



*Building Value in Venezuela*

FOR IMMEDIATE RELEASE

**PETROFALCON CORPORATION: VINCCLER OIL AND GAS, C.A. ANNOUNCES FINAL EQUITY CONVERSION BY INTERNATIONAL FINANCE CORPORATION**

CARACAS, December 11, 2006 - Vinccler Oil and Gas, C.A. (“Vinccler Venezuela”), the wholly-owned subsidiary of PetroFalcon Corporation (“PetroFalcon”), announced today that the International Finance Corporation (“IFC”), the private sector arm of the World Bank, has provided notice pursuant to the terms of the Vinccler C Loan Agreement of its intention to convert the remaining US\$4 million of its outstanding loan into common shares of PetroFalcon.

Juan Francisco Clerico, PetroFalcon’s Chairman and CEO, said, “We are pleased to announce the conversion of the IFC’s remaining loan amount into PetroFalcon equity. This significantly improves our balance sheet, and it solidifies the World Bank/IFC as a strong equity partner in PetroFalcon’s future growth.”

The IFC will receive shares of PetroFalcon at the weighted average share price over the previous twenty trading days. When the conversion is complete, the IFC will have converted the entire original loan amount of US\$12 million disbursed in 2005. As a result, Vinccler Venezuela will have zero long-term debt, and the IFC will own approximately 10% of PetroFalcon’s basic common shares outstanding.

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, C.A., which owns 40% of PetroCumarebo, S.A., a joint venture with Petróleos de Venezuela, S.A. The common shares of PetroFalcon trade on the Toronto Stock Exchange under the symbol “PFC”.

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Forward-looking statements: Except for statements of historical fact, all statements in this press release, without limitation, regarding new projects, acquisitions, future plans and objectives are forward-looking statements that involve risks and uncertainties. There can be no assurance that such statements will prove to be accurate; actual results and future events could differ materially from those anticipated in such statements.