



Press Release

Q3 2008 Financial and Operating Results

FOR IMMEDIATE RELEASE – November 12, 2008

CROCOTTA ENERGY INC. (TSX – CTA) is pleased to announce its financial and operating results for the three and nine months ended September 30, 2008, including financial statements, notes to the financial statements, and Management's Discussion and Analysis. All dollar figures are Canadian dollars unless otherwise noted.

HIGHLIGHTS

- Acquired additional lands in key Montney and Rock creek focus areas
- Subsequent acquisitions of two private companies. The first acquired company's primary assets are Dawson Montney lands consisting of a 5 section contiguous 100% working interest block of land, 2 wellbores that penetrate the Montney formation on the lands, access to the Doe Creek gas plant, and approximately 50 boepd of producing assets. The primary assets of the second acquired company are a \$9.6 million cash position, approximately 100 boepd of producing assets, and approximately \$20.0 million in tax pools.

FINANCIAL	Three Months Ended September 30			Nine Months Ended September 30		
	2008	2007	% Change	2008	2007	% Change
(\$000s, except per share amounts)						
Oil and natural gas sales	13,547	2,587	424	45,739	4,384	943
Funds from operations ⁽¹⁾	7,724	1,156	568	27,144	1,409	1,826
per share - basic and diluted	0.23	0.07	229	0.82	0.12	583
Net earnings (loss)	1,232	(259)	576	5,486	(216)	2,640
per share - basic and diluted	0.04	(0.02)	300	0.17	(0.02)	950
Net capital expenditures	18,144	5,737	216	35,164	9,387	275
Corporate acquisition	-	-	-	-	34,604	(100)
Net working capital (deficiency)				(19,650)	3,848	(611)
Common shares outstanding (000s)						
weighted average - basic	33,045	16,845	96	33,045	11,717	182
weighted average - diluted	33,045	17,059	94	33,045	11,911	177
end of period - basic				33,045	16,845	96
end of period - diluted				38,519	28,331	36

(1) Funds from operations and funds from operations per share do not have any standardized meaning prescribed by Canadian GAAP, and therefore may not be comparable to similar measures used by other companies. Please refer to the Non-GAAP Measures section in the MD&A for more details and the Funds from Operations section in the MD&A for a reconciliation to cash flow from operating activities.

OPERATING	Three Months Ended September 30			Nine Months Ended September 30		
	2008	2007	% Change	2008	2007	% Change
Daily production						
Oil and liquids - (bbls/d)	767	228	236	827	128	546
Natural gas - (mcf/d)	7,438	2,107	253	8,353	1,138	634
Oil equivalent - (boe/d)	2,007	579	247	2,219	318	598
Revenue, net of transportation						
Oil and liquids - (\$/bbl)	107.17	69.20	55	104.92	67.48	55
Natural gas - (\$/mcf)	8.48	5.62	51	9.31	6.26	49
Oil equivalent - (\$/boe)	72.40	47.69	52	74.15	49.64	49
Royalties						
Oil and liquids - (\$/bbl)	26.39	11.71	125	24.46	9.44	159
Natural gas - (\$/mcf)	1.32	0.73	81	1.64	0.98	67
Oil equivalent - (\$/boe)	14.98	7.27	106	15.29	7.31	109
Production expenses						
Oil and liquids - (\$/bbl)	8.01	9.28	(14)	8.26	9.24	(11)
Natural gas - (\$/mcf)	1.85	1.18	57	1.71	1.26	36
Oil equivalent - (\$/boe)	9.90	7.95	25	9.50	8.24	15
Operating netback ⁽¹⁾						
Oil and liquids - (\$/bbl)	72.77	48.21	51	72.20	48.80	48
Natural gas - (\$/mcf)	5.31	3.71	43	5.96	4.02	48
Oil equivalent - (\$/boe)	47.52	32.47	46	49.36	34.09	45
General and administrative expenses - (\$/boe)	4.83	12.12	(60)	4.06	21.30	(81)
Interest expense (income) - (\$/boe)	0.85	(1.37)	(162)	0.66	(3.45)	(119)
Depletion, depreciation, and accretion - (\$/boe)	31.63	26.05	21	31.13	26.25	19
Stock-based compensation - (\$/boe)	1.04	0.53	96	0.85	0.84	1
Future income tax expense (recovery) - (\$/boe)	2.50	-	100	3.64	(8.38)	(143)
Net earnings (loss) - (\$/boe)	6.67	(4.86)	237	9.02	(2.47)	465

(1) Operating netback does not have any standardized meaning prescribed by Canadian GAAP, and therefore may not be comparable to similar measures used by other companies. Please refer to the Non-GAAP Measures section in the MD&A for more details.

