

Penn Virginia Corporation

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FOR IMMEDIATE RELEASE

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PENN VIRGINIA CORPORATION ANNOUNCES RESULTS FOR THIRD QUARTER OF 2005 REPORTS RECORD CASH FLOW

RADNOR, PA (Businesswire) November 2, 2005 – Penn Virginia Corporation (NYSE: PVA) today reported results for the third quarter of 2005, including quarterly net income of \$20.0 million, or \$1.07 per diluted share, compared to \$6.4 million, or \$0.35 per diluted share, for the third quarter of 2004. Net cash provided by operating activities was a record \$63.8 million, a 53 percent increase over \$41.6 million reported for the third quarter of 2004 and 19 percent higher than the previous record of \$53.8 million established in the second quarter of 2005. Operating cash flow, a non-GAAP measure, was a record \$66.5 million, a 75 percent increase over the third quarter of 2004, and 24 percent higher than the previous record established in 2005's second quarter. The increases in net income and cash flow were primarily due to increased natural gas revenues as a result of higher prices and production volumes and increased contributions from the coal and new natural gas midstream segments. In addition to those factors, net income for the third quarter of 2005 increased by \$0.8 million, or \$0.04 per diluted share, due to a non-cash, unrealized gain on derivatives, adjusted for minority interest and taxes, resulting from the ineffectiveness of open commodity price hedges related to the natural gas midstream business of Penn Virginia Resource Partners, L.P. (NYSE: PVR).

In the first nine months of 2005, PVA reported net income of \$34.7 million, or \$1.85 per diluted share, compared to \$28.7 million, or \$1.55 per diluted share, for the first nine months of 2004. Net cash provided by operating activities was \$148.5 million for the first nine months of 2005, a 48 percent increase over \$100.2 million reported for the same period of 2004. Operating cash flow, a non-GAAP measure, was \$163.1 million for the first nine months of 2005, or 50 percent above \$108.7 million reported for the same period of 2004.

Oil and Gas Segment Review

Oil and gas production for the third quarter of 2005 was 6.9 billion cubic feet equivalent (Bcfe), a 23 percent increase from 5.6 Bcfe in the third quarter of 2004. See the Company's October 26, 2005 news release for a more detailed discussion of third quarter 2005 drilling and production operations for the oil and gas segment. Oil and gas operating income for the third quarter of 2005 was a record \$27.0 million, compared to \$9.4 million reported for the same quarter of 2004. Primary reasons for the quarter-to-quarter increase in operating income are discussed below.

Total revenues in the oil and gas segment increased by 75 percent to \$57.8 million from \$33.0 million in the third quarter of 2004, due primarily to the following:

- Increased realized prices for natural gas accounted for approximately two-thirds of the revenues increase. The average realized sales price for natural gas in the third quarter of 2005, which represented approximately 94 percent of the Company's production for the quarter, was \$8.35 per thousand cubic feet (Mcf), an increase of 43 percent from \$5.85 per Mcf realized in the third quarter of 2004.
- Increased natural gas production accounted for the remaining one-third of the revenue increase. The 23 percent production increase from 5.6 Bcfe in the third quarter of 2004 to 6.9 Bcfe in the third quarter of 2005 was due primarily to new production in 2005 from increased drilling, including the horizontal coalbed methane (CBM) project in Appalachia, the Cotton Valley play in east Texas and north Louisiana, and the Selma Chalk development play in Mississippi. Furthermore, the Company's Appalachian production in 2005 was not subject to the curtailment experienced during 2004.
- These increases were partially offset by the first quarter 2005 sale of certain non-strategic oil and gas properties in west Texas, production shut-ins along the Gulf Coast as a result of hurricanes Katrina and Rita, and normal field decline.

Total oil and gas segment expenses were \$30.8 million compared to \$23.6 million in the third quarter of 2004. The 31 percent increase was primarily related to:

- An increase in operating expenses, to \$4.6 million in the third quarter of 2005 from \$3.3 million in the third quarter of 2004. The increase was primarily due to additional compressor rentals at fields with increased production and increased water disposal costs.
- An increase in taxes other than income, to \$3.4 million in the third quarter of 2005 from \$2.3 million in the third quarter of 2004, primarily due to higher severance taxes as a result of increased production and higher gas prices. This increase was partially offset by tax refunds.
- An impairment charge in the third quarter of 2005 of \$3.5 million related to a change in estimate of the reserve base of a field in south Texas.
- An increase in depreciation, depletion and amortization (DD&A) expense, to \$11.4 million in the third quarter of 2005 from \$8.3 million in the third quarter of 2004. The increase was the result of the 23 percent quarter-to-quarter production increase and higher average depletion rates. The DD&A rate increased to \$1.66 per Mcfe produced in the third quarter of 2005 from \$1.47 per Mcfe produced in the third quarter of 2004. The DD&A rate increase was primarily due to a greater percentage of production coming from relatively higher cost CBM wells and wells in the Company's east Texas Cotton Valley development drilling joint venture, combined with depreciation on new pipeline infrastructure placed in service during the fourth quarter of 2004.
- The above increases in oil and gas segment expenses were partially offset by a decrease in exploration expenses, to \$6.0 million in the third quarter of 2005 from \$7.5 million in the third quarter of 2004.

