance with PVR s partnership agreement;
a change that, in the sole discretion of PVR s general partner, is necessary or advisable to qualify or continue PVR s qualification as a limited partnership or a partnership in which the limited partners have limited liability under the laws of any state or to ensure that neither PVR nor its operating company nor any of their subsidiaries will be treated as an association taxable as a corporation or otherwise taxed as an entity for federal income tax purposes;
an amendment that is necessary, in the opinion of PVR s counsel, to prevent PVR or its general partner or its directors, officers, agents or trustees, from in any manner being subjected to the provisions of the Investment Company Act of 1940, the Investment Advisors Act of 1940, or plan asset regulations adopted under the Employee Retirement Income Security Act of 1974, whether or not substantially similar to plan asset regulations currently applied or proposed;
subject to the limitations on the issuance of additional common units or other limited or general partner interests described above, an amendment that in the discretion of PVR s general partner is necessary or advisable for the authorization of additional limited or general partner interests;
any amendment expressly permitted in PVR s partnership agreement to be made by PVR s general partner acting alone;
an amendment effected, necessitated or contemplated by a merger agreement that has been approved under the terms of PVR s partnership agreement;
any amendment that, in the discretion of PVR s general partner, is necessary or advisable for the formation by PVR of, or PVR s investment in, any corporation, partnership or other entity, as otherwise permitted by PVR s partnership agreement;
a change in PVR s fiscal year or taxable year and related changes; and
any other amendments substantially similar to any of the matters described in the clauses above.

In addition, PVR s general partner may make amendments to the PVR partnership agreement without the approval of any limited partner or assignee if those amendments, in the discretion of PVR s:

do not adversely affect the PVR limited partners (or any particular class of limited partners) in any material respect;
are necessary or advisable to satisfy any requirements, conditions or guidelines contained in any opinion, directive, order, ruling or regulation of any federal or state agency or judicial authority or contained in any federal or state statute;
are necessary or advisable to facilitate the trading of PVR limited partner interests or to comply with any rule, regulation, guideline or requirement of any securities exchange on which the PVR limited partner interests are or will be listed for trading, compliance with any of which PVR s general partner deems to be in the best interests of PVR and PVR s limited partners;
are necessary or advisable for any action taken by PVR s general partner relating to splits or combinations of units under the provisions of PVR s partnership agreement; or
are required to effect the intent of the provisions of PVR s partnership agreement or are otherwise contemplated by PVR s partnership agreement.

Furthermore, PVR s general partner, with our consent, may limit or modify the incentive distributions we are entitled to receive in order to facilitate PVR s growth strategy. Our general partner s board of directors can give this consent without a vote of our unitholders. We own PVR s general partner, which owns the incentive distribution rights in PVR that entitle us to receive increasing percentages, up to a

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maximum of 48% of any cash distributed to PVR as certain target distribution levels are reached in excess of $0.375 per PVR unit in any quarter. Because of the high percentage of PVR s incremental cash flow that is distributed to the incentive distribution rights, certain potential acquisitions might not increase cash available for distribution per PVR unit. In order to facilitate such acquisitions by PVR, the board of directors of PVR s general partner may elect to reduce the incentive distribution rights payable to us with our consent, which we may provide without the approval of our unitholders if our general partner determines that such reduction does not adversely affect our limited partners in any material respect. Such a reduction in the incentive distribution rights payable to us may not be materially adverse to our unitholders if, for example, our general partner determines that the acquisition by PVR would ultimately result in an increase in distributions to PVR s unitholders. More than half of the total distributions we receive on our partnership interests in PVR are derived from distributions on the limited partner units of PVR that we own. Therefore, it may not be materially adverse to our unitholders if distributions in respect of the incentive distribution rights were reduced, because such acquisition may result in an overall increase in distributions payable to PVR s unitholders.

Opinion of Counsel and Unitholder Approval

PVR s general partner will not be required to obtain an opinion of counsel that an amendment will not result in a loss of limited liability to the limited partners of PVR or result in PVR being treated as an entity for federal income tax purposes if one of the amendments described above under No Unitholder Approval should occur. No other amendments to PVR s partnership agreement will become effective without the approval of holders of at least 90% of the units unless PVR obtains an opinion of counsel to the effect that the amendment will not affect the limited liability under applicable law of any limited partner in PVR s partnership or cause PVR, PVR s operating company or PVR s subsidiaries to be taxable as a corporation or otherwise to be taxed as an entity for federal income tax purposes (to the extent not previously taxed as such).

