



**NEWS RELEASE
OCTOBER 15, 2007**

**CROCOTTA ENERGY INC. AND DIAMOND TREE ENERGY LTD.
ANNOUNCE CLOSING OF BUSINESS COMBINATION**

Calgary, Alberta, October 15, 2007 – **Crocotta Energy Inc.** ("**Crocotta**") and **Diamond Tree Energy Ltd.** ("**Diamond Tree**") (TSX: DT) are pleased to announce that the previously announced plan of arrangement (the "**Arrangement**") under the *Business Corporations Act* (Alberta) involving Crocotta, Diamond Tree, Upper Lake Oil and Gas Ltd. (formerly 1340466 Alberta Ltd.) ("**Upper Lake**"), the holders (the "**Diamond Tree Shareholders**") of common shares ("**Diamond Tree Shares**") of Diamond Tree, the holders (the "**Diamond Tree Optionholders**") of options to acquire Diamond Tree Shares ("**Diamond Tree Options**") and the holders (the "**Diamond Tree Warrantholders**", and together with the Diamond Tree Shareholders and the Diamond Tree Optionholders, the "**Diamond Tree Securityholders**") of warrants to acquire Diamond Tree Shares ("**Diamond Tree Warrants**") has been completed. The Arrangement was approved at the special meeting of Diamond Tree Securityholders and by the Court of Queen's Bench of Alberta on October 12, 2007. Diamond Tree Securityholders voted over 99% in favour of the Arrangement resolution.

The shareholders of Crocotta also approved a consolidation of the issued and outstanding common shares ("**Crocotta Shares**") of Crocotta on a three-to-one basis at the special meeting of shareholders held on October 11, 2007. The share consolidation was implemented by Crocotta concurrent with the completion of the Arrangement and as a result, the former Diamond Tree Shareholders received, for each Diamond Tree Share held, 0.3175 of a Crocotta Share after giving effect to the share consolidation in addition to one common share of Upper Lake (an "**Upper Lake Share**").

Upon completion of the Arrangement, Crocotta issued an aggregate of 24,138,258 Crocotta Shares and Upper Lake issued an aggregate of 25,336,698 Upper Lake Shares to the former Diamond Tree Shareholders. As a result of the Arrangement, Diamond Tree has become a wholly-owned subsidiary of Crocotta.

There are approximately 33 million Crocotta Shares issued and outstanding on a post-consolidation basis. Such Crocotta Shares, which include those issued to the former Diamond Tree Shareholders pursuant to the Arrangement, are expected to be listed for trading on the Toronto Stock Exchange ("**TSX**") under the symbol "CTA" at the opening of trading on October 17, 2007. The Diamond Tree Shares are expected to be delisted from the TSX at the same time.

In addition, Crocotta is pleased to announce that Mr. Don D. Copeland, the former Chairman and Chief Executive Officer of Diamond Tree, as well as Mr. Brian P. Boulanger, have joined the board of directors of Crocotta.

For further information, please contact:

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