



## PRESS RELEASE

### CROCOTTA ENERGY ANNOUNCES YEAR-END RESERVES

Calgary, Alberta, March 26, 2009 – Crocotta Energy Inc. (“Crocotta”) (TSX – CTA) is pleased to announce its 2008 year-end reserves as independently evaluated by GLJ Petroleum Consultants Ltd., in accordance with National Instrument 51-101.

#### Reserve evaluation highlights:

- An 18% increase in Proved Reserves to 4.5 million barrels of oil equivalent
- A 31% increase in Proved plus Probable Reserves to 7.1 million barrels of oil equivalent
- A 30% increase in reserve life index to 9.6 years
- A reserve replacement ratio of 3.1 times

#### Finding and onstream costs:

- Proved plus probable finding and development costs of \$19.43 per boe excluding future development capital and Montney specific land costs
- Proved plus probable finding and development costs of \$28.67 per boe excluding future development capital but including Montney land purchases
- Proved plus probable finding and development costs of \$31.62 per boe including all period and future costs

#### Discussion of 2008 capital spending and reserve:

A large portion of Crocotta’s 2008 capital was spent on acquiring land to Crocotta in Montney resource plays at Dawson and Tupper in northeast British Columbia and also at Kaybob in west central Alberta. A total of \$22.5 million was spent during 2008 in these areas which has increased Crocotta’s Montney exposure in these areas to over 31 net sections of land.

In late 2008, Crocotta drilled a successful Montney horizontal well at Dawson that was completed in Q1 2009 (see Operations Update and 2009 Outlook). As the Dawson well was not completed until 2009, GLJ was able to assign only probable reserves to the one drilled location. No reserves were assigned for additional wells on the section nor to any of the remaining Montney prospective undeveloped lands.

The Smoky and Niton areas added significant reserves with successful plays in the Cardium and Mannville formations, while dry holes at Chime and 2 unsuccessful horizontal wells at Niton added materially to period costs while adding only marginal reserves.

#### Reserves Summary

Crocotta’s December 31, 2008 reserves as prepared by the independent reserve engineering firm GLJ Petroleum Consultants Ltd. (“GLJ”) and based on the GLJ (2009-01) 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	895	611	14	14	380	243	10,737	9,041	3,078	2,374
Non-producing	90	75	50	45	134	83	5,447	4,264	1,181	913
Undeveloped	0	0	0	0	33	21	1,123	917	220	174
Total proved	985	685	63	58	547	347	17,307	14,222	4,479	3,460
Probable	388	259	47	41	315	198	10,854	8,462	2,558	1,909
Total proved & probable	1,373	944	110	100	861	545	28,161	22,685	7,038	5,369

- 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.

### **Reserves Values**

The estimated future net revenues before taxes associated with Crocotta's reserves effective December 31, 2008 and based on the GLJ (2009-01) future price forecast are summarized in the following table:

(\$000s)	0% DCF	5% DCF	10% DCF	15% DCF
Proved				
Producing	106,649	86,264	72,618	62,914
Non-producing	33,936	25,042	19,825	16,361
Undeveloped	4,958	3,087	2,051	1,413
Total proved	145,543	114,393	94,494	80,687
Probable	81,849	51,017	35,053	25,589
Total proved & probable	227,032	165,409	129,547	106,277

### **Price Forecast**

The GLJ (2009-01) 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)
2009	57.50	68.61	7.58
2010	68.00	78.94	7.94
2011	74.00	83.54	8.34
2012	85.00	90.92	8.70
2013	92.01	95.91	8.95

### **Net Asset Value**

Crocotta's net asset value ("NAV") as at December 31, 2008 and based on the GLJ (2009-01) future price forecast is as follows:

(\$000s, except per share amounts)	Discounted @ 10%	Discounted @ 15%
Pre-tax present value of proved & probable reserves	129,547	106,277
Undeveloped land (168,000 net acres) <sup>(1)</sup>	38,000	38,000
Working capital deficiency	(20,944)	(20,944)
Net asset value	146,603	123,333
Shares outstanding (basic)	43,985	43,985
Net asset value per share	\$3.33	\$2.80

- Notes:
- (1) Crocotta internally valued its undeveloped land holdings based on 19,000 net acres of Montney land @ \$1,600/acre; 78,000 net acres of Saskatchewan land @ \$20/acre; and 71,000 net acres of other lands predominantly in west central Alberta and the Peace River Arch @ \$100/acre.

