

Penn Virginia Corporation

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PENN VIRGINIA CORPORATION PROVIDES SECOND QUARTER 2005 OIL AND GAS OPERATIONAL UPDATE

ANNOUNCES COMPANY RECORD QUARTERLY PRODUCTION

UPDATES FULL-YEAR 2005 PRODUCTION GUIDANCE

RADNOR, PA, (PR Newswire) July 28, 2005 – Penn Virginia Corporation (NYSE: PVA) today reported record oil and gas production of 6.9 billion cubic feet equivalent (Bcfe) for the second quarter of 2005, an increase of 17 percent compared to 5.9 Bcfe reported for the same period of 2004 and eight percent higher than 6.4 Bcfe reported for the first quarter of 2005.

The principal components of the production increase were accelerated drilling in the Company's horizontal coalbed methane (CBM) project in Appalachia, the addition of a second drilling rig on the Cotton Valley play in east Texas and increased drilling in the Selma Chalk development play in Mississippi. Production increases were partially offset by the first quarter 2005 sale of certain non-strategic oil and gas properties in West Texas and normal field declines. Based on production for the first half of 2005, the Company now expects full-year 2005 production to range from 26.5 to 27.5 Bcfe, an increase of 8 to 12 percent over 2004.

Capital expenditures by Penn Virginia for the second quarter of 2005 were approximately \$45 million. Second quarter capital expenditures consisted of:

- approximately \$27 million to drill 44 gross wells, including \$24 million to drill 43 development wells with 41 successes and \$3 million to drill one successful exploratory well and to complete other successful exploratory wells drilled prior to the second quarter;
- approximately \$16 million for leasehold acquisitions and other costs;
- approximately \$1 million to construct pipelines and compressor stations to facilitate the future growth in production volumes; and
- approximately \$1 million for the acquisition of seismic data.

Gulf Coast Region Operations

Penn Virginia drilled five (3.4 net) successful wells in the Gulf Coast region during the second quarter of 2005, including four (2.8 net) development wells and one (0.6 net) exploratory well. Second quarter 2005 production in this region was 23.4 million cubic feet equivalent (Mmcf) per day, down two percent from 23.8 Mmcf per day during the same period in 2004. The decrease in second quarter 2005 Gulf Coast region production compared to the same quarter of 2004 was due primarily to the sale of properties in West Texas, which contributed 1.8 Mmcf per day in the second quarter of 2004, and normal field

decline, partially offset by production from new drilling in the Cotton Valley play. Gulf Coast region production represented 31 percent of the Company's total daily production for the second quarter of 2005.

In east Texas, Penn Virginia drilled four (2.8 net) development wells in the North Carthage field, all of which were successful. Three of the wells commenced production during the second quarter and the fourth well was turned in line early in the third quarter. 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 to 7.2 Mmcfe per day during the second quarter of 2005 from 4.9 Mmcfe per day during the first quarter of 2005. The increase in production resulted from first quarter drilling and the completion of an extensive second stage fracturing program on most of the wells drilled in this field during 2004. A second rig started drilling in the joint venture area in June and a third rig is expected to begin drilling in August on prospective Cotton Valley acreage in which Penn Virginia has a 100 percent working interest.

In south Texas, the Company drilled one successful exploratory well on the Company's Fannett prospect in Jefferson County. The well, in which Penn Virginia has a 60 percent working interest, encountered approximately 50 feet of pay in the Hackberry formation and is currently awaiting completion. In early July 2005, production commenced at the Wyse #1 located in Matagorda County, a Lower Frio well operated by Brigham Exploration Company (NASDAQ: BEXP). The well, in which Penn Virginia has a 50 percent working interest, is producing at a current rate of approximately 1.0 million cubic feet per day (Mmcfd) and 125 barrels of oil per day (bopd) with a flowing tubing pressure of 3,500 pounds per square inch (psi). The first offset well is expected to be drilled in the third quarter of 2005.

Following completion attempts, an exploratory well drilled in the first quarter of 2005 to the Yegua and Frio objectives on the Company's Richard King prospect in south Texas' Nueces County was determined to be unsuccessful. Penn Virginia has a 100 percent working interest in the well, and in the second quarter of 2005 has expensed approximately \$1.6 million of drilling costs incurred through the second quarter of 2005 and \$11.5 million of previously unevaluated unproved leasehold costs incurred when the field was acquired in 2001.

