



Building Value in Venezuela

PRESS RELEASE

PetroFalcon Corporation: Vinccler Oil and Gas, C.A. Confirms Oil and Gas Accumulation and Provides Update on ICO Pipeline

Caracas, December 29, 2006 - Vinccler Oil and Gas, C.A. (“Vinccler Venezuela”), the wholly-owned subsidiary of PetroFalcon Corporation (“PetroFalcon” or the “Corporation”) (TSX: PFC), announced today that its 40%-owned joint venture, PetroCumarebo, S.A. (“PetroCumarebo”), confirmed the presence of oil and gas reservoirs with the LV-11 development well. PetroCumarebo subsequently suspended drilling operations and is in the process of skidding the rig for a re-drill of the well using a slightly modified drilling design. PetroCumarebo is a joint venture between Vinccler Venezuela and Petróleos de Venezuela, S.A. (“PDVSA”), the Venezuelan state oil company.

The LV-11 well was successfully drilled to a total planned depth of 3,120 feet on December 22nd and, according to mud logs taken while drilling, encountered thicker than expected oil and gas reservoirs in a structural position approximately 120 feet high to the producing LV-10 discovery well. However, high permeability zones encountered below the surface casing at 600 feet caused a loss of mud and increased gas pressure at the well head.

PetroFalcon President William Gumma said, “The LV-11 well confirmed both our structural interpretation and the continued presence of oil and gas reservoirs. PetroCumarebo has more development drilling to do here in La Vela, and it is very important to optimize the drilling design early. We plan to set 9 and 5/8 inch surface casing to a depth of 1,220 feet in future wells for better results.”

The LV-11 re-drill is expected to spud Saturday, December 30th.

Vinccler Venezuela also announced an update on recent repairs to PDVSA’s Interconnection Centro Occidente (“ICO”) natural gas pipeline. PetroCumarebo injects natural gas into the ICO pipeline in order to make deliveries to the nearby Paraguana Refinery Complex. On December 6th, the ICO pipeline experienced a joint rupture, which caused the closure of the pipeline. As a result, part of PetroCumarebo’s natural gas production is temporarily shut-in, but its facilities are unaffected.

The temporary shut-in of natural gas deliveries from PetroCumarebo's East Falcon fields is expected to last for approximately two months. Current gross shut-in production at the Cumarebo Field is approximately 8 million cubic feet of natural gas per day and 150 barrels of oil per day (40% net to Vinccler Venezuela).

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.