## **Finding, Development and Acquisition Costs ("FD&A")**

FD&A costs reflect the efficiency and value added by Crocotta's capital spending. While NI 51-101 requires that the effects of acquisitions and dispositions be excluded, Crocotta has included these items because it believes that acquisitions can have a significant impact on its ongoing reserve replacement costs and that excluding these amounts could result in an inaccurate portrayal of its cost structure. Crocotta's FD&A costs for the period ended December 31, 2008 along with comparatives for the two prior years and a three year average are as follows:

(\$000's, except were noted)	2008		2007	
	Proved	Proved & Probable	Proved	Proved & Probable
Reserve additions (mboe) <sup>(1)</sup>	1,438	2,440	3,720	4,952
Capital expenditures	58,964	58,964	22,387	22,387
Property acquisitions	(5,579)	(5,579)	-	-
Corporate acquisitions	16,575	16,575	110,632	110,632
Total, excluding future capital costs	69,960	69,960	133,019	133,019
Less: Undeveloped Montney land <sup>(2)</sup>	(22,547)	(22,547)	(12,105)	(12,105)
Total, excluding undeveloped Montney land and future capital costs	47,413	47,413	120,914	120,914
Add: Change in future capital costs <sup>(3)</sup>	(296)	7,190	5,123	8,847
Total, including undeveloped Montney land and future capital costs	69,664	77,150	138,142	141,866
FD&A costs, excluding undeveloped Montney land and future capital costs (\$/boe)	32.97	19.43	32.50	24.42
FD&A costs, excluding future capital costs, including undeveloped Montney land (\$/boe)	48.65	28.67	35.76	26.86
FD&A costs, including undeveloped Montney land and future capital costs (\$/boe)	48.45	31.62	37.13	28.65

(\$000's, except were noted)	2006		3 Years	
	Proved	Proved & Probable	Proved	Proved & Probable
Reserve additions (mboe) <sup>(1)</sup>	394	728	5,552	8,120
Capital expenditures	2,420	2,420	83,771	83,771
Property acquisitions	6,556	6,556	977	977
Corporate acquisitions	504	504	127,711	127,711
Total, excluding future capital costs	9,480	9,480	212,459	212,459
Less: Undeveloped Montney land <sup>(2)</sup>	-	-	(34,652)	(34,652)
Total, excluding undeveloped Montney land and future capital costs	9,480	9,480	177,807	177,807
Add: Change in future capital costs <sup>(3)</sup>	1,983	3,051	6,810	19,088
Total, including undeveloped Montney land and future capital costs	11,463	12,531	219,269	231,547
FD&A costs, excluding undeveloped Montney land and future capital costs (\$/boe)	24.06	13.02	32.03	21.90
FD&A costs, excluding future capital costs, including undeveloped Montney land (\$/boe)	24.06	13.02	38.27	26.16
FD&A costs, including undeveloped Montney land and future capital costs (\$/boe)	29.10	17.21	39.49	28.52

- (1) Based on total company interest reserves before deduction of royalties to others and including any royalty interest of Crocotta. Based on the evaluation by GLJ.
- (2) Undeveloped Montney land is displayed as a line item due to its materiality and effect on 2008 finding costs. As the Montney lands will be evaluated in future years, it is informative to show finding costs with and without these costs.
- (3) Future capital costs required to recover reserves estimated by GLJ. The aggregate of the exploration and development costs incurred in the most recent financial period and the change during that period in estimated future development costs generally will not reflect total finding and development costs related to reserve additions for that period.
- (4) See BOE Conversions

## **Operations update and 2009 Outlook**

In the first quarter of 2009, Crocotta completed a 100% working interest Montney horizontal well in the Dawson area of northeast British Columbia. The well initially flowed at over 5.0 mmcf/d with a final test rate on an extended flow at approximately 2.5 mmcf/d. GLJ assigned probable reserves of 1.8 bcf for the well based on the test data. Crocotta is very encouraged by the results of its first horizontal Montney well and will look to improve on the performance of subsequent wells by evaluating alternative drilling and completion techniques as well as reducing capital costs. Crocotta has a 100% working interest in a 6 section contiguous block where the well was drilled, an additional 3 section block (100% working interest) in close proximity and 22 additional net sections in established Montney areas including Kaybob, Dawson (east), and Tupper. Once commercial production is established, Montney is typically developed at 4 wells per section.

Crocotta is also drilling its first Montney horizontal well (50% working interest) in the Kaybob area with test results expected in Q2 2009.

For the remainder of 2009, Crocotta will look to further its resource plays in the Montney formation while also completing technical work on its lands for potential resource plays in the Cardium and Bluesky formations on its current land holdings in west central Alberta.

### **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, 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**

*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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