Coal Segment Review (Penn Virginia Resource Partners, L.P. – NYSE: PVR)

Third quarter 2005 operating income in the coal operating segment was a record \$16.6 million, or 58 percent higher than the \$10.5 million reported in the third quarter of 2004. Primary reasons for the improved operating results were as follows:

- Coal royalty revenues were a record \$22.7 million in the third quarter of 2005, a 26 percent increase over \$18.0 million in the third quarter of 2004, due primarily to a higher average royalty per ton. The average royalty per ton was \$2.67 in the third quarter of 2005, an 18 percent increase over the average royalty of \$2.26 in the third quarter of 2004. This increase was primarily due to stronger market conditions for coal resulting in higher prices and a greater percentage of production from certain price-sensitive leases. Coal production from PVR properties increased to 8.5 million tons in the third quarter of 2005 from 8.0 million tons in the same quarter of 2004, primarily due to production from newly acquired properties in the western Kentucky portion of the Illinois basin.
- Other revenues increased to \$3.2 million in the third quarter of 2005 from \$1.4 million in the third quarter of 2004. The increase was primarily due to increased coal services revenues and additional transportation-related fees and overriding oil and gas royalty interest revenues as a result of an April 2005 acquisition in Appalachia.
- Non-cash DD&A expense increased to \$5.3 million in the third quarter of 2005 from \$4.8 million in the same quarter of last year, primarily as a result of higher production.

Natural Gas Midstream Segment Review (Penn Virginia Resource Partners, L.P. – NYSE: PVR)

Third quarter 2005 operating income in the natural gas midstream segment acquired in March 2005 from Cantera Gas Resources, LLC (the “Cantera Acquisition”) was \$5.9 million, consisting of the following:

- Natural gas midstream revenues were \$103.9 million and included revenues from the sale of residue gas, natural gas liquids and condensate, and from gathering and transportation fees. Inlet volumes at the midstream segment’s gas processing plants and gathering systems were approximately 11.6 billion cubic feet during the third quarter, or approximately 126 million cubic feet per day.
- Cost of gas purchased of \$89.6 million consisted of amounts payable to third-party producers for gas purchased under percentage of proceeds and keep-whole contracts. Gross processing margin, consisting of midstream revenues minus the cost of gas purchased, was \$14.2 million, or \$1.23 per thousand cubic feet of plant inlet gas.
- Operating costs directly associated with the operations of the natural gas midstream segment were \$2.7 million for the third quarter of 2005.
- DD&A expense of \$3.9 million for the third quarter of 2005 included \$1.2 million of amortization of intangible costs and \$2.7 million of depreciation on property, plant and equipment related to the Cantera Acquisition.

Partnership Distributions and Conversion of Subordinated Units

PVR will pay a quarterly cash distribution covering the period July 1 through September 30, 2005 in the amount of \$0.65 per unit, or an annualized rate of \$2.60 per unit, on November 14, 2005 to unit holders of record as of November 3, 2005.

Penn Virginia Corporation is the general partner of PVR and it owns approximately 2.1 million common units and approximately 5.7 million subordinated units. In accordance with the terms of PVR’s partnership agreement, approximately 1.9 million of the subordinated units will convert to common units upon payment of the quarterly cash distribution in November 2005. The remaining 3.8 million subordinated units are expected

to convert to common units in November 2006 provided minimum quarterly distributions are paid and other conditions are met.

Capital Resources

As of September 30, 2005, Penn Virginia had borrowed \$89 million under its \$150 million credit facility, which is expandable to \$200 million at the Company's option. PVR's outstanding borrowings as of September 30, 2005 were \$257.9 million, including \$8.1 million of senior unsecured notes classified as current portion of long-term debt. Interest expense increased to \$4.2 million in the third quarter of 2005 from \$1.7 million for the same quarter of 2004, primarily as a result of interest on increased borrowings related to PVR's acquisition of its midstream business segment and coal property acquisitions in 2005.

Management Comment

A. James Dearlove, Penn Virginia President and CEO, said, "Strong commodity prices and the success of our growth strategy in all of our businesses resulted in record cash flows during the third quarter of 2005.

"In the Company's oil and gas segment, prices realized during the third quarter of 2005 were at company-record levels, and were the largest single factor in our increased operating income and cash flows. In addition, our large development projects, especially the horizontal CBM project in Appalachia, the Cotton Valley play in east Texas, and the Selma Chalk program in Mississippi, fueled our production growth over the last year. During the fourth quarter of 2005, we expect oil and gas segment capital spending to be \$50 to \$55 million, with the majority for the completion of our development and exploratory drilling program and for lease acquisitions, both in our core areas and to expand into other prospective plays.

"In PVR's coal segment, coal royalty revenues increased 13 percent from the second quarter of 2005 to the third quarter, driven primarily by royalties from the Illinois basin property acquired in July 2005 and an increase in royalties from a longwall mine on a subleased property in West Virginia. The strong pricing in the coal market is expected to result in record levels of revenues and operating income in this segment for 2005.

"PVR's natural gas midstream gathering and processing segment has continued to outperform our acquisition model through its first seven months of operations as part of PVR. Third quarter 2005 plant and gathering system inlet volumes remained steady at 126 million cubic feet per day and the strong commodity pricing environment resulted in an increase in gross processing margin from \$1.10 per Mcf of inlet volume in 2005's second quarter to \$1.23 per Mcf in the third quarter."

Guidance Update for 2005

See the 2005 Guidance Table included in this release for guidance estimates for the fourth quarter and full year 2005. These estimates, including capital expenditure plans, are meant to provide guidance only and are subject to revision as PVA's operating environment changes.

Conference Call

As announced in our October 7, 2005, press release, a conference call and webcast, at which management will discuss third quarter 2005 results and the outlook for

the remainder of 2005, is scheduled for Thursday, November 3, 2005, at 3:00 p.m. EST. Prepared remarks by A. James Dearlove, President and Chief Executive Officer, will be followed by a question and answer period. Investors and analysts may participate via phone by dialing 1-877-407-9205 five to ten minutes before the scheduled start of the conference call, or 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 November 4, 2005, at 11:59 p.m. EST by dialing 1-877-660-6853 and using replay passcodes: account number 286 and conference number 172571. An on-demand replay of the call will also be available at the Company's website 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. 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 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, expected commencement dates and projected quantities of future coal production and cash flows generated by lessees producing coal from reserves leased from PVR, projected cash flows generated from PVR's natural gas midstream business; costs and expenditures, market factors, including energy prices generally and, specifically, the relative prices of crude oil, natural gas, coal and NGLs; projected demand for oil, natural gas, coal and NGLs, projected supply of oil, natural gas, coal and NGLs, lessee and customer delays or defaults in making payments and coal handling joint venture operations, all of which will affect revenue levels, prices, royalties, minimum rental payments and distributions realized by the Company and PVR. Additional information concerning these and other factors can be found in the Company's and PVR's press releases and public periodic filings with the Securities and Exchange Commission, including each of the Company's and PVR's Annual Reports on Form 10-K for the year ended December 31, 2004, filed on March 11, 2005 and March 1, 2005, respectively, and subsequently filed interim reports. Except as required by applicable securities laws, the Company does not intend to update its forward-looking statements.