Management's Discussion and Analysis ("MD&A")

November 6, 2008

Crocotta Energy Inc. ("Crocotta" or the "Company") is an emerging oil and natural gas company, actively engaged in the acquisition, development, exploration, and production of oil and natural gas reserves in Western Canada. On November 15, 2006, Crocotta commenced active oil and natural gas operations with the acquisition of certain oil and natural gas properties from Chamaelo Exploration Ltd. Crocotta commenced trading on the Toronto Stock Exchange ("TSX") on October 17, 2007 under the symbol "CTA".

The MD&A should be read in conjunction with the unaudited interim financial statements for the three and nine months ended September 30, 2008 and the audited annual consolidated financial statements for the year ended December 31, 2007. The unaudited interim financial statements and financial data contained in the MD&A have been prepared in accordance with Canadian generally accepted accounting principles ("Canadian GAAP" or "GAAP") in Canadian currency (except where noted as being in another currency).

Additional information related to the Company may be found on the SEDAR website at www.sedar.com.

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.

Non-GAAP Measures

This document contains the terms "funds from operations", "funds from operations per share" and "operating netback" which do not have any standardized meaning prescribed by Canadian GAAP, and therefore may not be comparable to similar measures used by other companies. The Company uses these measures to help evaluate its performance. Management uses funds from operations to analyze performance and considers it a key measure as it demonstrates the Company's ability to generate the cash necessary to fund future capital investments and to repay debt. Funds from operations is a non-GAAP measure and has been defined by the Company as net earnings plus non-cash items (depletion, depreciation and accretion, stock-based compensation, and future income taxes) and excludes the change in non-cash working capital related to operating activities and expenditures on asset retirement obligations and reclamation. The Company also presents funds from operations per share whereby amounts per share are calculated using weighted average shares outstanding, consistent with the calculation of earnings per share. Funds from operations is reconciled to cash flow from operating activities under the heading "Funds from Operations". Management considers operating netback an important measure as it demonstrates its profitability relative to current commodity prices. Operating netback, which is calculated as average unit sales price less royalties, production expenses, and transportation expenses, represents the cash margin for every barrel of oil equivalent sold. Operating netback per boe is reconciled to net earnings per boe under the heading "Operating Netback".

Forward-Looking Information

This document 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 risk management program, oil, NGLs and natural gas production and reserves, future funds from operations, expected timing of well tie-ins, capital programs, oil, NGLs, and natural gas commodity prices, debt levels, future royalty rates and future depletion, depreciation and accretion rates. 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.

Crocotta Energy Inc.
Management's Discussion & Analysis
Three and nine months ended September 30, 2008

Summary of Financial Results	Three Months Ended September 30			Nine Months Ended September 30		
	2008	2007	% Change	2008	2007	% Change
(\$000s, except per share amounts)						
Oil and natural gas sales	13,547	2,587	424	45,739	4,384	943
Funds from operations	7,724	1,156	568	27,144	1,409	1,826
per share - basic and diluted	0.23	0.07	229	0.82	0.12	583
Net earnings (loss)	1,232	(259)	576	5,486	(216)	2,640
per share - basic and diluted	0.04	(0.02)	300	0.17	(0.02)	950
Total assets				161,101	58,399	176
Net working capital (deficiency)				(19,650)	3,848	(611)
Total long-term liabilities				9,119	994	817

Summary of Quarterly Results ⁽¹⁾

	Q3 2008	Q2 2008	Q1 2008	Q4 2007	Q3 2007	Q2 2007	Q1 2007	Q4 2006
Number of producing days	92	91	91	92	92	91	90	47
(\$000s, except per share amounts)								
Oil and natural gas sales	13,547	19,255	12,937	9,994	2,587	1,266	532	290
Funds from operations	7,724	11,953	7,467	4,997	1,156	323	(70)	(194)
per share - basic and diluted ⁽²⁾	0.23	0.36	0.23	0.16	0.07	0.03	(0.01)	(0.16)
Net earnings (loss)	1,232	3,446	808	(523)	(259)	(339)	382	(436)
per share - basic and diluted ⁽²⁾	0.04	0.10	0.02	(0.02)	(0.02)	(0.03)	0.05	(0.36)

(1) Crocotta began active oil and natural gas operations on November 15, 2006. Results from oil and natural gas activities for Q4 2006 take into account only the 47-day period from November 15, 2006 to December 31, 2006.

