

PETROFALCON CORPORATION

FOR IMMEDIATE RELEASE

TSX: PFC

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PETROFALCON CORPORATION ANNOUNCES CLOSING OF BOUGHT DEAL FINANCING

March 18, 2004 - PetroFalcon Corporation (the "Corporation") is pleased to announce that it has closed its previously announced bought deal financing with the underwriting syndicate led by Orion Securities Inc. and including Dundee Securities Corporation. The financing consisted of the issuance of an aggregate of 10,240,000 Special Warrants at a price of \$2.20 per special warrant raising gross proceeds of CDN\$22,528,000.

Each special warrant shall be exercisable, without payment of additional consideration, for one common share of the Corporation. The special warrants will be exercisable by the holders thereof at any time, and will convert automatically with no further action required by the holder thereof, upon the earlier of : (i) receipt of confirmation in writing to Orion Securities Inc. ("Orion") that new Multilateral Instrument 45-102 ("New 45-102") has come into effect; and (ii) 5:00 p.m. (Calgary time) on the fifth business day after a final receipt is issued by the last of the relevant securities regulators in each jurisdiction where New 45-102 is not in effect on March 30, 2004 for a prospectus qualifying the distribution of the common shares to be issued upon the exercise of the special warrants.

If New 45-102 is not in effect and a final prospect for a prospectus qualifying the issuance of the common shares to be issued upon exercise of the special warrants has not been issued by the relevant securities regulators within 120 days of closing of the private placement, each holder of special warrants will be entitled to receive 1.1 common shares of the Corporation, without payment of additional consideration.

Proceeds from this offering will be used to fund expenditures toward the acquisition, exploration and development of petroleum and natural gas reserves in Venezuela and to reduce bank indebtedness.

PetroFalcon Corporation is a natural resource company currently engaged in oil and gas operations in Venezuela through its wholly-owned subsidiary, Vincler Oil and Gas Corporation.

The Toronto Stock Exchange does not accept responsibility for the adequacy or accuracy of this release.

For further information please contact:

Clancy Cottman, PetroFalcon Corporation - Tel: (805) 684 - 1399