

# Penn Virginia Corporation

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## FOR IMMEDIATE RELEASE

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### **PENN VIRGINIA CORPORATION PROVIDES FIRST QUARTER 2004 OPERATIONAL RESULTS QUARTERLY VOLUMES UP 11%; REAFFIRMS FULL-YEAR 2004 PRODUCTION GUIDANCE**

**RADNOR, PA, (PR Newswire) May 3, 2004** – Penn Virginia Corporation (NYSE: PVA) today reported first quarter production was 6.5 billion cubic feet equivalent (Bcfe), an 11 percent increase over the same period of 2003 and a five percent increase over fourth quarter 2003. The increase was primarily due to new drilling in the Company's Selma Chalk fields in Mississippi and its horizontal coalbed methane (CBM) drilling project in Appalachia. The Company reiterated its full-year 2004 production guidance of 25.5 Bcfe to 27.5 Bcfe.

The Company also reported that approximately \$20 million or 20 percent of its budgeted 2004 capital expenditure program was expended in the first quarter of 2004, to fund the drilling of 33 (22.5 net) wells, of which two wells were unsuccessful. As of April 7, 22 of the wells had been placed on production, one well was being evaluated and the remaining wells were in various stages of completion or waiting on pipeline connection. The Company estimates capital spending will increase to approximately \$30 million in the second quarter of 2004, primarily for additional drilling and pipeline construction.

#### **Gulf Coast Region Operations**

Penn Virginia drilled six (2.3 net) wells in this core operating region during the first quarter of 2004, five of which were successful and one under evaluation. First quarter 2004 production in the Company's Gulf Coast Region was 25.8 million cubic feet equivalent (Mmcfe) per day, or 36 percent of the Company's total daily production for the quarter.

In east Texas, Penn Virginia drilled and completed the Margie #1 (80 percent working interest) in the North Carthage Field. Drilled to 9,980 feet, the well was successful with commercial pay zones in both the Cotton Valley and Travis Peak formations. The Margie #1 well is part of the 2004 development drilling program in the Company's Bethany Joint Venture with GMX Resources. A second well recently reached total depth and is currently being completed. The current eight well drilling program may be expanded as the year progresses.

On the Louisiana side of the Cotton Valley play, three development wells were drilled in the Ninock Field in Bossier Parish during the quarter. All three wells (working interests of 32.3 percent, 33.3 percent and 49.2 percent, respectively) reached total

depth in the Cotton Valley formation at less than 10,000 feet and are awaiting completion or pipeline connection.

In south Texas, the Mayo Trusts #1 well (33.3 percent working interest), an exploratory well on the Company's Esperanza prospect in Nueces County, was drilled to 15,300 feet to test the Vicksburg objective. The well is currently being evaluated after testing three different intervals.

### **Eastern Region Operations – Appalachia and Mississippi**

Penn Virginia drilled 27 (20.2 net) wells in this core operating region during the first quarter of 2004, 25 of which were successful. First quarter production from the Company's Eastern Region was approximately 45.1 Mmcfe per day, or 64 percent of the Company's total daily production for the quarter.

In the Baxterville field in Mississippi, 12 successful Selma Chalk wells were drilled in as many attempts during the quarter, with working interests between 97 and 100 percent. This brings to 44 the number of wells PVA drilled since commencing operations in Baxterville in 2002. Through its development drilling activities, daily net production from the Company's Mississippi fields increased to approximately 14.7 Mmcfe for the first quarter of 2004 from 9.3 Mmcfe for the first quarter of 2003.

Two shallow Miocene wells drilled in Tangipahoa Parish, LA during the second quarter were unsuccessful. The Company plans to drill a third exploration well in the area before the end of the year after re-evaluation of the seismic and other information gathered while drilling of these wells.

In Appalachia, the Company's total daily production for first quarter 2004 was approximately 30.4 Mmcfe, an increase of 23 percent from 24.8 Mmcfe produced in the same quarter of 2003. Eleven multi-pay conventional wells and two horizontal CBM wells were drilled in West Virginia and Virginia during 2004's first quarter. In West Virginia, five 100 percent working interest, conventional wells were drilled and are now producing.

Penn Virginia began drilling horizontal CBM wells in Appalachia in 2002. To date, 23 producing wells have been drilled. Based on the Company's actual results and engineering studies, PVA's horizontal CBM wells pay out in approximately one year and generate an after-tax rate of return greater than 70 percent. Daily production from the Company's horizontal CBM wells increased to approximately 6.1 Mmcfe during the first quarter of 2004 up from 1.8 Mmcfe for the first quarter of 2003. PVA controls approximately 620,000 acres of leasehold in Appalachia and plans to drill 30 horizontal CBM wells on a small portion of that acreage during 2004.

During the second half of 2003, the Company drilled 10 conventional CBM wells in two areas in the Cherokee Basin of southeastern Kansas. To date, the coals are de-watering as expected, with early indications of gas in one of the areas. The commercial viability of these wells is expected to be known in the third quarter of 2004. At present Penn Virginia holds approximately 45,000 acres in the Cherokee Basin.

## First Quarter 2004 Results and Conference Call

The Company will release its consolidated first 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, May 5, 2004, followed by a conference call on Thursday, May 6 at 3:00 p.m. Eastern time. You can participate via phone by dialing 1-877-407-9205 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](http://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 May 7, 2004 at 11:59 p.m. by dialing 1-877-660-6853. Replay passcodes: Account number 1628 and Conference number 101884. An on-demand replay of the call will also be available at the Company's website for 14 days beginning shortly after the call.

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*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](http://www.pennvirginia.com).*

Forward-looking statements: Penn Virginia Corporation is including the following cautionary statement to make applicable and take advantage of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 for any forward-looking statements made by, or on behalf of, the Company. With the exception of historical matters, any matters discussed are forward-looking and, therefore, involve risks and uncertainties that could cause actual results to differ materially from projected results. These risks, uncertainties and contingencies include, but are not limited to, the following: development activities, capital expenditures, acquisitions and dispositions, drilling and exploration programs, expected commencement dates of oil and natural gas production, projected quantities of future oil and natural gas production by the Company, expected commencement dates and projected quantities of future coal production by lessees producing coal from reserves leased from PVR, costs and expenditures, as well as projected demand or supply, for coal and oil and natural gas, which will affect sales levels, prices and royalties realized by the Company and PVR. Additional information concerning these and other factors can be found in the Company's press releases and public periodic filings with the Securities and Exchange Commission, including the Company's Annual Report on Form 10-K for the year ended December 31, 2003 filed on March 11, 2004 and its Quarterly Report on Form 10-Q for the period ended September 30, 2003 filed on November 7, 2003. Except as required by applicable securities laws, the Company does not intend to update its forward-looking statements.