

PRESS RELEASE

PetroFalcon Corporation Announces LV-12 Test Results and Operations Update

Caracas, March 21, 2007 - PetroFalcon Corporation (TSX: PFC) announced today that its 40%-owned joint venture, PetroCumarebo, successfully tested the LV-12 development well at a rate of 5 million cubic feet of natural gas per day (“mmcf/d”). The well is located in the La Vela Field on the East Falcon Block in Venezuela. PetroFalcon also announced an update on drilling operations in the La Vela Field, as well as the commencement of workover operations in the West Falcon Block.

LV-12 Well Test

The LV-12 well was successfully drilled to a total planned depth of 3,167 feet on January 13, 2007, and, according to wireline logs, encountered 136 feet of net hydrocarbon sands in the Caujarao and Socorro formations. After construction of the flowline and connection to the trunkline, the well was perforated from 2,460 to 2,584 feet in the middle Miocene Socorro formation and tested at a rate of 5 mmcf/d with a flowing tubing pressure of 1,000 psig on a half-inch choke. There is an additional 102 feet of potential shallow oil and gas reservoirs that remains to be tested in the upper Socorro formation and in the still shallower Caujarao formation.

William Gumma, PetroFalcon’s President, said, “We are pleased to announce confirmation of La Vela’s shallow reservoir potential with the completion and testing of the first well successfully drilled by PetroCumarebo, our joint venture with PDVSA. The testing of LV-12 is a major operational milestone for PetroCumarebo, and we look forward to increasing production soon through PetroCumarebo’s development drilling and workover program.”

La Vela Drilling Update

The LV-13 well, planned as a deviated J-shape well from La Vela Platform-A, was abandoned after a blowout of shallow gas occurred at 696 feet on January 25, 2007. PetroFalcon expects to recover its 40% cost for LV-13 from its well control insurance policy. After abandoning LV-13, PetroCumarebo moved the rig to La Vela Platform-B and began drilling the second 4-well cluster, starting with LV-14. Changes in casing design and drilling procedures and equipment upgrades on the drilling rig were made prior to the spudding of LV-14 in order to reduce operational difficulties caused by the presence of shallow gas.

The LV-14 well was successfully completed to a depth of 3,168 feet on March 12, 2007, and was found to be 67 feet high to the LV-12 well at the top of the Socorro formation. According to wireline logs, the well encountered 98 feet of hydrocarbon bearing sands in the Caujarao and Socorro formations, including 27 feet in the middle Socorro reservoir already found in LV-12, thereby confirming the potential of the Socorro section in the area. The rest of the pay zones were found in upper Socorro and Caujarao formations, which have not been tested yet in the area and represent added potential for oil and gas development in the La Vela Field. The well has been completed mechanically and will be tested shortly.

PetroCumarebo is now drilling LV-15, the second development well scheduled in the La Vela Platform-B cluster.

West Falcon Workover Campaign

At the West Falcon Block, PetroCumarebo recently began a workover and maintenance campaign by contracting a 400 HP workover rig. Operations started with down-hole pump replacements in the TIG-29 and TIG-25 wells, adding 100 barrels per day of oil (“bbls/d”), and with new zone perforation in the MON-18 well, adding 40 bbls/d.

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., 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. PetroFalcon, through Vinccler Oil and Gas, is also acquiring, subject to government approval, 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. The common shares of PetroFalcon trade on the Toronto Stock Exchange under the symbol “PFC”.

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