

Penn Virginia Corporation

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PENN VIRGINIA CORPORATION PROVIDES SECOND QUARTER 2004 OIL AND GAS OPERATIONAL RESULTS UPDATES FULL-YEAR 2004 PRODUCTION GUIDANCE ANNOUNCES SECOND QUARTER RESULTS CONFERENCE CALL

RADNOR, PA, (PR Newswire) July 28, 2004 – Penn Virginia Corporation (NYSE: PVA) today reported second quarter 2004 oil and gas production of 5.9 billion cubic feet equivalent (Bcfe), a one percent increase over 5.8 Bcfe reported for the same period of 2003. Second quarter 2004 production was down nine percent from 6.5 Bcfe reported for the first quarter of 2004, primarily due to pipeline curtailments by two natural gas transporters in the Company's Eastern Region and weather-related delays in initiating portions of the 2004 Gulf Coast drilling program. In the first half of 2004, oil and gas production was 12.3 Bcfe, an increase of six percent over 11.6 Bcfe reported for the same period in 2003. The increase in year to date production was primarily due to new drilling in the Company's Selma Chalk fields in Mississippi and in its horizontal coalbed methane (HCBM) drilling project in Appalachia. Considering the impact of the pipeline curtailments mentioned above and Gulf Coast drilling program delays, the Company now expects full-year 2004 production to range from 25.5 Bcfe to 26.7 Bcfe.

The Company also reported that approximately \$35 million, or 30 percent, of its 2004 capital expenditure program was expended in the second quarter of 2004. Of the \$35 million, approximately \$26 million was spent to fund the drilling of 45 gross (35.9 net) wells, approximately \$4 million was spent to construct major gathering lines and compressor stations to facilitate the future growth in production volumes in east Texas and Appalachia, and approximately \$5 million was spent on seismic and leasehold acquisitions. As of July 26, 39 of the wells drilled during the second quarter 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 be approximately \$39 to \$43 million in the third quarter of 2004, primarily for additional drilling and pipeline construction.

Gulf Coast Region Operations

Penn Virginia drilled seven gross (4.6 net) wells in this core operating region during the second quarter of 2004, all of which were successful. Second quarter 2004 production in the Company's Gulf Coast Region was 23.8 million cubic feet equivalent (Mmcf) per day, down 14 percent from 27.6 Mmcf per day from the same period in 2003. The decrease in second quarter 2004 production compared to the same quarter of 2003 was due primarily to weather-related drilling program delays and normal production decline. Gulf Coast Region production represented 37 percent of the Company's total daily production for the second quarter of 2004.

In east Texas, Penn Virginia drilled and completed four wells (80 percent working interest) in the North Carthage Field. Drilled to depths ranging from 9,940 to 10,125 feet, each well was successful with commercial pay zones in both the Cotton Valley and Travis Peak formations. Two of the four wells commenced production during the second 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), in which a total of 12 to 15 wells are expected to be drilled in 2004. Two drilling rigs are currently dedicated to this project and it is expected that both will be drilling through the end of the year. In total, three wells are now producing 1.9 net Mmcfe per day. On the Louisiana side of the Cotton Valley play, one development well (20 percent working interest) was drilled in the Swan Lake Field in Bossier Parish during the quarter. It reached total depth in the Cotton Valley formation at less than 10,000 feet and commenced production in May.

In south Texas, the Bevan Brothers #2 well (100 percent working interest), a side track development well located in the Kingsville S.W. field in Kleberg County, was drilled to 12,000 feet in the Vicksburg objective. The well was successful and is currently producing approximately one Mmcf per day and 200 barrels of oil per day (Bopd).

An exploratory well was drilled at the Company's Stella prospect in Plaquemines Parish, Louisiana. The Hero Lands #4 (20 percent working interest) was drilled to 10,928 feet and completed in the Cris I formation with a final test of 7.2 Mmcf per day and 192 Bopd with 3,780 pounds per square inch (psi) flowing tubing pressure. The well is waiting on the construction of surface facilities and a gathering line and is expected to begin producing in the fourth quarter of 2004. This is the fifth successful well drilled in as many attempts in Stella.

