



## Press Release

### Crocotta to Acquire Private Company

FOR IMMEDIATE RELEASE – October 10, 2008

**CROCOTTA ENERGY INC. (TSX – CTA)** (“Crocotta”) is pleased to announce it will acquire a private company (“PrivateCo”) for approximately \$12.6 million with assets that include \$9.6 million of net cash and approximately 100 boepd of producing assets.

#### **PrivateCo Acquisition**

Crocotta will acquire PrivateCo via an amalgamation whereby Crocotta will pay \$12.6 million for all the shares of PrivateCo. PrivateCo shareholders will receive \$12.6 million in the form of Crocotta shares priced at a minimum of \$3.00 per share and a maximum of \$3.30 per share based on the weighted average trading price of Crocotta for the 10 days prior to closing of the transaction. Holders of 44% of the shares have agreed to sign voting agreements indicating that they intend to vote in favour of the amalgamation that is expected to close in late October or early November.

The primary assets of PrivateCo are the \$9.6 million cash position, certain producing assets in Western Saskatchewan and approximately \$20 million in tax pools. Crocotta will use the cash to further its drilling program which includes both Montney and Rock Creek horizontal multi-frac wells. Under the terms of the agreement, PrivateCo shareholders could receive additional consideration based on certain contingent events. Any additional amount paid to PrivateCo shareholders will be settled in either cash or Crocotta shares as priced above (maximum \$2.4 million of shares), subject to Toronto Stock Exchange approval.

The acquisition has the following benefits to Crocotta:

- (a) Increases net equity and improves Crocotta’s flexibility with respect to acquisitions and expanding drilling programs.
- (b) Large tax pool base will shelter future taxes payable in addition to increasing Crocotta’s ability to raise capital via flow-through shares.

#### **BOE Conversions**

*Barrel of oil equivalent (“boe”) amounts have been calculated using a conversion rate of six thousand cubic feet of natural gas to one barrel of oil unless otherwise stated. The term “boe” may be misleading, particularly if used in isolation. A boe conversion rate of six thousand cubic feet of natural gas to one barrel of oil equivalence is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.*

#### **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 estimated timing of capital programs. 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.*

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