**PENN VIRGINIA CORPORATION
OPERATIONS SUMMARY**

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|-------------------------------------|----------|------------------------------------|----------|
| | 2005 | 2004 | 2005 | 2004 |
| Production | | | | |
| Natural gas (MMcf) | 6,473 | 5,052 | 18,826 | 16,105 |
| Oil and condensate (Mbbbl) | 69 | 97 | 230 | 307 |
| Total oil, condensate and natural gas production (MMcfe) | 6,887 | 5,634 | 20,206 | 17,947 |
| Coal royalty tons (thousands) | 8,531 | 7,971 | 22,496 | 23,865 |
| Inlet volumes (MMcf) | 11,567 | - | 26,963 | - |
| Prices and margin | | | | |
| Natural gas (\$/Mcf) | \$ 8.35 | \$ 5.85 | \$ 7.28 | \$ 5.96 |
| Oil and condensate (\$/Bbl) | \$ 48.83 | \$ 34.55 | \$ 44.03 | \$ 32.15 |
| Coal royalties (\$/ton) | \$ 2.67 | \$ 2.26 | \$ 2.71 | \$ 2.20 |
| Midstream processing margin (\$/Mcf) | \$ 1.23 | \$ - | \$ 1.16 | \$ - |

CONSOLIDATED STATEMENTS OF EARNINGS - unaudited

(in thousands, except per share data)

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|--|-------------------------------------|-----------------|------------------------------------|------------------|
| | 2005 | 2004 | 2005 | 2004 |
| Revenues | | | | |
| Natural gas | \$ 54,071 | \$ 29,530 | \$ 137,011 | \$ 95,938 |
| Oil and condensate | 3,369 | 3,351 | 10,128 | 9,869 |
| Natural gas midstream | 103,861 | - | 217,134 | - |
| Coal royalties | 22,739 | 18,018 | 60,921 | 52,395 |
| Other | 4,129 | 1,842 | 10,929 | 4,734 |
| Total revenues | <u>188,169</u> | <u>52,741</u> | <u>436,123</u> | <u>162,936</u> |
| Expenses | | | | |
| Cost of gas purchased | 89,622 | - | 185,833 | - |
| Operating | 9,141 | 5,236 | 22,642 | 15,549 |
| Exploration | 5,960 | 7,508 | 31,550 | 14,903 |
| Taxes other than income | 4,080 | 2,682 | 11,481 | 8,176 |
| General and administrative | 8,369 | 6,643 | 23,876 | 18,074 |
| Impairment of oil and gas properties | 3,488 | - | 3,488 | - |
| Depreciation, depletion and amortization | 20,701 | 13,179 | 56,324 | 40,722 |
| Total expenses | <u>141,361</u> | <u>35,248</u> | <u>335,194</u> | <u>97,424</u> |
| Operating income | 46,808 | 17,493 | 100,929 | 65,512 |
| Other income (expense) | | | | |
| Interest expense | (4,195) | (1,719) | (11,070) | (4,573) |
| Interest and other income | 276 | 274 | 971 | 806 |
| Unrealized gain (loss) on derivatives | 3,578 | - | (11,186) | - |
| Income from operations before minority interest and income taxes | 46,467 | 16,048 | 79,644 | 61,745 |
| Minority interest | 13,684 | 5,073 | 22,274 | 14,271 |
| Income tax expense | <u>12,793</u> | <u>4,541</u> | <u>22,693</u> | <u>18,818</u> |
| Net income | <u>\$ 19,990</u> | <u>\$ 6,434</u> | <u>\$ 34,677</u> | <u>\$ 28,656</u> |
| Per share data | | | | |
| Net income per share, basic | <u>\$ 1.08</u> | <u>\$ 0.35</u> | <u>\$ 1.87</u> | <u>\$ 1.57</u> |
| Net income per share, diluted | <u>\$ 1.07</u> | <u>\$ 0.35</u> | <u>\$ 1.85</u> | <u>\$ 1.55</u> |
| Weighted average shares outstanding, basic | 18,560 | 18,357 | 18,524 | 18,268 |
| Weighted average shares outstanding, diluted | 18,760 | 18,574 | 18,707 | 18,452 |

PENN VIRGINIA CORPORATION
CONSOLIDATED BALANCE SHEETS

(in thousands)

| | September 30, 2005 <u>(unaudited)</u> | December 31, 2004 <u></u> |
|--|---|---------------------------------|
| Assets | | |
| Current assets | \$ 169,313 | \$ 84,239 |
| Net property and equipment | 960,598 | 665,488 |
| Equity investments | 26,395 | 27,881 |
| Goodwill | 8,066 | - |
| Intangibles, net | 37,183 | - |
| Derivative assets | 9,256 | 225 |
| Other assets | 6,244 | 5,502 |
| Total assets | <u>\$ 1,217,055</u> | <u>\$ 783,335</u> |
| Liabilities and Shareholders' Equity | | |
| Current liabilities | \$ 166,599 | \$ 41,775 |
| Long-term debt | 89,000 | 76,000 |
| Long-term debt of Penn Virginia Resource Partners, L.P. | 249,798 | 112,926 |
| Other liabilities and deferred taxes | 136,758 | 116,883 |
| Minority interest in Penn Virginia Resource Partners, L.P. | 321,229 | 182,891 |
| Shareholders' equity | 253,671 | 252,860 |
| Total liabilities and shareholders' equity | <u>\$ 1,217,055</u> | <u>\$ 783,335</u> |

