



Building Value in Venezuela

PRESS RELEASE

PetroFalcon Releases First Quarter 2008 Interim Financial Statements and Operations Update

May 14, 2008, Caracas, Venezuela – PetroFalcon Corporation (“PetroFalcon” or the “Company”) (TSX: PFC) today released its interim consolidated financial statements and related management discussion and analysis (“MD&A”) for the three months ended March 31, 2008, and 2007.

For the three months ended March 31, 2008, the Company reported a net loss of US\$1.7 million (loss per share of US\$0.01) compared to a net loss of US\$0.8 million (loss per share of US\$0.01) for the three months ended March 31, 2007. The reported loss is primarily due to the Company’s adoption of the cost method of accounting. Under the cost method, PetroFalcon does not recognize income from its oil and gas investments until such time as dividends are received. The Company’s MD&A contains a detailed analysis of the periods discussed.

Juan Francisco Clerico, PetroFalcon’s Chairman, said, “We currently have approximately US\$30 million in cash and no debt. In the first quarter, we closed the acquisition of Lundin Venezuela with Ministry approval, and we subsequently received the related dividend for 2007. We also signed a letter of intent to farm-in to Repsol’s Cardon IV offshore natural gas exploration license in the Gulf of Venezuela next to our Cardon III block with Chevron. A jack-up rig has been secured and is scheduled to drill both blocks in early 2009. After reviewing the 3-D seismic data, we believe the Cardon blocks have multiple trillion cubic feet potential.”

Clerico continued, “In addition, we recently announced the acquisition of Anadarko Venezuela, which completely transforms our company. Our current total working interest production before royalties pro forma for the Anadarko Venezuela acquisition is almost 9,500 barrels of oil equivalent per day—more than 80% of which is oil—with pro forma total proved and probable reserves of almost 70 million barrels of oil equivalent. Anadarko Venezuela gives us significant exploration upside and a US\$58 million credit with the Venezuelan government for future acquisitions. We look forward to closing the acquisition following Ministry approval.”

PetroFalcon currently has 158,271,120 common shares issued and outstanding and 174,217,614 shares on a fully diluted basis.

PetroFalcon Accounting

PetroFalcon owns 40 percent of PetroCumarebo, S.A. (“PetroCumarebo”) and 5 percent of Baripetrol, S.A. (“Baripetrol”), mixed companies producing onshore oil and natural gas for Petróleos de Venezuela, S.A. (“PDVSA”), the Venezuelan state-owned oil and gas company.

Historically, PetroFalcon accounted for its investment in PetroCumarebo using proportional consolidation. In effect, PetroFalcon recognized 40 percent of PetroCumarebo’s revenues, expenses, assets and liabilities in PetroFalcon’s financial statements.

In 2007, PetroFalcon re-evaluated its relationship with PetroCumarebo and concluded that, for accounting purposes, PetroFalcon’s investment in PetroCumarebo did not meet the criteria for proportional consolidation or equity method accounting. Accordingly, PetroFalcon has accounted for PetroCumarebo using the cost method of accounting for the three months ended March 31, 2008, and 2007. Under the cost method, PetroFalcon does not recognize its 40-percent share of revenues, expenses, assets or liabilities from its investment in PetroCumarebo and instead only recognizes income to the extent that dividends are received by PetroCumarebo.

PetroFalcon’s investment in Baripetrol is also accounted for under the cost method. During the three months ended March 31, 2008, PetroFalcon received a US\$1.9 million dividend from Baripetrol for the first nine months of 2007. The dividend has been credited against the historical cost of the investment instead of being recognized as income in the first quarter of 2008 because the dividend relates to earnings before the closing of the transaction.

PetroFalcon Operations

During the first quarter of 2008, PetroCumarebo continued drilling with the San Antonio International (formerly Pride) 421 900 HP rig, completing two development wells and an appraisal well in the Cumarebo Field. The three new wells were recently perforated and are under evaluation.

Baripetrol is planning to start drilling in August 2008 with a Petrex 2,000 HP rig on long-term contract through 2011. Baripetrol recently performed work-overs on six wells, including the La Palma LPT-14 well, which increased gross production by more than 2,000 bbls/d.

The 2008 capital expenditures for both the PetroCumarebo and Baripetrol mixed companies are expected to be self-funded. PetroFalcon’s net cash required for 2008 capital expenditures is estimated to be a total of US\$2.9 million for the Cardon III and Cardon IV offshore exploration blocks.

Please refer to the Company's MD&A for a detailed operational update.

SEDAR

PetroFalcon has filed its interim consolidated financial statements and related MD&A for the three months ended March 31, 2008, with Canadian securities regulatory authorities on the System for Electronic Document Analysis and Retrieval ("SEDAR"). Copies of the financial statements and related MD&A of PetroFalcon for the three months ended March 31, 2008, and 2007, may be accessed electronically at www.sedar.com.

About PetroFalcon

PetroFalcon Corporation is an independent oil and gas company with exploration and production assets in Venezuela. PetroFalcon is headquartered in Caracas and listed on the Toronto Stock Exchange (ticker symbol "PFC").

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Readers are cautioned that a barrel of oil equivalent (boe) is derived by converting natural gas to oil in the ratio of six thousand cubic feet of gas to one barrel of oil and that this may be misleading, particularly if used in isolation. A boe conversion is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

This news release contains reserve estimates based on information provided to PetroFalcon by the seller, Anadarko Petroleum Corporation. Since the seller is not a Canadian entity, these reserve volumes are not represented to be compliant with National Instrument 51-101. However, PetroFalcon has engaged Huddleston & Co. to prepare an estimate in accordance with 51-101 of proved and probable reserves associated with Anadarko Venezuela's 18% working interest in Petroritupano as of January 1, 2008. Due to regulations associated with operations in Venezuela, PetroFalcon will not have access to sufficient technical information to prepare a detailed reserve analysis until the parties receive government approval for the transaction.

This news release contains forward-looking information, including estimates, projections, interpretations, prognoses and other information that may relate to current, past or future production, development(s), testing, well test results, project start-ups and future capital spending. Current, past and/or future actual results and/or reported results, estimates, projections, interpretations, prognoses, well results, test results, reserves, production, resource and/or resource potential, development(s), project start-ups, and capital spending, plans and/or estimated results could differ materially due to delays in receipt of required permits and regulatory approvals, changes in project schedules, operating performance, demand for oil and gas, commercial negotiations or other technical and economic factors or revisions. This news release may contain the reference to the terms discovery, reserves and/or resources or resource potential which are those quantities estimated to be contained in accumulations. There is no

certainty that any portion of these accumulations or estimated accumulations in this news release may not change materially; and that, if discovered, in any discovery, the accumulations or estimated accumulations may not be economically viable or technically feasible to produce. The forward-looking information contained herein involve known and unknown risks, uncertainties, scheduling, re-scheduling and other factors which may cause the actual results, performance, estimates, projections, interpretations, prognoses, schedules or achievements of PetroFalcon or industry results to be materially different from any future results, performance or achievements expressed or implied by such information.