



Building Value in Venezuela

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VINCCLER OIL AND GAS, C.A. ANNOUNCES SIGNING AND DISBURSEMENT OF A LOAN FACILITY WITH INTERNATIONAL FINANCE CORPORATION

CARACAS, VENEZUELA, June 27, 2005 - PetroFalcon Corporation's wholly owned subsidiary, Vinccler Oil and Gas, C. A. ("Vinccler" or the "Corporation") announced today the closing and full disbursement of a US\$ 12 million loan ("C Loan") with the International Finance Corporation ("IFC"), the commercial arm of the World Bank. The funds will be used to accelerate development of the East Falcon Block in Venezuela. The loan is for a term of six years maturing in 2011. The interest rate is six month LIBOR plus 1% and income participation up to an additional 10% per annum payable out of 3% of Vinccler's cash flow. The C Loan is the initial portion of a larger lending transaction for up to an aggregate US\$36 million contemplated by the common terms agreement dated June 24, 2005 between Vinccler and IFC. It is currently contemplated that the parties will enter into additional documentation shortly. Subsequent to the closing of the C Loan, in accordance with the provisions of the terms of the transaction, the IFC provided notice of its intention to convert US\$ 4 million of the loan into 2,078,273 common shares of PetroFalcon Corporation at a price of approximately CDN\$2.36 per share which was calculated on a weighted average over the past 20 trading days.

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 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.