CONSOLIDATED STATEMENTS OF CASH FLOWS - unaudited

(in thousands)

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|--|-------------------------------------|------------------|------------------------------------|------------------|
| | <u>2005</u> | <u>2004</u> | <u>2005</u> | <u>2004</u> |
| Operating Activities | | | | |
| Net income | \$ 19,990 | \$ 6,434 | \$ 34,677 | \$ 28,656 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | | | |
| Depreciation, depletion and amortization | 20,701 | 13,179 | 56,324 | 40,722 |
| Unrealized loss (gain) on derivatives, net of settlements | (5,462) | - | 7,461 | - |
| Impairment of oil and gas properties | 3,488 | - | 3,488 | - |
| Minority interest | 13,684 | 5,073 | 22,274 | 14,271 |
| Deferred income taxes | 6,750 | 6,350 | 10,793 | 13,314 |
| Dry hole and unproved leasehold expense | 2,733 | 6,676 | 21,649 | 9,322 |
| Other | 4,575 | 243 | 6,464 | 2,379 |
| Operating cash flow (see attached table "Reconciliation of Certain Non-GAAP Financial Measures") | <u>66,459</u> | <u>37,955</u> | <u>163,130</u> | <u>108,664</u> |
| Changes in operating assets and liabilities | <u>(2,618)</u> | <u>3,640</u> | <u>(14,623)</u> | <u>(8,470)</u> |
| Net cash provided by operating activities | <u>63,841</u> | <u>41,595</u> | <u>148,507</u> | <u>100,194</u> |
| Investing Activities | | | | |
| Proceeds from sale of properties | 6,624 | 610 | 17,375 | 1,025 |
| Additions to property and equipment | (51,938) | (38,302) | (129,898) | (87,931) |
| Acquisitions, net of cash acquired | (67,492) | (28,442) | (290,169) | (28,442) |
| Other | - | 190 | - | 398 |
| Net cash used in investing activities | <u>(112,806)</u> | <u>(65,944)</u> | <u>(402,692)</u> | <u>(114,950)</u> |
| Financing Activities | | | | |
| Dividends paid | (2,087) | (2,065) | (6,250) | (6,176) |
| Distributions paid to minority interest holders | (8,491) | (5,556) | (22,247) | (16,335) |
| Proceeds from issuance of PVR partners' capital | 39 | - | 126,475 | - |
| Net proceeds from (repayments of) PVA borrowings | - | 10,000 | 13,000 | 9,000 |
| Net proceeds from (repayments of) PVR borrowings | 54,200 | 27,000 | 140,200 | 26,000 |
| Payments for debt issuance costs | (346) | - | (2,385) | - |
| Issuance of stock | 1,370 | 40 | 1,927 | 3,843 |
| Net cash provided by (used in) financing activities | <u>44,685</u> | <u>29,419</u> | <u>250,720</u> | <u>16,332</u> |
| Net increase (decrease) in cash and cash equivalents | (4,280) | 5,070 | (3,465) | 1,576 |
| Cash and cash equivalents-beginning balance | 26,286 | 14,514 | 25,471 | 18,008 |
| Cash and cash equivalents-ending balance | <u>\$ 22,006</u> | <u>\$ 19,584</u> | <u>\$ 22,006</u> | <u>\$ 19,584</u> |

PENN VIRGINIA CORPORATION
QUARTER SEGMENT INFORMATION - unaudited
(Dollars in thousands except where noted)

| | Oil and Gas | | Coal | Natural Gas Midstream (1) | | All Other | Consolidated |
|---|------------------|----------------|------------------|---------------------------|----------------|-------------------|------------------|
| | Amount | (per Mcfe) * | | Amount | (per Mcf) | | |
| Three months ended September 30, 2005 | | | | | | | |
| Production | | | | | | | |
| Oil, condensate and gas (MMcfe) | 6,887 | | | | | | |
| Natural gas (MMcf) | 6,473 | | | | | | |
| Crude oil and condensate (Mbbbl) | 69 | | | | | | |
| Coal royalty tons (thousands of tons) | | | 8,531 | | | | |
| Inlet volumes (MMcf) | | | | 11,567 | | | |
| Revenues | | | | | | | |
| Natural gas | \$ 54,071 | \$ 8.35 | \$ - | \$ - | \$ - | \$ - | \$ 54,071 |
| Oil and condensate | 3,369 | 48.83 | - | - | - | - | 3,369 |
| Natural gas midstream | - | - | - | 103,861 | - | - | 103,861 |
| Coal royalties | - | - | 22,739 | - | - | - | 22,739 |
| Other | 405 | - | 3,184 | 430 | - | 110 | 4,129 |
| Total revenues | <u>57,845</u> | <u>8.40</u> | <u>25,923</u> | <u>104,291</u> | \$ 9.02 | <u>110</u> | <u>188,169</u> |
| Expenses | | | | | | | |
| Cost of gas purchased | - | - | - | 89,622 | 7.75 | - | 89,622 |
| Operating | 4,553 | 0.66 | 1,931 | 2,657 | 0.23 | - | 9,141 |
| Exploration | 5,960 | 0.87 | - | - | - | - | 5,960 |
| Taxes other than income | 3,424 | 0.50 | 219 | 340 | 0.03 | 97 | 4,080 |
| General and administrative | 1,966 | 0.29 | 1,917 | 1,873 | 0.16 | 2,613 | 8,369 |
| Impairment of oil and gas properties | 3,488 | 0.51 | - | - | - | - | 3,488 |
| Depreciation, depletion and amortization | 11,433 | 1.66 | 5,257 | 3,902 | 0.34 | 109 | 20,701 |
| Total expenses | <u>30,824</u> | <u>4.49</u> | <u>9,324</u> | <u>98,394</u> | <u>8.51</u> | <u>2,819</u> | <u>141,361</u> |
| Operating income (loss) | <u>\$ 27,021</u> | <u>\$ 3.91</u> | <u>\$ 16,599</u> | <u>\$ 5,897</u> | <u>\$ 0.51</u> | <u>\$ (2,709)</u> | <u>\$ 46,808</u> |
| Additions to property and equipment and acquisitions, net of cash acquired (2) | \$ 34,808 | | \$ 81,339 | \$ 4,344 | | \$ 85 | \$ 120,576 |

