

## PRESS RELEASE

**PetroFalcon Update on Chevron Cardon III Exploration Block**

January 5, 2009, Caracas, Venezuela – Vinccler Oil and Gas, the wholly-owned subsidiary of PetroFalcon Corporation (TSX: PFC), has terminated the agreement to acquire a 30 percent working interest from Chevron Corporation (NYSE: CVX) in the offshore natural gas license for the Cardon III Block in the Gulf of Venezuela. According to the terms of the agreement, Chevron will reimburse all amounts paid by Vinccler plus interest.

Bill Gumma, PetroFalcon’s President and CEO, said, “We are opting out of the Chevron exploration well in the Gulf of Venezuela due to the tightening global capital markets and the uncertain oil and natural gas price environment. After Chevron returns our share of past Cardon III expenses with interest, we will have more than US\$33 million in cash, no debt and no expected cash calls from Baripetrol or PetroCumarebo for 2009 capital expenditures.”

## About PetroFalcon

PetroFalcon Corporation is an independent oil and gas company with exploration and production assets in Venezuela. PetroFalcon is headquartered in Caracas and is listed on the Toronto Stock Exchange (ticker symbol “PFC”). The Company operates in Venezuela through its wholly-owned Venezuelan subsidiary, Vinccler Oil and Gas, C.A.

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