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PRESS RELEASE

**CROCOTTA ENERGY INC. ANNOUNCES
CLOSING OF \$25 MILLION BOUGHT DEAL FINANCING**

FOR IMMEDIATE RELEASE – December 21, 2011

CROCOTTA ENERGY INC. (TSX – CTA) ("Crocotta") is pleased to announce that it has closed its previously announced public offering (the "**Offering**") of common shares in the capital of Crocotta ("**Common Shares**") and Common Shares issued on a "flow-through" basis under the *Income Tax Act* (Canada) ("**Flow-through Shares**") by way of short form prospectus. Under the Offering, 5,971,000 Common Shares were issued at a price of \$3.35 per Common Share and 1,250,000 Flow-through Shares were issued at a price of \$4.00 per Flow-through Share, for aggregate gross proceeds of \$25,002,850.

The syndicate of underwriters for the Offering was led by GMP Securities L.P. and included Canaccord Genuity Corp., Acumen Capital Finance Partners Limited, Haywood Securities Inc., Cormark Securities Inc., Paradigm Capital Inc., Macquarie Capital Markets Canada Ltd. and Raymond James Ltd.

The net proceeds from the issuance of Common Shares under the Offering will be used by Crocotta to temporarily reduce bank indebtedness and to fund its exploration and development activities. Proceeds from the issuance of Flow-through Shares under the Offering will be used by Crocotta to incur eligible Canadian exploration expenses (the "**Qualifying Expenditures**") on Crocotta's existing Canadian properties prior to December 31, 2012. Crocotta will renounce the Qualifying Expenditures to purchasers of Flow-through Shares for the fiscal year ended December 31, 2011.

All Common Shares and Flow-through Shares issued pursuant to the Offering will be freely tradable under applicable securities laws in force in Canada.

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The TSX has not reviewed and does not accept responsibility for the adequacy or accuracy of this release.

The securities offered have not been registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements. This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any State in which such offer, solicitation or sale would be unlawful.

FORWARD LOOKING STATEMENTS

This press release contains forward-looking statements. More particularly, this press release contains statements concerning the anticipated uses of the proceeds of the Offering. The forward-looking statements contained in this press release are based on certain key expectations and assumptions made by Crocotta, including expectations and assumptions concerning the success of future drilling and development activities.

Although Crocotta believes that the expectations and assumptions upon which the forward-looking statements are based are reasonable, undue reliance should not be placed on the forward-looking statements because Crocotta can give no assurance that they will prove to be correct. Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to, risks associated with the oil and natural gas industry in general (*e.g.*, 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 reserve estimates; the uncertainty of estimates and projections relating to production, costs and expenses, and health, safety and environmental risks), commodity price and exchange rate fluctuations, changes to existing laws and regulations and uncertainties resulting from potential delays or changes in plans with respect to exploration or development projects or capital expenditures. Certain of these risks are set out in more detail in Crocotta's Annual Information Form, which has been filed on SEDAR and can be accessed at www.sedar.com. The forward-looking statements contained in this press release are made as of the date hereof and Crocotta 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.