



PRESS RELEASE

CROCOTTA ENERGY ANNOUNCES PRO-FORMA YEAR-END RESERVES AND 2010 CAPITAL BUDGET

Calgary, Alberta, January 19, 2010 – Crocotta Energy Inc. (“Crocotta”) (TSX – CTA) is pleased to announce its 2009 year-end reserves as independently evaluated by GLJ Petroleum Consultants Ltd., in accordance with National Instrument 51-101 excluding all asset sales previously announced. Approximately \$23 million of asset sales comprising 1.5 million boe (total proved & probable) that were not closed by December 31, 2009 are excluded in the tables below but were added back in calculating 2009 Finding and Onstream Costs in order to accurately reflect the 2009 period. Crocotta will provide full year-end reserve data and other oil and gas information required pursuant to Canadian Securities Administrators’ National Instrument 51-101 for the year ended December 31, 2009 in conjunction with releasing its audited consolidated financial statements and related management’s discussion and analysis in March 2010.

Pro Forma Reserves Summary

Crocotta’s December 31, 2009 reserves as prepared by the independent reserve engineering firm GLJ Petroleum Consultants Ltd. (“GLJ”) and based on the GLJ (2010-01) future price forecast are as follows:

	Light/Medium Oil		Heavy Oil		Natural Gas Liquids		Natural Gas		Barrels of Oil Equivalent	
	Company Gross (Mbbbl)	Net (Mbbbl)	Company Gross (Mbbbl)	Net (Mbbbl)	Company Gross (Mbbbl)	Net (Mbbbl)	Company Gross (Mmcf)	Net (Mmcf)	Company Gross (Mboe)	Net (Mboe)
Proved										
Producing	554	417	22	19	834	535	26,462	23,460	5,821	4,880
Non-producing	27	23	0	0	97	65	2,781	2,336	587	477
Undeveloped	67	42	60	50	194	125	5,783	4,471	1,285	962
Total proved	649	482	82	68	1,125	725	35,025	30,266	7,693	6,319
Probable	296	210	30	25	581	370	18,974	15,859	4,069	3,248
Total proved & probable	945	692	112	93	1,705	1,095	53,999	46,125	11,762	9,568

- Notes:
- (1) “Company Gross” reserves means Crocotta’s working interest (operating and non-operating) share before deduction of royalties and excluding any royalty interest of Crocotta.
 - (2) “Net” reserves means Crocotta’s working interest (operated and non-operated) share after deduction of royalties, plus Crocotta’s royalty interest in reserves.
 - (3) Oil equivalent amounts have been calculated using a conversion rate of six thousand cubic feet of natural gas to one barrel of oil.
 - (4) Numbers may not add due to rounding.

Pro Forma Reserves Values

The estimated future net revenues before taxes associated with Crocotta’s reserves effective December 31, 2009 and based on the GLJ (2010-01) future price forecast are summarized in the following table:

(\$000s)	0% DCF	5% DCF	10% DCF	15% DCF
Proved				
Producing	190,755	137,462	107,869	89,290
Non-producing	13,991	10,479	8,094	6,418
Undeveloped	32,160	19,469	12,931	9,016
Total proved	236,905	167,410	128,894	104,724
Probable	141,007	69,008	40,637	26,639
Total proved & probable	377,912	236,417	169,531	131,363

Price Forecast

The GLJ (2010-01) price forecast for the next 5 years is as follows:

Year	WTI @ Cushing (\$US / Bbl)	Edmonton Light (\$Cdn / Bbl)	Natural Gas at AECO (\$Cdn / Mmbtu)
2010	80.00	83.26	5.96
2011	83.00	86.42	6.79
2012	86.00	89.58	6.89
2013	89.00	92.74	6.95
2014	92.00	95.90	7.05

Pro-forma Net Asset Value

Crocotta's net asset value ("NAV") as at December 31, 2009 and based on the GLJ (2010-01) future price forecast is as follows:

(\$000s, except per share amounts)	Discounted @ 10%
Pre-tax present value of proved & probable reserves	169,531
Undeveloped land (Note 1)	38,000
Net Debt (Note 2)	(50,000)
Net asset value	157,531
Shares outstanding (basic)	65,084
Net asset value per share	\$2.42

Notes:

- (1) Crocotta internally valued its undeveloped land holdings based on 16,620 net acres of Montney land @ \$1,500/acre and 4,379 net acres of Pembina Cardium land @ \$3,000/acre. Other undeveloped acreage was not allocated any value.
- (2) Net debt includes \$23 million of asset sales that did not close prior to year-end. Actual year-end net debt is estimated at \$73 million.

Finding and onstream costs:

In 2009, Crocotta spent net capital of \$89.5 million and increased year over year reserves by 7.1 million boe prior to production of approximately 0.93 million boe. Finding and Onstream costs are as follows:

- Proved plus probable finding and development costs of \$12.58 per boe excluding future development capital
- Proved plus probable finding and development costs of \$15.94 per boe including changes in future development capital

2010 Capital Budget

Crocotta's Board of Directors has approved a capital budget of \$24 million for 2010 which will be spent substantially furthering its 3 resource plays:

- (a) Edson Bluesky targeting light oil and natural gas
- (b) Pembina Cardium targeting light oil
- (c) Dawson / Glacier Montney targeting natural gas

The first quarter of 2010 will be allocated approximately \$8 million of the annual budget and will be used to participate in the drilling of one horizontal cardium oil well at Pembina, one Bluesky horizontal gas well at Edson, and two Montney completions in Dawson and Glacier. Given Crocotta's material land position in all three resource plays, any first quarter success will prove up numerous follow up locations.

Crocotta has budgeted for the entire program to be funded with cash flow and unused bank credit facilities. After giving effect to the announced asset sales, Crocotta will have net debt of \$50 million versus \$58 million of bank credit facilities and production estimated at 2,450 boepd (70% natural gas, 30% light oil and ngl's).

Crocotta has posted its new corporate presentation to its website providing updated information.

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, value per share, capital programs, property sales, net debt, 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

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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