Penn Virginia Corporation

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PENN VIRGINIA ANNOUNCES 2006 OIL AND GAS CAPITAL BUDGET AND PRODUCTION TARGET

RADNOR, Pa., (Business Wire) December 22, 2005 – Penn Virginia Corporation (NYSE: PVA) today announced that its Board of Directors has approved an oil and gas capital expenditures budget for 2006 of $208 million, an increase of approximately 19 percent over estimated 2005 oil and gas capital expenditures.

The Company also announced that it anticipates 2006 production to be between 28.5 and 30.5 billion cubic feet equivalent (Bcfe), an increase of between 6 percent and 13 percent over expected 2005 production of approximately 27.0 Bcfe.

In 2006, the Company has budgeted approximately $154 million, or 74 percent, of the capital budget for development-related activities. Approximately 200 (140 net) development wells are scheduled to be drilled, with drilling concentrated in the Company's three core areas. Development program highlights include:

- In its Cotton Valley play in east Texas, the Company expects to spend approximately $63 million to drill 41 (31.8 net) wells. The budget anticipates adding a fourth drilling rig during the second half of 2006 to complement the three rigs currently drilling Cotton Valley wells in the Company's 100 percent owned and joint venture areas with GMX Resources Inc. (Nasdaq: GMXR).
- In Appalachia, the Company expects to spend approximately $20 million to drill 28 (13.0 net) horizontal coal bed methane (CBM) wells, with another $18 million designated for lease acquisitions and pipeline infrastructure. The CBM drilling plan assumes the Company will continue to use three horizontal drilling rigs throughout 2006 in its area of mutual interest with CDX Gas in southern West Virginia. The Company also expects to spend approximately $3 million to drill 40 (7.1 net) conventional wells in Appalachia.
- In Mississippi, the Company expects to spend approximately $35 million to drill 84 (82.3 net) Selma Chalk wells in 2006.
- In south Texas, approximately $8 million has been budgeted to further develop successes, including the Company's Fannett and Rugeley fields
- In the Williston basin, approximately $5 million has been budgeted for development drilling of a Ratcliffe Carbonate play, based on the drilling results from two exploratory wells to be drilled early in 2006.

The Company has budgeted approximately $54 million, or 26 percent, of its capital budget for exploratory activities, including the drilling of approximately 24 (12.3 net) exploratory wells and related lease acquisition and seismic costs. Highlights of the exploration program include:

- In south Louisiana and south Texas, the Company expects to spend approximately $23 million to drill 13 (4.5 net) wells, $6 million for lease acquisitions and $3 million for seismic data. The proposed wells target prospects primarily in the Miocene.
- Approximately $11 million has been budgeted for leasehold acquisitions and drilling of 6 (4.0 net) wells to test objectives in the Arkoma basin's Fayetteville Shale play, the New Albany Shale in Illinois and the Devonian Shale in West Virginia.
- Approximately $7 million has been budgeted to drill 3 (3.0 net) horizontal CBM test wells in northern West Virginia and southwestern Pennsylvania.
- In the Williston basin, $2 million has been budgeted to drill 2 (0.8 net) Ratcliffe Carbonate wells.

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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. PVA is also the general partner and the largest unit holder in Penn Virginia Resource Partners, L.P. (NYSE: PVR), which manages coal properties and related assets and operates a midstream natural gas gathering and processing business. 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, uncertainties and contingencies that could cause actual results to differ materially from projected results. These risks, uncertainties and contingencies include, but are not limited to, the following: market factors, including the price of natural gas and oil and projected supply and demand for natural gas and oil; exploration and drilling results; commencement dates of natural gas and oil production; projected quantities of future natural gas and oil production; non-performance by third party operators of wells in which the Company owns an interest; availability of rigs and other equipment; potential equipment malfunction and repair delays; costs and expenditures; competition from other providers of natural gas and oil; the legislative or regulatory environment; and political and economic conditions, including the impact of potential terrorist acts. 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 subsequently filed interim reports. Except as required by applicable securities laws, the Company does not intend to update its forward-looking statements.