In south Louisiana, production commenced in July 2005 from an exploratory well drilled during the third quarter of 2004 on the Company's Bayou Sale prospect in St. Mary Parish. The well, in which Penn Virginia has a 25 percent working interest, was successful in two Miocene objectives and is producing at a current rate of approximately 5.6 Mmcfd and 375 bopd with a flowing tubing pressure of 5,700 psi.

Eastern Region Operations – Appalachia and Mississippi

Penn Virginia drilled 39 (34.8 net) wells in the Eastern region during the second quarter of 2005, including 37 (32.8 net) successful development wells and two (2.0 net) unsuccessful development wells. Second quarter production from this region was approximately 52.4 Mmcfe per day, up 29 percent from 40.6 Mmcfe per day from the same period in 2004 primarily due to new drilling, partially offset by normal field decline. Eastern Region production represented 69 percent of the Company's total daily production for the second quarter of 2005.

In Appalachia, the Company's total daily production for the second quarter of 2005 was approximately 39.3 Mmcfe, an increase of 44 percent from 27.2 Mmcfe produced in the same quarter of 2004.

Seven (5.3 net) conventional wells and seven (4.6 net) horizontal CBM wells were drilled in West Virginia and Virginia during 2005's second quarter, and all were successful. Daily production from the Company's horizontal CBM wells has more than tripled from 5.2 Mmcfe for the second quarter of 2004 to approximately 16.5 Mmcfe during the second quarter of 2005. Since Penn Virginia began drilling horizontal CBM wells in Appalachia in 2001, 54 successful wells have been drilled in 56 attempts. The two unsuccessful wells were drilled into deeper coals located in the Company's Virginia acreage. During the second quarter of 2005, the Company also determined that an exploratory horizontal CBM well drilled in the first quarter of 2005 in the Company's Roaring Fork leasehold area in Virginia was unsuccessful, resulting in a write-off of approximately \$1.3 million of drilling and leasehold-related costs in the second quarter of 2005.

The Company previously announced that it had successfully concluded two agreements which are expected to benefit its Appalachian horizontal CBM program. In June 2005, PVA modified its agreement with CDX Gas, LLC, a privately owned, Dallas-based natural gas drilling and exploration company, such that CDX has committed three horizontal drilling rigs and the associated crews to drill full time within an area of mutual interest (AMI) between PVA and CDX covering most of central Appalachia. The agreement with CDX was further modified to require that, under certain conditions, a fourth and eventually a fifth horizontal rig be deployed within the AMI. A rig can drill eight to ten 400-acre horizontal CBM patterns per year.

Additionally, in June 2005, Penn Virginia acquired approximately 60,000 acres of prospective CBM leasehold rights in Wyoming County, West Virginia from a private company. The leasehold acreage is within the CDX AMI and is contiguous to acreage which has been successfully developed by CDX and Penn Virginia. CDX received an option to purchase a 50 percent interest in the leasehold acreage, which the Company expects CDX to exercise. Penn Virginia plans to begin drilling on the new leasehold position in the fourth quarter of 2005. With this leasehold acquisition, the Company now controls approximately 420,000 gross acres of CBM-prospective leasehold in Appalachia.

In the Baxterville field in Marion County, Mississippi, 23 (22.9 net) successful and two (2.0 net) unsuccessful Selma Chalk wells were drilled during the quarter. Daily production in the Company's Mississippi fields for the second quarter of 2005 was 13.1 Mmcfe, a decrease of one percent from 13.3 Mmcfe per day in the second quarter of 2004. The decrease was primarily a result of normal field decline, offset by new production in the Baxterville field. Production is expected to increase in the field during the remainder of 2005 as a result of an active drilling program, in which three rigs are currently drilling wells.

Hedging Update

Natural gas and crude oil commodity price hedging positions remain in place as disclosed in the Company's 2004 Form 10-K and its first quarter 2005 Form 10-Q. In conjunction with the Company's ongoing hedging program, Penn Virginia has entered into the following additional natural gas and crude oil price hedge in the form of a costless collar:

<u>Commodity</u>	<u>Time Period</u>	<u>Volume Per Day</u>	<u>Price Per Unit</u>	
			<u>Floor</u>	<u>Ceiling</u>
Natural gas	July 2006 through December 2006	4,000 MMbtu	\$ 6.50	\$ 9.32

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 also operates a midstream natural gas business and manages 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.

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, costs and expenditures, projected demand or supply, for oil and natural gas. 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, 2004 filed on March 11, 2005 and its Quarterly Report on Form 10-Q for the period ended March 31, 2005 filed on May 10, 2005. Except as required by applicable securities laws, the Company does not intend to update its forward-looking statements.