

Penn Virginia Corporation

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PENN VIRGINIA CORPORATION PROVIDES THIRD QUARTER 2005 OIL AND GAS OPERATIONAL RESULTS

UPDATES 2005 PRODUCTION GUIDANCE

RADNOR, PA, (Businesswire) October 26, 2005 – Penn Virginia Corporation (NYSE: PVA) today reported oil and gas production of 6.9 billion cubic feet equivalent (Bcfe) for the third quarter of 2005, tying the quarterly production record set in the second quarter of 2005. Production in the third quarter of 2005 was 23 percent higher than the 5.6 Bcfe reported for the same period of 2004. The principal components of the production increase over the same quarter of last year were:

- Favorable drilling results in the Company's horizontal coalbed methane (CBM) project in Appalachia;
- the purchase of firm transportation in Appalachia which allowed the Company to avoid a production curtailment like the one experienced during 2004;
- increased drilling from 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, which had contributed approximately 0.2 Bcfe in the third quarter of 2004, production shut-ins along the Gulf Coast as a result of hurricanes Katrina and Rita and normal field declines.

Oil and gas production through the first nine months of 2005 was 20.2 Bcfe, a 13 percent increase over the same period in 2004. Based on production for the first nine months of 2005, the Company expects full-year 2005 production to range from 26.6 to 27.2 Bcfe, an increase of nine to 11 percent over 2004. The full-year production estimate includes a reduction of approximately 0.5 Bcfe from the effects of hurricanes Katrina and Rita.

Capital expenditures by Penn Virginia for the third quarter of 2005 were approximately \$32 million. Third quarter capital expenditures consisted of:

- approximately \$31 million to drill 47 gross wells, including \$28 million to drill 45 development wells, all of which were successful, and \$3 million for exploratory drilling, including one successful and one unsuccessful well; and
- approximately \$1 million for leasehold acquisitions, seismic data and other costs.

Gulf Coast Region Operations - including new Williston Basin prospect

Penn Virginia drilled 11 (7.1 net) successful wells in the Gulf Coast region during the third quarter of 2005, including ten (7.0 net) development wells and one (0.1 net) exploratory well. Third quarter 2005 production from this region was 21.0 million cubic feet equivalent (Mmcfe) per day, down 14 percent from 24.3 Mmcfe per day during the same period in 2004. The decrease in third 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 had contributed 2.5 Mmcfe per day in the third quarter of 2004, normal field decline and approximately 2.3 Mmcfe per day of production shut-in due to the effects of hurricanes Katrina and Rita. These decreases were partially offset by increased production of 3.6 Mmcfe per day from new drilling in the Company's Cotton Valley play.

In the Company's Cotton Valley project in east Texas, Penn Virginia drilled seven (5.5 net) development wells in the North Carthage field, all of which were successful. Three of the wells commenced production during the third quarter, and the other four wells are awaiting completion. These wells are part of the Company's Bethany development drilling joint venture with GMX Resources Inc. (NASDAQ: GMXR) and include the first two wells drilled in Phase II of the joint venture area of mutual interest. The two wells were stimulated and commenced production in October with initial production rates of 1.7 Mmcfe and 1.9 Mmcfe per day. Net production in the North Carthage field decreased to 6.3 Mmcfe per day during the third quarter of 2005 from 7.2 Mmcfe per day during the second quarter of 2005. The decrease in production resulted from downtime after hurricane Rita and normal production decline. Another development well was also drilled in east Texas in the Company's Scottsville prospect in Harrison County. The Company has a 100 percent working interest in the well, which is currently awaiting completion. Production is expected to increase in east Texas during the remainder of 2005 as a result of the Company's ongoing drilling program, in which between two and three drilling rigs are being utilized.

In south Texas, the Company drilled one successful development well in the Lower Frio objective on the Company's Estill prospect in Matagorda County. The prospect was generated by Penn Virginia, with a 50 percent working interest, and is operated by Brigham Exploration Company (NASDAQ: BEXP). This well was the first offset well to be drilled after the successful completion of the Wyse #1 exploratory well in the first quarter of 2005.

