



Building Value in Venezuela

PRESS RELEASE

PetroFalcon Begins Natural Gas Deliveries from La Vela

August 29, 2007, Caracas, Venezuela – PetroFalcon Corporation (“PetroFalcon”) (TSX: PFC), a publicly-traded natural resource company with oil and gas operations in Venezuela, announced that its 40%-owned joint venture, PetroCumarebo, S.A. (“PetroCumarebo”), commenced natural gas production from the La Vela Field in the East Falcon Block.

PetroCumarebo is delivering 10 million cubic feet of natural gas per day (“mmcf/d”) from the La Vela Field into PDVSA’s Interconnection Centro Occidente (“ICO”) pipeline, which transports the natural gas to the nearby Paraguana Refinery Complex.

PetroFalcon’s President, William Gumma, said, “The opening of PDVSA’s ICO pipeline from La Vela will allow PetroCumarebo to test wells recently completed in the area. We look forward to increasing production of oil and natural gas.”

Due to the ICO pipeline closure on December 6, 2006, PetroCumarebo still has approximately 12 mmcf/d and 150 barrels of oil per day (“bbls/d”) shut-in from the Cumarebo Field in the East Falcon Block. Management has been advised that deliveries to the ICO pipeline from the Cumarebo Field are expected to resume in the fourth quarter of 2007.

PetroFalcon Corporation is a natural resource company with oil and gas operations in Venezuela. Through its wholly-owned subsidiary, Vinccler Oil and Gas, C.A., PetroFalcon owns 40% of PetroCumarebo, S.A., a joint venture with Petróleos de Venezuela, S.A. (“PDVSA”), the Venezuelan state-owned oil and gas company. Subject to government approval, PetroFalcon is acquiring 30% of the offshore natural gas license for the Cardon III Block in the Gulf of Venezuela where Chevron Corporation is operator and majority partner. Subject to government approval and all required regulatory approvals, PetroFalcon is also acquiring Lundin Latina de Petróleos, S.A., which owns 5% of Baripetrol, S.A., a joint venture between PDVSA, Tecpetrol and Perenco. PetroFalcon is listed on the Toronto Stock Exchange (ticker symbol “PFC”) and has existing proven and probable reserves before royalties of 36 million barrels of oil equivalent (mmboe) as of January 1, 2007.

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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.