



## PRESS RELEASE

### CROCOTTA ENERGY ANNOUNCES DRILLING SUCCESS AT EDSON

Calgary, Alberta, June 7, 2011 – Crocotta Energy Inc. (“Crocotta” or the “Company”) (TSX – CTA) is pleased to announce drilling success at Edson and financial update.

#### OPERATIONS

Crocotta has drilled and completed two 100% working interest Bluesky horizontal wells at Edson resulting in one Bluesky oil well and one Bluesky liquids-rich gas well.

The Bluesky oil well has been on production for 40 days and is currently producing 500 boepd comprised of approximately 300 boepd of oil and liquids and 200 boepd of gas.

The Bluesky liquids-rich gas well was on production for 14 days and then shut-in to attain pressure build-up information. At the end of the 14 days, the well had stabilized at a rate in excess of 1,400 boepd comprised of 630 boepd of oil and liquids and 770 boepd of gas. The well will be placed back on production on or about June 20<sup>th</sup>.

A third 100% Bluesky horizontal well is currently drilling that will be completed and onstream by late June or early July. Crocotta expects to continue drilling at Edson throughout the summer and into the fall.

Crocotta has identified up to an additional 32 net Bluesky locations on its lands of which 16 are located in higher permeability rock (Type A locations) and 16 are located in lower permeability rock (Type B locations).

Crocotta had previously drilled three Bluesky hztl liquids-rich gas wells at an average working interest of 26% that now have significant production history. The combined three wells have had an average initial stabilized rate of 600 boepd and were producing at an average 500 boepd per well after 5 months. The initial well (29% working interest) is still producing 440 boepd after 11 months.

Crocotta had also previously drilled one Bluesky hztl oil well (35% working interest) which had an initial stabilized rate of 200 boepd (150 oil and liquids) and is producing approximately 180 boepd (120 oil and liquids) after 6 months of production.

Crocotta estimates that corporate production will exceed 4,000 boepd (40% oil and liquids) once the latest well is placed back on production in mid June.

In the first quarter, Crocotta experienced lower than anticipated liquid yields at Edson that resulted in corporate production and liquids as a percentage of corporate production being lower than originally estimated. Corporate production was 125 boepd lower than expected (2,275 versus 2,400) and liquids were 25% of total sales as opposed to an original estimate of over 30%. The reduced yield was a result of a combination of a repair required at the plant, allocations amongst various producers into the plant and lower liquids content in overall corporate gas stream at Edson. The issues have been substantially addressed and we have adjusted our estimates above to reflect the current yields.

#### FINANCIAL

Crocotta has continued to maintain a strong balance sheet to ensure flexibility for acquisitions or increased capital activity.

Subsequent to the end of the first quarter, Crocotta has agreed to sell certain non-core assets for \$5.7 million. The assets had no associated production and no effect on the available bank credit facility. Crocotta had 1.28 million boe of proved plus probable reserves (100% gas) booked to the properties with an independent engineering value of \$3.3 million as at December 31, 2010.

Crocotta estimates that net debt will be approximately \$20 million at the end of June while the bank credit facility will remain at \$55 million. Based on this, the ratio of net debt to cash flow is currently less than 1:1.

#### **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, oil and natural gas reserves, capital programs, and oil, NGLs, and natural gas commodity prices. 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**

*Barrels of oil equivalent ("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.*

#### **Information Regarding Reserves and Reserve Values**

*This press release contains information on oil and natural gas reserves and reserve values which are estimates only. Present value refers to the estimated future net revenues calculated at the disclosed discount rate. These estimated disclosed do not represent fair value.*

For further information, please contact:

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