

PETROFALCON CORPORATION

FOR IMMEDIATE RELEASE

TSX: "PFC"

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PETROFALCON ANNOUNCES BOUGHT DEAL FINANCING

March 3, 2004 - PetroFalcon Corporation (the "Corporation"), is pleased to announce that it has entered into an agreement with an underwriting syndicate led by Orion Securities Inc. ("Orion") and including Dundee Securities Corporation to issue 9,100,000 special warrants of the Corporation at a price of \$2.20 per special warrant, on a bought deal basis, for total gross proceeds of \$20,020,000. Orion will also receive an option to increase the size of the offering by up to an additional 2,400,000 special warrants for a total of 11,500,000 special warrants for total proceeds of \$25,300,000, if exercised.

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 that new Multilateral Instrument 45-102 ("New 45-102") has come into effect; and (ii) at 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 receipt 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 received 1.1 common shares of the Corporation, without payment of additional consideration.

Closing of the private placement is scheduled for March 18, 2004. The transaction is subject to the receipt of all necessary regulatory and stock exchange approvals.

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, Vinccler 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:

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