| | Oil and Gas | | Coal | Natural Gas Midstream (1) | | All Other | Consolidated |
|---|-----------------|----------------|------------------|---------------------------|-------------|-------------------|------------------|
| | Amount | (per Mcfe) * | | Amount | (per Mcf) | | |
| Three months ended September 30, 2004 | | | | | | | |
| Production | | | | | | | |
| Oil, condensate and gas (MMcfe) | 5,634 | | | | | | |
| Natural gas (MMcf) | 5,052 | | | | | | |
| Crude oil and condensate (Mbbbl) | 97 | | | | | | |
| Coal royalty tons (thousands of tons) | | | 7,971 | | | | |
| Revenues | | | | | | | |
| Natural gas | \$ 29,530 | \$ 5.85 | \$ - | \$ - | \$ - | \$ - | \$ 29,530 |
| Oil and condensate | 3,351 | 34.55 | - | - | - | - | 3,351 |
| Natural gas midstream | - | - | - | - | - | - | - |
| Coal royalties | - | - | 18,018 | - | - | - | 18,018 |
| Other | 134 | - | 1,379 | - | - | 329 | 1,842 |
| Total revenues | <u>33,015</u> | <u>5.86</u> | <u>19,397</u> | <u>-</u> | \$ - | <u>329</u> | <u>52,741</u> |
| Expenses | | | | | | | |
| Cost of gas purchased | - | - | - | - | - | - | - |
| Operating | 3,309 | 0.59 | 1,777 | - | - | 150 | 5,236 |
| Exploration | 7,508 | 1.33 | - | - | - | - | 7,508 |
| Taxes other than income | 2,349 | 0.42 | 239 | - | - | 94 | 2,682 |
| General and administrative | 2,110 | 0.37 | 2,077 | - | - | 2,456 | 6,643 |
| Depreciation, depletion and amortization | 8,307 | 1.47 | 4,764 | - | - | 108 | 13,179 |
| Total expenses | <u>23,583</u> | <u>4.18</u> | <u>8,857</u> | <u>-</u> | <u>-</u> | <u>2,808</u> | <u>35,248</u> |
| Operating income (loss) | <u>\$ 9,432</u> | <u>\$ 1.68</u> | <u>\$ 10,540</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ (2,479)</u> | <u>\$ 17,493</u> |
| Additions to property and equipment and acquisitions, net of cash acquired | \$ 38,195 | | \$ 72 | \$ - | | \$ 35 | \$ 38,302 |

* Natural gas revenues are shown per Mcf, oil and gas condensate revenues are shown per Bbl, and all other amounts are shown per Mcfe.

(1) Natural Gas Midstream segment acquired in March 2005.

(2) Coal segment includes noncash expenditures of \$14.4 million.

PENN VIRGINIA CORPORATION
YEAR TO DATE SEGMENT INFORMATION - unaudited
(Dollars in thousands except where noted)

| | Oil and Gas | | Coal | Natural Gas Midstream (1) | | All Other | Consolidated |
|---|------------------|----------------|------------------|---------------------------|----------------|-------------------|-------------------|
| | Amount | (per Mcfe) * | | Amount | (per Mcf) | | |
| Nine months ended September 30, 2005 | | | | | | | |
| Production | | | | | | | |
| Oil, condensate and gas (MMcfe) | 20,206 | | | | | | |
| Natural gas (MMcf) | 18,826 | | | | | | |
| Crude oil and condensate (Mbbbl) | 230 | | | | | | |
| Coal royalty tons (thousands of tons) | | | 22,496 | | | | |
| Inlet volumes (MMcf) | | | | 26,963 | | | |
| Revenues | | | | | | | |
| Natural gas | \$ 137,011 | \$ 7.28 | \$ - | \$ - | | \$ - | \$ 137,011 |
| Oil and condensate | 10,128 | 44.03 | - | - | | - | 10,128 |
| Natural gas midstream | - | - | - | 217,134 | | - | 217,134 |
| Coal royalties | - | - | 60,921 | - | | - | 60,921 |
| Other | 581 | | 8,507 | 1,196 | | 645 | 10,929 |
| Total revenues | <u>147,720</u> | <u>7.31</u> | <u>69,428</u> | <u>218,330</u> | \$ 8.10 | <u>645</u> | <u>436,123</u> |
| Expenses | | | | | | | |
| Cost of gas purchased | - | - | - | 185,833 | 6.89 | - | 185,833 |
| Operating | 11,629 | 0.58 | 4,104 | 6,626 | 0.25 | 283 | 22,642 |
| Exploration | 31,550 | 1.56 | - | - | - | - | 31,550 |
| Taxes other than income | 9,484 | 0.47 | 727 | 930 | 0.03 | 340 | 11,481 |
| General and administrative | 6,249 | 0.31 | 5,962 | 4,107 | 0.15 | 7,558 | 23,876 |
| Impairment of oil and gas properties | 3,488 | 0.17 | - | - | - | - | 3,488 |
| Depreciation, depletion and amortization | 33,777 | 1.67 | 13,440 | 8,797 | 0.33 | 310 | 56,324 |
| Total expenses | <u>96,177</u> | <u>4.76</u> | <u>24,233</u> | <u>206,293</u> | <u>7.65</u> | <u>8,491</u> | <u>335,194</u> |
| Operating Income | <u>\$ 51,543</u> | <u>\$ 2.55</u> | <u>\$ 45,195</u> | <u>\$ 12,037</u> | <u>\$ 0.45</u> | <u>\$ (7,846)</u> | <u>\$ 100,929</u> |
| Additions to property and equipment and acquisitions, net of cash acquired (2) | \$ 120,133 | | \$ 110,370 | \$ 203,810 | | \$ 150 | \$ 434,463 |

