



*Building Value in Venezuela*

FOR IMMEDIATE RELEASE

NOT FOR DISTRIBUTION TO U.S. NEWSWIRE SERVICES OR FOR DISSEMINATION IN THE UNITED STATES. ANY FAILURE TO COMPLY WITH THIS RESTRICTION MAY CONSTITUTE A VIOLATION OF U.S. SECURITIES LAW.

**VINCCLER OIL AND GAS, C.A. ANNOUNCES SIGNING MEMORANDUM OF UNDERSTANDING REGARDING OIL AND NATURAL GAS RIGHTS**

April 3, 2006, Caracas, Venezuela - Vinccler Oil and Gas, C.A. (“Vinccler”), a wholly owned subsidiary of PetroFalcon Corporation, is pleased to announce that it has reached an understanding with the Venezuelan government with respect to its oil and natural gas operating rights in Venezuela.

Vinccler has signed a memorandum of understanding with Petróleos de Venezuela and Corporación Venezolana del Petróleo to form an Empresa Mixta joint venture with respect to the East Falcon and West Falcon blocks covering 900,000 acres in Northwestern Venezuela. Vinccler will hold a 40% ownership interest in the Empresa Mixta which in turn will hold all operating rights associated with the East and West Falcon blocks. Vinccler will be responsible for its pro rata share of the royalty rate of 33.3% and income tax rate of 50% applicable to the Empresa Mixta. The term of the Empresa Mixta will be 20 years.

The execution of the memorandum of understanding converts Vinccler’s interests in the East and West Falcon blocks into a single development entity and gives the Empresa Mixta the exclusive right to produce and sell oil and associated natural gas from the blocks. The Empresa Mixta will be awarded a natural gas license to produce and sell non-associated natural gas at the same royalty and income tax rates.

Vinccler will be working with Corporación Venezolana del Petróleo to approve a four-year business plan for the Empresa Mixta to include capital expenditures of US\$168 million in expectation of reaching production of 24,000 barrels of oil equivalent per day by 2008. Petróleos de Venezuela and Corporación Venezolana del Petróleo have approved the 2006 budget of \$31 million which is expected to increase production from present levels of 1,600 BOED to 7,000 BOED by the fourth quarter of 2006.

Juan Francisco Clerico, Chairman and CEO of PetroFalcon stated: “We are pleased to be partners with PDVSA, the world’s third largest state oil company, and now working together to pursue new upstream opportunities in Venezuela.”

Vinccler is a natural resources company currently engaged in oil and gas operations in Venezuela and is the operating company and wholly-owned subsidiary of PetroFalcon Corporation, a Toronto Stock Exchange listed company trading under the symbol “PFC”.

For further information please contact:

Juan Francisco Clerico

Chief Executive Officer

Maria Alejandra Sosa

Corporate Development

011 (58) (212) 263-9164 (phone)

011 (58) (212) 266-8830 (fax)

***Cautionary Statement regarding Forward-Looking Information***

*Except for statements of historical fact, all statements in this press release, without limitation, regarding the Empresa Mixta, 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 therefrom. 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.*