

Penn Virginia Corporation

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FOR IMMEDIATE RELEASE

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PENN VIRGINIA ANNOUNCES APPALACHIAN COALBED METHANE DRILLING VENTURE WITH CDX GAS, L.L.C. AND REVISES THIRD QUARTER 2002 EXPLORATION EXPENSE GUIDANCE

RADNOR, Pa., August 2, 2002 – Penn Virginia Corporation (NYSE: PVA) today announced that it has reached an agreement with CDX Gas, L.L.C. (CDX) establishing an area of mutual interest (AMI) covering approximately 16,000 square miles in Central Appalachia in which to conduct a coalbed methane (CBM) exploration and development program as well as for the exploration and development of the Devonian Shale formation. The program combines Penn Virginia's proven CBM operating capability with the exclusive use of proprietary horizontal drilling technology developed by CDX. The agreement between PVA and CDX is generally for five years and permits either party to propose wells. PVA and CDX will have a 60 percent working interest and a 40 percent working interest, respectively, in future coalbed methane and Devonian Shale projects conducted on property owned by PVA within the AMI. On future AMI projects conducted on property not currently owned by Penn Virginia, PVA and CDX will generally each have a 50% working interest. CDX will operate the projects during the drilling phase with PVA becoming the operator once successful projects commence production. The horizontal well drilled late last year with CDX continues to produce approximately 2.9 million cubic feet of CBM per day. Typical production from vertically drilled Appalachian CBM wells ranges from 50 to 100 thousand cubic feet per day. The first offset pattern to this well is currently being drilled with at least one additional pattern planned this year.

A. James Dearlove, Penn Virginia President and Chief Executive Officer, said, "By using horizontal drilling on our coalbed methane and Devonian Shale acreage, we expect to significantly accelerate gas production, which should increase the present value of our properties. Horizontal drilling can also be used to de-gassify coal formations in advance of mining operations, which could provide advantages to Penn Virginia through our interest in Penn Virginia Resource Partners, L.P. (NYSE: PVR). We believe that combining our resources with those of CDX will provide us with future growth potential in other parts of Appalachia as well as other coalbed methane gas regions."

CDX Gas, LLC, with headquarters in Dallas, Texas is a North American land-based, natural gas drilling and exploration company that has pioneered new technologies in methane extraction from coal beds. CDX and its affiliated companies are developing projects in nine states and two provinces in Canada.

The Company also announced that the range of exploration expense for the third quarter of 2002, noted in guidance issued as part of its July 31, 2002 results and guidance update, has been revised from a range of \$5.5 million to \$6.0 million to a range of \$3.0 million to \$3.5 million. All other third quarter and full year 2002 guidance estimates presented in the July 31, 2002 announcement remain unchanged. The revision was due to a correction in the expected timing of certain seismic expenditures between the third and fourth quarter of 2002.

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 statements (as defined in Section 21E of the Securities Exchange Act of 1934) that 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, drilling and exploration programs, availability of drilling rigs, expected commencement dates of coalbed methane and oil and natural gas production, projected quantities of future coalbed methane and oil and natural gas production by the Company, and future demand or supply for coalbed methane, oil and natural gas, which will affect sales levels and prices realized by the Company. 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, 2001 filed on March 22, 2002. Except as required by applicable securities laws, the Company does not intend to update its forward-looking statements.

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.