

Penn Virginia Corporation

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PENN VIRGINIA CORPORATION ANNOUNCES 2004 OIL AND GAS RESERVES PROVIDES OIL AND GAS OPERATIONS UPDATE ANNOUNCES YEAR-END AND FOURTH QUARTER RESULTS CONFERENCE CALL

RADNOR, PA, (Businesswire) February 3, 2005 – Penn Virginia Corporation (NYSE: PVA) today announced record levels for proved oil and gas reserves and production, and provided an update of its oil and gas operational activities for the fourth quarter and full-year 2004.

Penn Virginia estimates its proved reserves as of December 31, 2004 were a Company record 354 billion cubic feet equivalent (Bcfe), up ten percent from 323 Bcfe at December 31, 2003. Natural gas comprised approximately 89 percent of total year-end 2004 proved reserves, and 74 percent of total year-end reserves were attributable to proved developed wells. Net of revisions, the Company added approximately 57 Bcfe of proved reserves primarily from extensions, discoveries and additions, replacing 233 percent of its 2004 production of 24.5 Bcfe. There were no acquisitions of proved reserves in 2004.

Full-year 2004 production of 24.5 Bcfe was a Company record, and included 6.5 Bcfe or approximately 71 million cubic feet equivalent (Mmcfe) per day of production during the fourth quarter. This represents a three percent increase as compared to full-year 2003 production of 23.8 Bcfe and a seven percent increase over fourth quarter 2003 production of 6.1 Bcfe. The increase in full-year production was primarily due to production from successful exploratory drilling projects in south Louisiana, the Company's Cotton Valley play in east Texas and north Louisiana, increased drilling in the Company's Selma Chalk fields in Mississippi and its horizontal coalbed methane (CBM) drilling project in Appalachia, offset primarily by production declines in several south Texas fields and a pipeline curtailment in Appalachia.

Capital expenditures by Penn Virginia for 2004 were approximately \$135 million, consisting of:

- approximately \$93 million to drill 152 gross wells, including \$77 million to drill 135 development wells with 134 successes and \$16 million to drill 17 exploratory wells with seven successes, seven unsuccessful wells and three wells under evaluation;
- approximately \$19 million to construct gathering and transmission lines and compressor stations to facilitate the future growth in production volumes in Appalachia and east Texas;
- approximately \$9 million for the acquisition of seismic data; and
- approximately \$14 million for leasehold acquisitions and other.

Gulf Coast Region Operations

Penn Virginia drilled 11 gross (5.1 net) wells in this operating region during the fourth quarter of 2004, including eight gross (4.4 net) development wells and three gross (0.7 net) exploratory wells. All were successful except for one of the exploratory wells. Fourth quarter 2004 production in the Company's Gulf Coast Region was 25.3 million cubic feet equivalent (Mmcf) per day, up five percent from 24.2 Mmcf per day from the same period in 2003. The increase in fourth quarter 2004 production compared to the same quarter of 2003 was due primarily to new drilling in east Texas and south Louisiana, partially offset by production decline in several south Texas fields.

In east Texas, Penn Virginia drilled six gross (4.2 net) development wells in the North Carthage Field during the fourth quarter of 2004. Each well was successful with commercial pay in both the Cotton Valley and Travis Peak formations. Four of the six wells commenced production during the fourth quarter with the remaining two waiting on pipeline hook-up. These wells are part of the Company's Bethany development drilling joint venture with GMX Resources Inc. (NASDAQ: GMXR). Net production in the North Carthage Field increased 70 percent to 4.6 Mmcf per day during the fourth quarter of 2004 from 2.7 Mmcf per day during the third quarter of 2004. On the Louisiana side of the Cotton Valley play, one development well (20 percent working interest) was drilled in the Ninock Field in Bossier Parish during the fourth quarter. It reached total depth in the Cotton Valley formation and was turned into line during the fourth quarter.

In south Texas, two gross exploratory wells were successful. The Appelt #1 well (ten percent working interest) in the Company's Fannett field in Jefferson County was drilled and completed in the Hackberry objective. The well commenced production in January 2005 and is currently producing 1.5 Mmcf and 156 barrels of condensate per day. The Smith GU #1-7 well (25 percent working interest) located in the Company's SW Kingsville field in Kleberg County was drilled and completed in the Acoma objective and recently commenced production.