Any amendment that would have a material adverse effect on the rights or preferences of any type or class of outstanding PVR units in relation to other classes of PVR units will require the approval of at least a majority of the type or class of units so affected. Any amendment that reduces the voting percentage required to take any action is required to be approved by the affirmative vote of limited partners constituting not less than the voting requirement sought to be reduced.

Merger, Sale or Other Disposition of Assets

The PVR partnership agreement generally prohibits PVR s general partner, without the prior approval of the holders of a unit majority, from causing PVR to, among other things, sell, exchange or otherwise dispose of all or substantially all of its assets in a single transaction or a series of related transactions, including by way of merger, consolidation or other combination, or approving on PVR s behalf the sale, exchange or other disposition of all or substantially all of PVR s assets or the assets of its subsidiaries; *provided* that PVR s general partner may mortgage, pledge, hypothecate or grant a security interest in all or substantially all of PVR s assets without that approval. PVR s general partner may also sell all or substantially all of PVR s assets under a foreclosure or other realization upon the encumbrances above without that approval. Furthermore, provided that conditions specified in the partnership agreement are satisfied, PVR s general partner may merge the partnership or any of its subsidiaries into, or convey some or all of their assets to, a newly formed entity if the sole purpose of that merger or conveyance is to effect a mere change in PVR s legal form into another limited liability entity. PVR unitholders are not entitled to dissenters rights of appraisal under the partnership agreement or applicable Delaware law in the event of a merger or consolidation, a sale of substantially all of PVR s assets or any other transaction or event.

Without the approval of a unit majority, PVR s general partner is prohibited from consenting on PVR s behalf to any amendment to the limited liability company agreement of PVR s operating company or taking any action on PVR s behalf permitted to be taken by a member of PVR s operating company, in each case that would adversely affect PVR s limited partners (or any particular class of PVR limited partners) in any material respect.

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Termination and Dissolution

PVR will continue as a limited partnership until terminated under the PVR partnership. PVR will dissolve upon:

the election of PVR s general partner to dissolve PVR, if approved by the holders of a unit majority;
the sale, exchange or other disposition of all or substantially all of the assets and properties of PVR and the subsidiaries;
the entry of a decree of judicial dissolution of PVR; or
the withdrawal or removal of PVR s general partner or any other event that results in its ceasing to be PVR s general partner other than by reason of a transfer of its general partner interest in accordance with PVR s partnership agreement or withdrawal or removal following approval and admission of a successor.

Upon a dissolution under the last clause above, the holders of a majority of the outstanding PVR common units may also elect, within specific time limitations, to reconstitute PVR s partnership and continue its business on the same terms and conditions described in PVR s partnership agreement by forming a new limited partnership on terms identical to those in PVR s partnership agreement and having as general partner an entity approved by a unit majority, subject to receipt by PVR of an opinion of counsel to the effect that:

the action would not result in the loss of limited liability of any PVR limited partner; and
neither the partnership, the reconstituted limited partnership, nor the operating company would be treated as an association taxable as a corporation or otherwise be taxable as an entity for federal income tax purposes upon the exercise of that right to continue.

Liquidation and Distribution of Proceeds

Upon dissolution of PVR, unless we PVR is reconstituted and continued as a new limited partnership, the liquidator authorized to wind up PVR s affairs will, acting with all of the powers of PVR s general partner that the liquidator deems necessary or desirable in its judgment, liquidate PVR s assets and apply the proceeds of the liquidation as provided in Cash Distribution Policy Distributions of Cash Upon Liquidation. The liquidator may defer liquidation or distribution of PVR s assets for a reasonable period of time or distribute assets to partners in kind if it determines that a sale would be impractical or would cause undue loss to PVR s partners.

Withdrawal or Removal of the General Partner

Except as described below, PVR s general partner has agreed not to withdraw voluntarily as general partner of PVR prior to September 30, 2011 without obtaining the approval of the holders of at least a majority of the outstanding common units, excluding common units held by the general partner and its affiliates, and furnishing an opinion of counsel regarding limited liability and tax matters. On or after September 30, 2011, PVR s general partner may withdraw as general partner without first obtaining approval of any unitholder by giving 90 days written notice, and that withdrawal will not constitute a violation of PVR s partnership agreement. Notwithstanding the information above, PVR s general partner may withdraw without unitholder approval upon 90 days notice to the limited partners if at least 50% of the outstanding common units are held or controlled by one person and its affiliates other than PVR s general partner and its affiliates. In addition, PVR s partnership agreement permits PVR s general partner in some instances to sell or otherwise transfer all of its general partner interests in PVR without the approval of the unitholders. See Transfer of General Partner Interest.