Eastern Region Operations – Appalachia and Mississippi

Penn Virginia drilled 38 gross (31.3 net) wells in this core operating region during the second quarter of 2004, 37 of which were successful, with one well under evaluation. Second quarter production from the Company's Eastern Region was approximately 40.6 Mmcfe per day, up 12 percent from 36.4 Mmcfe per day from the same period in 2003. Eastern Region production represented 63 percent of the Company's total daily production for the second quarter of 2004.

In the Baxterville field in Marion County, Mississippi, 18 successful Selma Chalk wells were drilled in as many attempts during the quarter, with working interests between 97 and 100 percent. This brings to 30 the number of wells the Company has drilled in 2004, and a total of 64 wells have been drilled since commencing operations in Baxterville in 2002. In the Gwinville field in Jefferson Davis County, Mississippi, six wells were drilled during the quarter, with working interests between 97 and 100 percent. Through development drilling activities, daily net production from the Company's Mississippi fields increased by 28 percent to approximately 13.3 Mmcfe for the second quarter of 2004 from 10.4 Mmcfe for the second quarter of 2003.

In Appalachia, the Company's total daily production for the second quarter of 2004 was approximately 27.3 Mmcfe, an increase of five percent from 26.0 Mmcfe produced in the same quarter of 2003. Beginning in May, production was curtailed on two natural gas pipeline systems serving the Company's assets in southern West

Virginia. Production that had been flowing into the Columbia Gas Transmission Corp. pipeline system under an interruptible transportation rate was restricted due to system capacity limitations and compressor maintenance. The interruption is expected to last through October 2004. The Columbia system constraints resulted in additional curtailments on the Dominion Transmission, Inc. pipeline system from May through July. Beginning in August, Dominion will also perform pipeline maintenance, which will reduce the Company's production volumes for approximately 45 days. The total impact of these curtailments on 2004 full year production is expected to be a decrease of approximately 1.7 Bcfe, which has been factored into the Company's production guidance. In order to accommodate increasing HCBM volumes, Penn Virginia has acquired long-term firm transportation on Columbia's pipeline system beginning in November 2004.

Eleven conventional wells and three HCBM wells were drilled in West Virginia and Virginia during 2004's second quarter. All of the conventional wells and two of the HCBM wells were successful, and one of the HCBM wells is under evaluation. Each of the successful HCBM wells produces from two stacked lateral patterns. Despite the effect of the pipeline curtailment described above, daily production from the Company's HCBM wells increased to approximately 5.2 Mmcfe during the second quarter of 2004 from 1.8 Mmcfe for the second quarter of 2003. Since Penn Virginia began drilling HCBM wells in Appalachia in 2001, 24 successful wells have been drilled in 25 attempts, with one well currently under evaluation. The original 2004 capital budget included drilling wells to develop 8,000 CBM-prospective acres. Because of redesign of drilling patterns, the Company now expects to develop approximately 11,000 acres by drilling the same number of wells, with an associated increase in 2004 drilling capital and production. The Company has acquired approximately 140,000 potentially HCBM prospective acres since 2002 and now controls approximately 650,000 acres of prospective HCBM leasehold in Appalachia.

Penn Virginia continues to evaluate ten conventional CBM wells drilled during the second half of 2003 in two areas in the Cherokee Basin of southeastern Kansas. To date, the coals are de-watering as expected with very encouraging indications of gas in one of the areas. The commercial viability of these wells is expected to be known by the end of 2004. At present the Company holds approximately 50,000 acres in the Cherokee Basin.

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 first 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, both in the form of costless collars:

| | MMBtu <u>Per Day</u> | <u>Price per MMBtu</u> | |
|-----------------------------------|-------------------------|------------------------|----------------|
| | | <u>Floor</u> | <u>Ceiling</u> |
| May 2005 through September 2005 | 5,000 | \$5.00 | \$7.65 |
| October 2005 through January 2006 | 12,000 | \$5.00 | \$9.28 |

Second Quarter 2004 Results and Conference Call

The Company will release its consolidated second 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, August 4, 2004, followed by a conference call on Thursday, August 5 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 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 August 6, 2004 at 11:59 p.m. by dialing 1-877-660-6853. Replay passcodes: Account number 1628 and Conference number 112369. 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.

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 March 31, 2004 filed on May 7, 2004. Except as required by applicable securities laws, the Company does not intend to update its forward-looking statements.