

PRESS RELEASE

**PetroFalcon Corporation Announces LV-14 Test Results and Increased Oil Production**

July 26, 2007, Caracas, Venezuela – PetroFalcon Corporation (“PetroFalcon” or the “Corporation”) (TSX: PFC), a publicly-traded natural resource company with oil and gas operations in Venezuela, announced today that its 40%-owned joint venture, PetroCumarebo, S.A. (“PetroCumarebo”), successfully tested the LV-14 development well at a rate of 300 barrels of oil per day (bopd) with a very low gas/oil ratio (GOR). The well is located in the La Vela Field on the East Falcon Block in Venezuela.

As previously announced, the LV-14 well was successfully drilled to a depth of 3,168 feet on March 12, 2007. LV-14 was found to be 67 feet high to the LV-12 well at the top of the Socorro formation. The well encountered 98 feet of hydrocarbon bearing sands in the Caujarao and Socorro formations, including 27 feet in the middle Socorro reservoir already found in LV-12. The rest of the pay zones were found in the upper Socorro and Caujarao formations, which had not yet been tested in the area and represent added potential for oil and gas development in the La Vela Field.

After construction of the flowline and connection to the trunkline, the well was perforated from 2,236 feet to 2,260 feet and from 2,310 feet to 2,316 feet in the base of the Caujarao formation. The well was tested for two weeks at a rate of 300 bopd with a flowing tubing pressure of 50 psig on a one-inch choke.

PetroFalcon’s President, William Gumma, said, “We are pleased to announce the completion and testing of another successful well drilled by PetroCumarebo, our joint venture with PDVSA. LV-14 confirms the potential of the Caujarao and Socorro shallow formations discovered by LV-10 in September 2005, and it increases gross oil production by one-third to 1,200 barrels per day. We look forward to testing five more wells soon.”

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. 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.

For further information please contact:

Garrett Soden – Chief Financial Officer

Telephone: +(58) (212) 263-9164 x510

Facsimile: +(58) (212) 266-8830

*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 that 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.*