Upon the withdrawal of PVR s general partner under any circumstances, other than as a result of a transfer by PVR s general partner of all or a part of its general partner interest in PVR, the holders of a majority of the outstanding PVR

common units may select a successor to that withdrawing general partner. If a successor is not elected, or is elected but an opinion of counsel regarding limited liability and tax matters cannot be obtained, PVR will be dissolved, wound up and liquidated, unless within 180 days

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after that withdrawal, the holders of a majority of the outstanding common units agree in writing to continue the business of PVR and to appoint a successor general partner. See Termination and Dissolution.

PVR s general partner may not be removed unless that removal is approved by the vote of the holders of not less than 66 2/3% of the outstanding PVR units, including units held by PVR s general partner and its affiliates, and PVR receives an opinion of counsel regarding limited liability and tax matters. Any removal of PVR s general partner is also subject to the approval of a successor general partner by the vote of the holders of a majority of the outstanding common units.

PVR s partnership agreement also provides that if PVR GP is removed as PVR s general partner under circumstances where cause does not exist and units held by the general partner and its affiliates are not voted in favor of that removal:

any existing arrearages in payment of the minimum quarterly distribution on the common units will be extinguished; and

PVR s general partner will have the right to convert its general partner interest and its incentive distribution rights into common units or to receive cash in exchange for those interests.

In the event of removal of a general partner under circumstances where cause exists or withdrawal of a general partner where that withdrawal violates PVR s partnership agreement, a successor general partner will have the option to purchase the general partner interest and incentive distribution rights of the departing general partner for a cash payment equal to the fair market value of those interests. Under all other circumstances where a general partner withdraws or is removed by the limited partners, the departing general partner will have the option to require the successor general partner to purchase the general partner interest of the departing general partner and its incentive distribution rights for fair market value. In each case, this fair market value will be determined by agreement between the departing general partner and the successor general partner. If no agreement is reached, an independent investment banking firm or other independent expert selected by the departing general partner and the successor general partner will determine the fair market value. If the departing general partner and the successor general partner cannot agree upon an expert, then an expert chosen by agreement of the experts selected by each of them will determine the fair market value.

If the above-described option is not exercised by either the departing general partner or the successor general partner, the departing general partner s general partner interest and its incentive distribution rights will automatically convert into common units equal to the fair market value of those interests as determined by an investment banking firm or other independent expert selected in the manner described in the preceding paragraph.

In addition, PVR will be required to reimburse the departing general partner for all amounts due the departing general partner, including, without limitation, all employee-related liabilities, including severance liabilities, incurred for the termination of any employees employed by the departing general partner for PVR s benefit.

Transfer of PVR s General Partner Interests

Except for a transfer by PVR s general partner of all, but not less than all, of its general partner interest in PVR to:

an affiliate of PVR s general partner (other than an individual); or

another entity as part of the merger or consolidation of PVR s general partner with or into another entity or the transfer by PVR s general partner of all or substantially all of its assets to another entity,

PVR s general partner may not transfer all or any part of its general partner interest in PVR to another person prior to September 30, 2011 without the approval of the holders of at least a majority of the outstanding common units, excluding common units held by PVR s general partner and its affiliates. As a condition of this transfer, the transferee must assume the rights and duties of PVR s general partner,

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agree to be bound by the provisions of the PVR partnership agreement, and furnish an opinion of counsel regarding limited liability and tax matters. PVR s general partner and its affiliates may at any time, however, transfer units to one or more persons, other than PVR, without unitholder approval.

Transfer of Incentive Distribution Rights

PVR s general partner or a later holder of the incentive distribution rights may transfer the incentive distribution rights to an affiliate of the holder (other than an individual) or to another entity as part of the merger or consolidation of such holder with or into such other entity or the transfer by such holder or its affiliates, of all or substantially all of its assets to another entity, without the prior approval of the unitholders; *provided* that the transferee agrees to be bound by the provisions of the PVR partnership agreement. Prior to September 30, 2011, other transfers of incentive