

PRESS RELEASE

PetroFalcon Releases Third Quarter 2007 Interim Financial Statements and Operations Update

November 12, 2007, Caracas, Venezuela – PetroFalcon Corporation (“PetroFalcon” or the “Corporation”) (TSX: PFC), a publicly traded natural resource company with oil and gas operations in Venezuela, released its interim consolidated financial statements and related management discussion and analysis (“MD&A”) for the three and nine months ended September 30, 2007, and 2006.

For the three months ended September 30, 2007, the Corporation reported a net income of US\$1.3 million (earnings per share of US\$0.01) compared to a net loss of US\$1.3 million (loss per share of US\$0.02) for the three months ended September 30, 2006. For the nine months ended September 30, 2007, the Corporation reported a net loss of US\$4.3 million (loss per share of US\$0.05) compared to a net loss of US\$4.2 million (loss per share of US\$0.05) for the nine months ended September 30, 2006. The Corporation’s MD&A contains a detailed analysis of the periods discussed.

Juan Francisco Clerico, the Corporation’s Chairman and CEO, said, “We are pleased to report positive earnings for the third quarter of 2007. Our joint venture, PetroCumarebo, has now been paid by PDVSA for the majority of its oil production invoices. We look forward to receiving Ministry approval to close the Lundin transaction.”

PetroCumarebo Payments

PetroFalcon has recognized its proportional share of revenues for the value of oil and gas delivered by PetroCumarebo to PDVSA during the periods following the execution of the Conversion Contract.

PetroCumarebo was not able to invoice PDVSA until March 29, 2007, for oil production delivered April to December 2006 (an amount totaling approximately US\$12.3 million net of royalties). PetroCumarebo subsequently delivered invoices to PDVSA for the six months of oil production from January to June 2007 (totaling approximately US\$5.6 million net of royalties). As of November 9, 2007, PetroCumarebo has been paid by PDVSA for all oil production delivered through May 2007.

PetroCumarebo has still not yet invoiced PDVSA for natural gas production delivered since April 2006 (an amount expected to equal approximately US\$2.3 million net of royalties as of September 30, 2007), because it has not yet received confirmation from the

Venezuelan Ministry of Energy and Petroleum (“MEP”) for the natural gas volumes delivered.

Management does not have any information as to the expected timing of these invoices and payments, but PetroCumarebo does expect to be paid by PDVSA for all oil and natural gas delivered. Once the initial invoicing process is complete and a regular procedure has been established, PetroCumarebo expects to be paid for its backlog of invoices and will proceed to invoice PDVSA for oil and natural gas deliveries on a monthly basis going forward.

ICO Pipeline Update

PetroCumarebo delivers natural gas into PDVSA’s Interconnection Centro Occidente (“ICO”) natural gas pipeline, which then transports the natural gas to the nearby Paraguana Refinery Complex. On December 6, 2006, PDVSA closed the ICO pipeline section leading to PetroCumarebo’s East Falcon Block. As a result, approximately half of PetroCumarebo’s natural gas production is temporarily shut-in, but its wells and facilities are unaffected. In August 2007, PetroCumarebo began delivering natural gas from the La Vela Field into the ICO pipeline. Management has been advised that deliveries from the Cumarebo Field are expected to begin by the end of 2007.

As a result of the ICO pipeline repairs, PetroCumarebo now has approximately 12 million cubic feet of natural gas per day (“mmcf/d”) and 150 barrels of oil per day (“bbls/d”), or 2,150 barrels of oil equivalent per day (“boe/d”), shut-in from the East Falcon Block, 40% net to PetroFalcon being approximately 5 mmcf/d and 60 bbls/d, or 860 boe/d.

PetroCumarebo Operations

During the third quarter of 2007, PetroCumarebo continued drilling with the Pride 421 900 HP rig. Since beginning drilling operations in November 2006, PetroCumarebo has drilled eleven wells, completed eight, produced five and will complete another well (LV-21) shortly. PetroCumarebo expects to test three wells (LV-19, LV-20 and LV-21) before the end of November.

The current gross production of PetroCumarebo is approximately 1,200 bbls/d of oil and 10 mmcf/d of natural gas, or 2,865 boe/d, with an additional 150 bbls/d and 12 mmcf/d, or 2,150 boe/d, shut-in due to PDVSA’s ICO pipeline closure. Depending on the results of PetroCumarebo’s drilling program and the timing of repairs to the ICO pipeline in Cumarebo, PetroCumarebo’s 2007 revised budget of US\$30 million is estimated to significantly increase production for the East Falcon and West Falcon blocks to approximately 2,000 bbls/d and 24 mmcf/d, or 6,000 boe/d (40% net to PetroFalcon being 800 bbls/d and 10 mmcf/d, or 2,400 boe/d).

SEDAR

PetroFalcon has filed its interim consolidated financial statements and related MD&A for the three and nine months ended September 30, 2007, with Canadian securities regulatory authorities on the System for Electronic Document Analysis and Retrieval (“SEDAR”). Copies of the financial statements and related MD&A of PetroFalcon for the three and nine months ended September 30, 2007, and 2006, may be accessed electronically on SEDAR at www.sedar.com or at www.petrofalcon.com.

About PetroFalcon

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, 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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Cautionary Statement Regarding Forward-Looking Information

Except for statements of historical fact, all statements in this press release, without limitation, regarding PetroCumarebo, joint ventures, new projects, forecasted production, future plans, objectives and results constitute forward-looking information within the meaning of applicable Canadian securities legislation, which involve risks, uncertainties and assumptions, many of which are beyond our control. All such forward-looking information is based on certain assumptions and analyses made by us in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors we believe are appropriate in the circumstances. Actual results, performance or achievements could differ materially from those expressed in, or implied by, such forward-looking information and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking information will transpire or occur, or if any of them do so, what benefits will be derived there from. Except as required by law, PetroFalcon Corporation and its subsidiaries expressly disclaim any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise. The forward-looking information contained herein is expressly qualified by this cautionary statement.