



PRESS RELEASE

CROCOTTA ENERGY ANNOUNCES STRATEGIC CORPORATE ACQUISITION

Calgary, Alberta, July 6, 2009 – Crocotta Energy Inc. ("Crocotta" or the "Company") (TSX – CTA) is pleased to announce that it has entered into an agreement to acquire a private company ("Privateco"), for total consideration of approximately \$80 million, subject to regulatory approval, Privateco shareholder approval, the completion by Privateco of a purchase of assets (the "Asset Purchase") from a third party and other conditions. In accordance with the agreement, Crocotta will issue approximately 19.9 million shares at \$1.40 per share to Privateco shareholders and assume debt and obligations of approximately \$52 million.

The Board of Director's of Privateco have unanimously approved the transaction and shareholders representing 69% of the shares of Privateco have signed lock-up agreements. Closing is anticipated to be on or about August 13, 2009.

Acquisition Highlights

The acquisition has the following characteristics:

- Approximately 1,650 boepd (60% gas / 40% light oil and NGLs) of which over 82% is located in Crocotta's Niton Core Area in West Central Alberta
- Average working interest of 75% with over 83% of the production operated
- 6.7 million boe of proved plus probable reserves based on Crocotta's internal evaluation
- Annual production declines of less than 15% with a reserve life of 11.1 years
- Potential to more than double reserves through infill vertical and horizontal wells due to the properties having large Original Oil in Place (OOIP) and Original Gas in Place (OGIP) with low recoveries to date
- Over 25 unbooked infill and step-out locations with multi-zone potential (Bluesky, Notikewin, Rock Creek, Cardium)
- Optimization, recompletion, and waterflood opportunities identified for low-risk and low-cost production and reserve additions
- Interests in 2 gas plants with excess available capacity
- Over 44,000 net undeveloped acres

The acquisition is consistent with Crocotta's strategy of acquiring assets that have large reserves in place and exploiting those reserves through low-risk drilling, recompletions, optimization and secondary recovery methods.

Strategic Benefits

The acquisition has the following benefits to Crocotta:

- Materially increases the size and scope of opportunities in Crocotta's largest producing area
- Provides opportunities for low-risk production and reserve growth that complement Crocotta's large exposure to the Montney Resource Play in Northeast British Columbia
- Significantly increases Crocotta's corporate production and cash flow that can be used to increase future capital programs
- Increases opportunity base that will be eligible for drilling credits and royalty incentives in Alberta
- Adds to Crocotta's Resource-style properties that are amenable to increasing recoveries through horizontal multi-frac wells and other current and future technologies.

Financing

Crocotta has arranged for sufficient bank lines and bridge financing provided by Brookfield Bridge Lending Fund, Inc. to close the Acquisition and will look to reduce debt through sale of non-core assets.

Crocotta has identified and initiated a sales process on non-strategic properties in West Central and Southern Alberta totalling 1,000 boepd. Crocotta will sell a minimum of 500 boepd prior to year-end to reduce debt and allow for future cash flow to be used for capital programs in core areas.

Hedging

Crocotta has secured downside protection for 2009 and 2010 in the form of monthly settled puts ("Floors") to protect the Company's exposure to low commodity prices while allowing for 100% participation in the upside of higher commodity prices. The Floors are as follows:

Oil	Sep-Dec 2009	900 bbls/d with a Floor Price for WTI of \$Cdn 50.00
Oil	Calendar 2010	1000 bbls/d with a Floor Price for WTI of \$Cdn 50.00
Gas	Sep-Dec 2009	8.5 mmcf/d with a Floor Price of \$Cdn 3.00 per mcf at AECO
Gas	Calendar 2010	10.0 mmcf/d with a Floor Price of \$Cdn 4.00 per mcf at AECO

Corporate Overview

Significant Production Base	Approximately 3,850 boepd (40% of production from light oil and NGLs; 60% of production from natural gas) prior to non-core asset sales
High Quality Asset Base	Large OOIP and OGIP pools that provide exposure to large production and reserve increases using current technologies Over 83% of production operated with over 75% average working interest
Diversified Resource Focus	Positioned in three successful resource plays – Montney, Cardium and Bluesky
Long Reserve life	9.7 years
Large Drilling Inventory	Over 60 development locations Over 200,000 undeveloped acres including 32 net sections of Montney lands in Dawson, Tupper and Kaybob
Proforma Debt	Estimated net debt of \$84 million on closing prior to any asset dispositions
Proforma Shares Outstanding	63.9 million (Basic) 70.4 million (Fully Diluted)

All of the information above assumes the completion of the Asset Purchase.

Crocotta Energy Inc. is a Calgary based company focused on the acquisitions, exploration and development of oil and natural gas in Western Canada

Forward-Looking Information

This press release contains forward-looking statements and forward-looking information within the meaning of applicable securities laws. The use of any of the words “expect”, “anticipate”, “continue”, “estimate”, “may”, “will”, “should”, “believe”, “intends”, “forecast”, “plans”, “guidance” and similar expressions are intended to identify forward-looking statements or information.

More particularly and without limitation, this document contains forward looking statements and information relating to the Company’s oil, NGLs and natural gas production and reserves and reserves values, capital programs, financing and asset sales. The forward-looking statements and information are based on certain key expectations and assumptions made by the Company, including expectations and assumptions relating to prevailing commodity prices and exchange rates, applicable royalty rates and tax laws, future well production rates, the performance of existing wells, the success of drilling new wells, the availability of capital to undertake planned activities and the availability and cost of labour and services.

Although the Company believes that the expectations reflected in such forward-looking statements and information are reasonable, it can give no assurance that such expectations will prove to be correct. Since forward-looking statements and information address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results may differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to, the risks associated with the oil and gas industry in general such as operational risks in development, exploration and production, delays or changes in plans with respect to exploration or development projects or capital expenditures, the uncertainty of estimates and projections relating to production rates, costs and expenses, commodity price and exchange rate fluctuations, marketing and transportation, environmental risks, competition, the ability to access sufficient capital from internal and external sources and changes in tax, royalty and environmental legislation. The forward-looking statements and information contained in this document are made as of the date hereof for the purpose of providing the readers with the Company’s expectations for the coming year. The forward-looking statements and information may not be appropriate for other purposes. The Company undertakes no obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.

BOE Conversions

BOE’s may be misleading, particularly if used in isolation. A BOE conversion ratio of 6 Mcf: 1 Bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

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