| | Oil and Gas | | Coal | Natural Gas Midstream (1) | | All Other | Consolidated |
|---|------------------|----------------|------------------|---------------------------|-------------|-------------------|------------------|
| | Amount | (per Mcfe) * | | Amount | (per Mcf) | | |
| Nine months ended September 30, 2004 | | | | | | | |
| Production | | | | | | | |
| Oil and gas (MMcfe) | 17,947 | | | | | | |
| Natural gas (MMcf) | 16,105 | | | | | | |
| Crude oil (Mbbbl) | 307 | | | | | | |
| Coal royalty tons (thousands of tons) | | | 23,865 | | | | |
| Revenues | | | | | | | |
| Natural gas | \$ 95,938 | \$ 5.96 | \$ - | \$ - | | \$ - | \$ 95,938 |
| Oil and condensate | 9,869 | 32.15 | - | - | | - | 9,869 |
| Natural gas midstream | - | - | - | - | | - | - |
| Coal royalties | - | - | 52,395 | - | | - | 52,395 |
| Other | 207 | | 3,697 | - | | 830 | 4,734 |
| Total revenues | <u>106,014</u> | <u>5.91</u> | <u>56,092</u> | <u>-</u> | \$ - | <u>830</u> | <u>162,936</u> |
| Expenses | | | | | | | |
| Cost of gas purchased | - | - | - | - | - | - | - |
| Operating | 9,525 | 0.53 | 5,574 | - | - | 450 | 15,549 |
| Exploration | 14,903 | 0.83 | - | - | - | - | 14,903 |
| Taxes other than income | 7,308 | 0.41 | 753 | - | - | 115 | 8,176 |
| General and administrative | 5,727 | 0.32 | 6,036 | - | - | 6,311 | 18,074 |
| Depreciation, depletion and amortization | 26,015 | 1.45 | 14,385 | - | - | 322 | 40,722 |
| Total expenses | <u>63,478</u> | <u>3.54</u> | <u>26,748</u> | <u>-</u> | <u>-</u> | <u>7,198</u> | <u>97,424</u> |
| Operating Income | <u>\$ 42,536</u> | <u>\$ 2.37</u> | <u>\$ 29,344</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ (6,368)</u> | <u>\$ 65,512</u> |
| Additions to property and equipment and acquisitions, net of cash acquired (3) | \$ 86,888 | | \$ 1,999 | \$ - | | \$ 104 | \$ 88,991 |

* Natural gas revenues are shown per Mcf, oil and gas condensate revenues are shown per Bbl, and all other amounts are shown per Mcfe.

- (1) Natural Gas Midstream segment acquired in March 2005.
(2) Coal segment includes noncash expenditures of \$14.4 million.
(3) Coal segment includes noncash expenditures of \$1.1 million.

PENN VIRGINIA CORPORATION
RECONCILIATION OF CERTAIN NON-GAAP FINANCIAL MEASURES - unaudited
(in thousands)

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|--|-------------------------------------|------------------|------------------------------------|-------------------|
| | 2005 | 2004 | 2005 | 2004 |
| <u>Reconciliation of GAAP "Net cash provided by operating activities" to Non-GAAP "Operating cash flow"</u> | | | | |
| Net cash provided by operating activities | \$ 63,841 | \$ 41,595 | \$ 148,507 | \$ 100,194 |
| Adjustments: | | | | |
| Changes in operating assets and liabilities | 2,618 | (3,640) | 14,623 | 8,470 |
| Operating cash flow (see Note 1 below) | \$ 66,459 | \$ 37,955 | \$ 163,130 | \$ 108,664 |
| | | | | |
| <u>Reconciliation of GAAP "Additions to property and equipment" to Non-GAAP "Capital expenditures"</u> | | | | |
| Additions to property and equipment | \$ 51,938 | \$ 38,302 | \$ 129,898 | \$ 87,931 |
| Acquisitions, net of cash acquired | 67,492 | 28,442 | 290,169 | 28,442 |
| Seismic expenditures | 797 | 551 | 6,876 | 5,098 |
| Delay rentals and other expenditures | 2,226 | 281 | 2,817 | 454 |
| Noncash lease acquisitions | 14,396 | - | 14,396 | 1,060 |
| Cash paid in third quarter for second quarter additions | (13,250) | - | - | - |
| Sale of lease rights | (6,625) | - | (6,625) | - |
| Less: Capitalized interest | (1,118) | (546) | (2,425) | (1,397) |
| Add: Change in noncash well accruals | 1,619 | 106 | 739 | 3,038 |
| Capital expenditures (see Note 2 below) | \$ 117,475 | \$ 67,136 | \$ 435,845 | \$ 124,626 |

Note 1 - Operating cash flow represents net cash provided by operating activities before changes in assets and liabilities. Operating cash flow is presented because management believes it is a useful adjunct to net cash provided by operating activities under accounting principles generally accepted in the United States (GAAP). Management believes that operating cash flow is widely accepted as a financial indicator of an oil and gas company's ability to generate cash which is used to internally fund exploration and development activities, service debt and pay dividends. This measure is widely used by investors and professional research analysts in the valuation, comparison, rating and investment recommendations of companies within the oil and gas exploration and production industry. Operating cash flow is not a measure of financial performance under GAAP and should not be considered as an alternative to cash flows from operating, investing, or financing activities as an indicator of cash flows, or as a measure of liquidity, or as an alternative to net income.

