



PRESS RELEASE

CROCOTTA ENERGY ANNOUNCES DRAWDOWN ON INCREASED CREDIT FACILITY AND SECURED BRIDGE FACILITY

Calgary, Alberta, August 5, 2009 – Crocotta Energy Inc. (“Crocotta” or the “Company”) (TSX – CTA) is pleased to announce the closing and drawdown of the previously announced new secured bridge facility (the “Bridge Facility”) and revolving operating demand loan credit facility (the “Operating Facility”) in conjunction with the closing of an acquisition of certain oil and gas assets (the “Assets”) by a private company, Salvo Energy Corporation (“Salvo”). As previously announced, the acquisition of Salvo by Crocotta is expected to close on August 13, 2009.

Crocotta has drawn on the Operating Facility of \$60.0 million bearing interest at prime plus a range of 0.25% to 3.25%. The security was increased to a supplemental \$125 million fixed and floating charge debenture on the assets of the Company. The security also contains a \$125 million first position guarantee of Crocotta’s obligations by the subsidiary of Salvo holding the Assets and a second position guarantee of Crocotta’s obligations by Salvo.

The \$25.0 million Bridge Facility was closed at the same time as the drawdown under the Operating Facility. The Bridge Facility bears interest at 8% and is secured by a first position security charge on Salvo and a second position security charge on Crocotta and the Assets. The maturity date on the Bridge Facility is December 31, 2009.

Crocotta has identified and initiated a sales process on non-strategic properties totalling 1,000 BOE per day. Crocotta will use its best efforts to sell a minimum of 500 BOE per day prior to December 31, 2009 to reduce debt and allow for future cash flow to be used for capital programs in core areas. Other options to repay the Bridge Facility include raising equity, reducing capital spending, and renegotiating the Operating Facility and the Bridge Facility.

Crocotta Energy Inc. is a Calgary based company focused on the acquisition of, exploration for 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 expecting closing date of a corporate acquisition. 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

BOEs may be misleading, particularly if used in isolation. A BOE conversion ratio of six thousand cubic feet of natural gas to one barrel of oil (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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