



Building Value in Venezuela

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VINCCLER OIL AND GAS, C.A. ANNOUNCES UPDATE ON WELL TESTING OPERATIONS AND FACILITIES CONSTRUCTION AT EAST FALCON UNIT

CARACAS, VENEZUELA, August 17, 2005 — PetroFalcon Corporation's wholly-owned subsidiary Vinccler Oil and Gas, C.A. ("Vinccler" or the "Corporation") announced today the results of well testing and an update on construction of gas processing facilities at the La Vela Field. Vinccler drilled two new wells, the LV-9 and LV-10 wells, at the La Vela Field in 2005 and recently began production testing of these wells and the LV-7X well. In addition, construction is underway for gas processing facilities at the La Vela Field.

Vinccler perforated a twelve foot interval in the Pedregoso formation from 6804-6958 feet in the LV-7X well. On a one-half inch choke the well production tested 5.5 million cubic feet of gas per day ("mmcfgd") and 210 barrels of oil per day ("bopd"), with 1200 pounds per square inch ("psi") flowing tubing pressure. Initial completion operations at the LV-9 well were made in the Agua Clara formation where Vinccler perforated a 79 foot interval between 3885-3964 feet. One week of testing indicated productive capability in excess of 300 bopd. Vinccler intends to produce the well utilizing artificial lift to ensure stable production rates. An additional interval in the Agua Clara formation at 3694-3754 feet remains to be tested in the LV-9 well. At the LV-10 well, Vinccler perforated a 107 foot interval in the Pedregoso formation from 7280-7612 feet. Results indicated a production rate of 360 bopd and 1 mmcfgd with 280 psi flowing tubing pressure. In as much as log interpretations suggest better quality zones remain to be tested in LV-10, completion operations will continue on over 144 net feet of apparent pay in the Pedregoso, Socorro and Caujarao formations. The Corporation believes that LV-10 will add a significant number of new oil and gas development locations. Vinccler has a portfolio of approved drilling locations, and intends to resume drilling operations in the Cumarebo and La Vela fields in the fourth quarter of 2005.

Production facilities and a gathering system are currently being constructed at the La Vela Field. These facilities will have a capacity of 20 mmcfgd and 5,000 bopd. Completion of this work and initial gas sales into the 30 inch ICO gas pipeline, currently under

construction by PDVSA Gas, are expected in late October. Vinccler expects to commence gas production at the Cumarebo Field in late 2005 or early 2006, subject to completion of PDVSA's ICO gas pipeline to the field.

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 PetroFalcon 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.

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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 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.