

Penn Virginia Corporation

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FOR IMMEDIATE RELEASE

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PENN VIRGINIA BOARD REJECTS BP CAPITAL'S PROPOSAL

RADNOR, PA, July 25, 2002 -- The Board of Directors of Penn Virginia Corporation (NYSE:PVA) has unanimously determined it would not be in the best interest of Penn Virginia and its shareholders to proceed with the recent recapitalization proposal suggested by BP Capital. The Board's conclusion was reached following its review of the proposal with the assistance of the Company's financial advisors and outside counsel. The Company's financial advisors met with representatives of BP Capital to discuss the proposal earlier this week.

Robert Garrett, Chairman of the Board said, "The Board believes certain key assumptions underlying the recapitalization proposal are incorrect. Specifically, among other things, the proposal would not likely be a tax-free exchange in the proposed structure. It would add undue complexity to PVA's capital structure. It could not be implemented at the dividend yields suggested. Most important, it would not create any new value for Penn Virginia shareholders.

"The Board of Directors understands full well that the Company must be creative and continue to work hard to improve share value, particularly in today's economic environment. However, we must be careful not to substitute financial engineering for real value building. Current headlines reflect the adverse impact to the companies that have attempted such actions.

"Penn Virginia has demonstrated its ability to create value through innovative strategies and sound operations. Just last year, the Company organized a master limited partnership for its coal operations. The sale of interests in the partnership to the public has increased Penn Virginia's financial strength and flexibility. We believe the Company has only begun to realize the full benefits of the master limited partnership. Penn Virginia's board of directors and management team are not waiting for opportunities to come to the Company. We are continuing to execute our strategic plan and are actively pursuing significant opportunities to improve the Company and further increase shareholder value."

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 and timber properties. PVA is headquartered in Radnor, PA.

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