In south Louisiana, a successful development well (2.5 percent working interest) was drilled to the Cris I formation at the Company's Stella prospect in Plaquemines Parish. An unsuccessful exploratory well (30 percent working interest) was also drilled to test the Planulina "J" interval at the Company's South Creole prospect in Cameron Parish.

Eastern Region Operations – Appalachia and Mississippi

Penn Virginia drilled 22 gross (10.9 net) wells in this operating region during the fourth quarter of 2004, all of which were successful development wells. Fourth quarter production from the Company's Eastern Region was approximately 45.5 Mmcf per day, up seven percent from 42.7 Mmcf per day from the same period in 2003 primarily due to new horizontal CBM drilling in Appalachia.

In Appalachia, the Company's total daily production for the fourth quarter of 2004 was approximately 33.6 Mmcf, an increase of nine percent from 30.9 Mmcf produced in the same quarter of 2003. Production from Appalachian properties during 2004 was constrained by a pipeline curtailment that occurred from May through October 2004. To mitigate the risk of future curtailments and to accommodate increasing volumes from the

Company's horizontal CBM program, Penn Virginia acquired long-term firm transportation on the Columbia Gas Transmission Corporation pipeline system beginning in November 2004. Construction of the Company's 15-mile, 12-inch pipeline supporting its horizontal CBM production was also completed in November. Quarter to quarter, Selma Chalk production in Mississippi was unchanged at approximately 11.8 Mmcfe per day, as no new wells were drilled in that development area during the fourth quarter of 2004.

Fifteen gross (6.4 net) conventional wells and seven gross (4.5 net) horizontal CBM wells and were drilled in Appalachia during 2004's fourth quarter. All of the wells were successful. Daily production from the Company's horizontal CBM wells increased 55 percent to approximately 8.5 Mmcfe during the fourth quarter of 2004 from 5.5 Mmcfe for the fourth quarter of 2003. Since Penn Virginia began drilling horizontal CBM wells in Appalachia in 2001, 40 successful wells have been drilled in 41 attempts, with one well currently under evaluation. The Company has also acquired approximately 182,000 prospective horizontal CBM gross acres since 2002 and now controls approximately 360,000 gross acres of CBM-prospective leasehold in Appalachia.

Two exploratory wells drilling in the third quarter of 2004, a vertical Wilcox Coal test well in the Gwinville Field in Jefferson Davis County, Mississippi and a horizontal Devonian Shale well in West Virginia, remain under evaluation. During the fourth quarter of 2004, the Company determined that ten exploratory CBM wells drilled during 2003 in the Cherokee Basin in Chase and Greenwood Counties, Kansas were not commercially viable, resulting in a write-off of approximately \$4.4 million of drilling and leasehold-related costs.

Hedging Update

Previously announced natural gas and crude oil commodity price hedging positions remain in place as disclosed in the Company's 2003 Form 10-K and its third quarter 2004 Form 10-Q. In conjunction with the Company's ongoing hedging program, Penn Virginia has entered into the following additional natural gas price hedges in the form of costless collars:

	MMBtu	<u>Price per MMBtu</u>	
	<u>Per Day</u>	<u>Floor</u>	<u>Ceiling</u>
January 2005 through December 2005	7,000	\$6.00	\$ 7.43
February 2006 through June 2006	10,000	\$5.00	\$10.35

Year-End and Fourth Quarter 2004 Results and Conference Call

The Company will release its consolidated full-year and fourth quarter 2004 results, including the results of Penn Virginia Resource Partners, L.P. (NYSE: PVR), after the close of trading on the NYSE on Wednesday, February 9, 2005, followed by a conference call on Thursday, February 10 at 3:00 p.m. Eastern time. You can participate via phone by dialing 1-877-407-8289 five to ten minutes before the scheduled start of the conference call. You can also participate via Internet webcast by logging on to the Company's website at www.pennvirginia.com at least 20 minutes prior to the scheduled start of the call to download and install any necessary audio software. A telephone replay of the call will be available until February 11 at 11:59 p.m. by dialing 1-877-660-6853. Replay pass codes: Account number 1628 and Conference number 133959. An on-demand replay of the call will also be available at the Company's website for 14 days beginning shortly after the call.

Penn Virginia Corporation (NYSE: PVA) is an energy company engaged in the exploration, acquisition, development and production of crude oil and natural gas. Through its ownership in Penn Virginia Resource Partners, L.P. (NYSE: PVR), PVA is also in the business of managing coal properties and related assets. PVA is headquartered in Radnor, PA. For more information about PVA, visit the Company's website at www.pennvirginia.com.