Note 2 - Capital expenditures represents cash additions to property and equipment, plus cash paid for acquisitions, plus seismic expenditures, delay rentals and other expenditures, and non-cash well accruals minus capitalized interest. Management believes capital expenditures provide useful information regarding the Company's capital program as a supplement to cash additions to property and equipment.

PENN VIRGINIA CORPORATION
GUIDANCE TABLE
(Dollars in millions except where noted)

Penn Virginia Corporation is providing the following guidance regarding financial and operational expectations for the fourth quarter and full year 2005.

| | Actual | | | | Guidance | | | | | |
|--|---------------|----------------|---------------|-------|----------------|---|-------|------------|---|-------|
| | First Quarter | Second Quarter | Third Quarter | YTD | Fourth Quarter | | | Full Year | | |
| | 2005 | 2005 | 2005 | 2005 | 2005 | | | 2005 | | |
| Oil & Gas Segment: | | | | | | | | | | |
| Production: | | | | | | | | | | |
| Natural gas (Bcf) - See Note a | 6.0 | 6.4 | 6.5 | 18.8 | 6.1 | - | 6.7 | 24.9 | - | 25.5 |
| Crude oil and condensate (Mbbbl) - See Note b | 85 | 76 | 69 | 230 | 55 | - | 60 | 285 | - | 290 |
| Equivalent production (Bcfe) | 6.4 | 6.9 | 6.9 | 20.2 | 6.5 | - | 7.0 | 26.6 | - | 27.2 |
| Equivalent daily production (MMcfe) | 71.2 | 75.8 | 75.0 | 74.0 | 70.2 | - | 76.4 | 73.0 | - | 74.5 |
| Expenses: | | | | | | | | | | |
| Direct expenses | \$ 7.8 | 9.7 | 9.9 | 27.4 | 12.5 | - | 13.9 | 39.9 | - | 41.3 |
| Exploration | \$ 7.7 | 17.9 | 6.0 | 31.6 | 7.5 | - | 8.3 | 39.1 | - | 39.9 |
| Depreciation, depletion and amortization (\$ per Mcfe) | \$ 1.66 | 1.69 | 1.66 | 1.67 | 1.58 | - | 1.68 | 1.64 | - | 1.68 |
| Capital Expenditures: | | | | | | | | | | |
| Development drilling | \$ 24.6 | 23.8 | 28.4 | 76.8 | 29.3 | - | 32.4 | 106.1 | - | 109.2 |
| Exploratory drilling | \$ 7.3 | 3.4 | 3.0 | 13.7 | 5.9 | - | 6.5 | 19.6 | - | 20.2 |
| Pipeline, gathering, facilities | \$ 3.6 | 1.1 | (0.8) | 3.9 | 2.9 | - | 3.2 | 6.8 | - | 7.1 |
| Seismic | \$ 4.9 | 1.2 | 0.8 | 6.9 | 1.1 | - | 1.2 | 8.0 | - | 8.1 |
| Lease acquisition, field projects and other | \$ 4.2 | 15.7 | 0.3 | 20.2 | 10.7 | - | 11.9 | 30.9 | - | 32.1 |
| Total Oil & Gas Capital Expenditures | \$ 44.6 | 45.2 | 31.7 | 121.5 | 50.0 | - | 55.3 | 171.5 | - | 176.8 |
| Coal Segment: | | | | | | | | | | |
| Coal royalty tons (millions) | 6.7 | 7.3 | 8.5 | 22.5 | 7.2 | - | 7.9 | 29.7 | - | 30.4 |
| Revenues: | | | | | | | | | | |
| Average royalty per ton | \$ 2.69 | 2.78 | 2.67 | 2.71 | 2.50 | - | 2.60 | 2.65 | - | 2.70 |
| Other | \$ 1.7 | 3.6 | 3.2 | 8.5 | 3.7 | - | 4.0 | 12.2 | - | 12.5 |
| Expenses: | | | | | | | | | | |
| Direct expenses | \$ 3.6 | 3.1 | 4.1 | 10.8 | 3.0 | - | 3.3 | 13.8 | - | 14.1 |
| Depreciation, depletion and amortization | \$ 3.9 | 4.3 | 5.3 | 13.4 | 4.4 | - | 4.8 | 17.8 | - | 18.2 |
| Capital Expenditures: | | | | | | | | | | |
| Coal segment acquisitions | \$ 9.3 | 15.4 | 80.8 | 105.5 | - | - | - | 105.5 | - | 105.5 |
| Coal segment other expenditures | \$ - | 4.3 | 0.6 | 4.9 | 4.7 | - | 5.7 | 9.6 | - | 10.6 |
| Total Coal Capital Expenditures | \$ 9.3 | 19.7 | 81.4 | 110.4 | 4.7 | - | 5.7 | 115.1 | - | 116.1 |
| Natural Gas Midstream Segment: see Note c | | | | | | | | | | |
| Inlet volumes (MMcf per day) - see Note d | 126 | 126 | 126 | 126 | 120 | - | 130 | 124 | - | 127 |
| Expenses: | | | | | | | | | | |
| Direct expenses | \$ 1.3 | 5.5 | 4.9 | 11.7 | 4.5 | - | 5.0 | 16.2 | - | 16.7 |
| Depreciation, depletion and amortization | \$ 1.2 | 3.7 | 3.9 | 8.8 | 3.5 | - | 3.9 | 12.3 | - | 12.7 |
| Capital Expenditures: | | | | | | | | | | |
| Midstream segment acquisitions, net of cash acquired | \$ 195.7 | 2.3 | 1.1 | 199.1 | - | - | - | 199.1 | - | 199.1 |
| Midstream segment other expenditures | \$ 0.3 | 1.3 | 3.1 | 4.7 | 1.6 | - | 2.3 | 6.3 | - | 7.0 |
| Total Midstream Capital Expenditures | \$ 196.0 | 3.6 | 4.2 | 203.8 | 1.6 | - | 2.3 | 205.4 | - | 206.1 |
| Corporate and Other: | | | | | | | | | | |
| General and administrative expense | \$ 2.1 | 2.8 | 2.6 | 7.6 | 2.4 | - | 2.6 | 10.0 | - | 10.2 |
| Interest expense: | | | | | | | | | | |
| PVA average long-term debt outstanding | \$ 75.3 | 83.3 | 92.8 | 83.8 | 83.5 | - | 92.2 | 79.6 | - | 87.9 |
| PVA net interest rate | 4.7% | 5.3% | 5.9% | 5.3% | 5.5% | - | - | 5.4% | - | - |
| Percentage capitalized - see Note e | 75% | 66% | 81% | 72% | 55% | - | 70% | 55% | - | 70% |
| PVR average long-term debt outstanding | \$ 134.8 | 205.3 | 248.2 | 195.2 | 252.8 | - | 263.2 | 202.8 | - | 211.1 |
| PVR net interest rate assumed | 5.0% | 5.5% | 5.8% | 5.8% | 6.5% | - | - | 6.5% | - | - |
| Minority interest in PVR - see Note f | \$ (1.7) | 10.2 | 15.9 | 24.5 | see Note f | | | see Note f | | |
| Income tax rate - see Note g | 41% | 39% | 39% | 40% | 39% | | | 39% | | |
| Other capital expenditures | \$ - | 0.1 | 0.1 | 0.2 | 0.2 | - | 0.4 | 0.4 | - | 0.6 |

