



*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.

**PETROFALCON CORPORATION'S VINCCLER OIL AND GAS, C.A. ANNOUNCES FINALIZATION AND SIGNATURE OF GAS ADDENDUM**

CARACAS, VENEZUELA, May 27, 2005 — PetroFalcon Corporation's wholly owned subsidiary, Vinccler Oil and Gas, C.A. ("Vinccler" or the "Corporation") announced today that the Gas Addendum (the "Addendum") with Corporacion Venezolana de Petroleo ("CVP"), a subsidiary of PDVSA, has been fully executed. The Addendum provides for the production of up to 249 billion cubic feet of gas and eleven million barrels of liquids from the Cumarebo and La Vela fields, both located in Falcon State, western Venezuela. Vinccler will be paid US\$ 1.33 per mcf for gas which will be delivered into PDVSA's Interconexión Centro-Occidente gas pipeline (the "ICO pipeline") and the Maximum Total Fee ("MTF") under the East Falcon Operating Service Agreement ("operating service agreement") for the liquids. The MTF is approximately 61% of the price of West Texas Intermediate crude oil.

Juan Francisco Clerico, Chairman and Chief Executive Officer, stated, "Vinccler is very pleased with the successful conclusion to the negotiations with the Ministry of Energy and Petroleum and PDVSA resulting in the signing of the Gas Addendum. Vinccler intends to actively continue sourcing investment opportunities and growing its business in Venezuela".

The ICO pipeline is currently being constructed and Vinccler expects to begin delivering gas later this year. Vinccler has agreed to start negotiations with PDVSA to convert the operating service agreement and the Addendum into an "Empresa Mixta" and/or Gas License as management believes it is currently in the best interest of the Corporation.

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.

The common shares of the Corporation trade on the Toronto Stock Exchange under the symbol “PFC”.

*The Toronto Stock Exchange does not accept any responsibility for the adequacy or accuracy of this release.*

For further information please contact:

Juan Francisco Clerico, 58 212 263 9164

Maria Alejandra Sosa, 58 212 263 9164 (ext. 103)

*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 which 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.*