In south Louisiana, the Company participated in a successful exploratory well and a successful development well (0.1 net well combined) in Iberia Parish.

The Company also agreed to participate with Bill Barrett Corporation for a 50 percent working interest in a 20,000 net acre Bakken Dolomite horizontal oil well prospect in the Williston basin. Based on the success of an exploratory well to be drilled in the fourth quarter of 2005, a development drilling program based on 640 acre spacing is anticipated.

Eastern Region Operations – Appalachia and Mississippi

Penn Virginia drilled 36 (31.2 net) wells in the Eastern region during the third quarter of 2005, including 35 (30.2 net) successful development wells and one (1.0 net) unsuccessful exploratory well. Third quarter production from this region was approximately 54.3 Mmcfe per day, up 47 percent from 36.9 Mmcfe per day from the same period in 2004 primarily due to new drilling, partially offset by normal field decline. Eastern region production represented 72 percent of the Company's total daily production for the third quarter of 2005.

In Appalachia, the Company's total daily production for the third quarter of 2005 was approximately 38.6 Mmcfe, an increase of 64 percent from 23.5 Mmcfe produced in the same quarter of 2004. The increase in Appalachian production was primarily due to the Company's horizontal CBM drilling in the region.

Five (2.2 net) horizontal CBM wells and two (0.3 net) conventional wells were drilled in West Virginia and Virginia during the third quarter of 2005, and all were successful. Daily production from the Company's horizontal CBM wells has more than quadrupled from 3.6 Mmcfe for the third quarter of 2004 to approximately 17.2 Mmcfe during the third quarter of 2005. Since Penn Virginia began drilling horizontal CBM wells in Appalachia in 2001, 59 successful wells have been drilled in 61 attempts. The two unsuccessful wells were drilled into deeper coals located in the Company's Virginia acreage.

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. The purchase agreement included an option for CDX to purchase a 50 percent interest in the leasehold acreage, which CDX exercised in August 2005. Penn Virginia began drilling on this 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.

During the third quarter of 2005, the Company determined that an exploratory horizontal Devonian Shale well drilled in the third quarter of 2004 in West Virginia did not meet its economic threshold, resulting in a write-off of approximately \$1.8 million of drilling and leasehold-related costs in the third quarter of 2005. Additional horizontal Devonian Shale exploratory drilling is being planned for 2006.

In the Baxterville and Gwinville fields in Marion, Lamar and Jefferson Davis Counties, Mississippi, 28 (27.7 net) successful Selma Chalk wells were drilled during the quarter. Daily production in the Company's Mississippi fields for the third quarter of 2005 was 15.3 Mmcfe, an increase of 14 percent from 13.4 Mmcfe per day in the third quarter of 2004. The increase was primarily a result of new production in the Baxterville field, offset in part by normal field decline and approximately 0.1 Mmcfe per day curtailed due to hurricane Katrina. Production is expected to increase in the field during the remainder of 2005 as a result of the Company's ongoing 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 second quarter 2005 Form 10-Q. In conjunction with the Company's ongoing hedging program, Penn Virginia has entered into the following additional natural gas price hedges in the form of costless collars:

	MMBtu Per Day	Price Per MMBtu	
		Floor	Ceiling
November 2005 through March 2006	5,000	\$ 9.00	\$ 14.05
January 2006	5,000	\$ 8.00	\$ 12.15
February 2006 through March 2006	6,000	\$ 8.00	\$ 12.15
April 2006 through October 2006	4,000	\$ 7.00	\$ 10.26
May 2006 through October 2006	4,000	\$ 7.00	\$ 11.25
November 2006 through March 2007	5,000	\$ 9.00	\$ 18.60

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 and 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 June 30, 2005, filed on August 4, 2005. Except as required by applicable securities laws, the Company does not intend to update its forward-looking statements.