These estimates are meant to provide guidance only and are subject to change as the operating environment of the Company changes.

See Notes on following page.

PENN VIRGINIA CORPORATION
GUIDANCE TABLE
(Dollars in millions except where noted)

Notes to Guidance Table:

- a - The oil and gas segment's natural gas hedging positions as of 9/30/05 are summarized below:

| | Average Mmbtu Per Day | Weighted Average Price per Mmbtu | |
|---------------------|-----------------------------|----------------------------------|----------|
| | | Collars | |
| | | Floor | Ceiling |
| Fourth Quarter 2005 | 32,315 | \$ 6.09 | \$ 9.23 |
| First Quarter 2006 | 31,344 | \$ 6.66 | \$ 10.64 |
| Second Quarter 2006 | 18,330 | \$ 5.82 | \$ 10.27 |
| Third Quarter 2006 | 12,000 | \$ 6.83 | \$ 10.28 |
| Fourth Quarter 2006 | 10,011 | \$ 7.46 | \$ 12.78 |
| First Quarter 2007 | 5,000 | \$ 9.00 | \$ 18.60 |

The costless collar natural gas prices per Mmbtu per quarter include the effects of basis differentials, if any, that may be hedged.

- b - The oil and gas segment's oil hedging positions as of 9/30/05 are summarized below:

| | Average Bbbls Per Day | Weighted Average Price per Bbl | |
|---------------------------------------|-----------------------------|--------------------------------|----------|
| | | Collars | |
| | | Floor | Ceiling |
| Fourth Quarter 2005 | 200 | \$ 42.00 | \$ 47.75 |
| First Quarter 2006 (Jan and Feb only) | 200 | \$ 42.00 | \$ 47.75 |

- c - Actual results and full year guidance include the natural gas midstream segment from the date of the Cantera Acquisition in March 2005.

- d - The natural gas midstream segment's natural gas liquids, natural gas and oil hedging positions as of 9/30/05 are summarized below:

| | Average Volume Per Day | Weighted Average Price |
|---|------------------------------|------------------------------|
| <u>Ethane Swaps</u> | (gallons) | (per gallon) |
| Fourth Quarter 2005 - Fourth Quarter 2006 | 68,800 | \$ 0.4770 |
| First Quarter 2007 - Fourth Quarter 2007 | 34,440 | \$ 0.5050 |
| First Quarter 2008 - Fourth Quarter 2008 | 34,440 | \$ 0.4700 |
| <u>Propane Swaps</u> | (gallons) | (per gallon) |
| Fourth Quarter 2005 - Fourth Quarter 2006 | 52,080 | \$ 0.7060 |
| First Quarter 2007 - Fourth Quarter 2007 | 26,040 | \$ 0.7550 |
| First Quarter 2008 - Fourth Quarter 2008 | 26,040 | \$ 0.7175 |
| <u>Crude Oil Swaps</u> | (Bbbls) | (per Bbl) |
| Fourth Quarter 2005 - Fourth Quarter 2006 | 1,100 | \$ 44.45 |
| First Quarter 2007 - Fourth Quarter 2007 | 560 | \$ 50.80 |
| First Quarter 2008 - Fourth Quarter 2008 | 560 | \$ 49.27 |
| <u>Natural Gas Swaps</u> | (Mmbtu) | (per Mmbtu) |
| Fourth Quarter 2005 - Fourth Quarter 2006 | 7,500 | \$ 7.05 |
| First Quarter 2007 - Fourth Quarter 2008 | 4,000 | \$ 6.97 |

- e - The Company capitalizes a portion of interest expense incurred to recognize the carrying cost of certain unproved properties as required by accounting principles generally accepted in the United States.

- f - Penn Virginia owns 39 percent of Penn Virginia Resource Partners, L.P. (PVR). Minority interest reflects the remaining 61 percent owned by parties other than Penn Virginia.

- g - Deferred federal and state income taxes are expected to comprise approximately 60% to 70% of the Company's income tax expense for the full year.