



Building Value in Venezuela

FOR IMMEDIATE RELEASE

PetroFalcon Corporation Announces New Vice Chairman and CFO

Caracas, December 26, 2006 - PetroFalcon Corporation (“PetroFalcon” or the “Corporation”), a publicly traded natural resource company (TSX: PFC) with oil and gas operations in Venezuela, announced today the appointment of Clarence Cottman, the Corporation’s previous Chief Financial Officer, as Vice Chairman of the Corporation. Garrett Soden, PetroFalcon’s previous Corporate Development Manager, has been promoted to CFO, effective immediately.

Juan Francisco Clerico, the Corporation’s Chairman and CEO, said, “We are pleased to announce the internal promotions of our finance team. In his new role as Vice Chairman, Clancy will be focused on strategically positioning PetroFalcon in the years ahead. As a founder and initial investor, he has been integral to growing PetroFalcon’s business. We are fortunate to have a strong asset like Garrett succeeding Clancy full-time in Venezuela.”

Vice Chairman: Mr. Cottman has more than 25 years of oil and gas experience working at both major and independent energy firms. He began his career at Sun Company and was later an executive officer of Benton Oil and Gas Company. He has negotiated numerous oil and gas ventures, both in the United States and abroad. In addition, Mr. Cottman has arranged multiple debt and equity financings, including pioneering projects in Russia and Venezuela. Mr. Cottman just finished a two and a half year assignment based in Caracas as PetroFalcon’s CFO, and he will continue to be actively involved from the Corporation’s technical office in Carpinteria, California.

Chief Financial Officer: Mr. Soden has valuable experience in the finance and energy industries, as well as living and working in emerging markets. He started his career in the mergers and acquisitions group at Salomon Brothers in New York. Afterwards, Mr. Soden managed private equity investments in Czech Republic, Russia, Ukraine and Silicon Valley. He was then Senior Policy Advisor on oil and gas markets for the U.S. Secretary of Energy. Prior to joining PetroFalcon as Corporate Development Manager, Mr. Soden was an equity research analyst covering oil and gas exploration and production companies for Lehman Brothers in New York. He holds a Bachelor of Science degree from the London School of Economics and a Master of Business Administration from Columbia Business School.

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. (PDVSA), the Venezuelan state oil company. 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.