(2) On October 12, 2007, Crocotta's outstanding common shares were consolidated on a three-to-one basis. As such, per share amounts for the comparative periods have been adjusted to reflect the three-to-one consolidation.

General

During the year ended December 31, 2007, Crocotta closed two significant corporate acquisitions that have had a material impact on the Company's operations and financial results in the first nine months of 2008 compared to the first nine months of 2007. On June 8, 2007, Crocotta closed the acquisition of Eastshore Energy Ltd. ("Eastshore") which was producing approximately 500 boe/d at the date of acquisition. On October 12, 2007, Crocotta closed the acquisition of Diamond Tree Energy Ltd. ("Diamond Tree") which added approximately 1,450 boe/d to Crocotta's production base at the date of acquisition.

Production	Three Months Ended September 30			Nine Months Ended September 30		
	2008	2007	% Change	2008	2007	% Change
Average Daily Production						
Oil and liquids (bbls/d)	767	228	236	827	128	546
Natural gas (mcf/d)	7,438	2,107	253	8,353	1,138	634
Total (boe/d)	2,007	579	247	2,219	318	598

Daily production for the three months ended September 30, 2008 increased 247% to 2,007 boe/d compared to 579 boe/d for the comparative period in 2007. Year-to-date, daily production increased 598% to 2,219 boe/d from 318 boe/d for the nine months ended September 30, 2007. Production increased mainly as a result of the acquisitions of Eastshore and Diamond Tree in Q2 and Q4 2007, which added approximately 500 boe/d and 1,450 boe/d, respectively, at the time of closing of each acquisition and successful drilling efforts during the latter half of 2007 and the first quarter of 2008.

Daily production for the three months ended September 30, 2008 decreased 486 boe/d or 19% to 2,007 boe/d compared to 2,493 boe/d for the three months ended June 30, 2008. Production decreased in Q3 2008 compared to the first half of 2008 as a result of downtime at several of the Company's wells and natural declines from wells brought on stream in late Q1 and early Q2 2008.

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Revenue (\$000s)	Three Months Ended September 30			Nine Months Ended September 30		
	2008	2007	% Change	2008	2007	% Change
Oil and liquids	7,642	1,472	419	24,079	2,395	905
Natural gas	5,905	1,115	430	21,660	1,989	989
Total revenue	13,547	2,587	424	45,739	4,384	943
Transportation expenses	(185)	(47)	294	(653)	(75)	771
Total revenue, net of transportation	13,362	2,540	426	45,086	4,309	946
Average Sales Price						
Oil and liquids (\$/bbl)	108.36	70.21	54	106.25	68.38	55
Natural gas (\$/mcf)	8.63	5.75	50	9.46	6.40	48
Average sales price (\$/boe)	73.40	48.57	51	75.22	50.51	49
Transportation expenses (\$/boe)	(1.00)	(0.88)	14	(1.07)	(0.87)	23
Average sales price (\$/boe), net	72.40	47.69	52	74.15	49.64	49

Revenue, before transportation, totaled \$13.5 million for the third quarter of 2008, up dramatically from \$2.6 million for the third quarter of 2007. Year-to-date, revenue, before transportation, increased significantly to \$45.7 million in 2008, compared to \$4.4 million in 2007. Revenue increased as a result of the Eastshore and Diamond Tree acquisitions in 2007, successful drilling efforts during the latter half of 2007 and the first quarter of 2008, and a significant increase in oil, NGLs, and natural gas commodity prices in the first nine months of 2008 compared to 2007.

On a per unit basis, revenue, before transportation, increased 51% to \$73.40/boe for the third quarter of 2008 compared to \$48.57/boe for the same period in 2007. Year-to-date, per unit revenue, before transportation, increased 49% to \$75.22/boe compared to \$50.51/boe for the nine months ended September 30, 2007. The increase was the result of a significant increase in oil, NGLs, and natural gas commodity prices in the first nine months of 2008 compared to 2007.

During the first nine months of 2008, the Company sold all its oil, NGLs, and natural gas on the spot market. Future prices received from the sale of the products may fluctuate as the result of market factors. The Company did not hedge any of its oil, NGLs or natural gas production in the first nine months of 2008.

The following table outlines the Company's realized wellhead prices and industry benchmarks:

Commodity Pricing	Three Months Ended September 30			Nine Months Ended September 30		
	2008	2007	% Change	2008	2007	% Change
Oil and liquids						
Corporate Price (\$Cdn/bbl)	108.36	70.21	54	106.25	68.38	55
West Texas Intermediate (\$US/bbl)	118.21	75.38	57	113.34	66.10	71
Edmonton Par (\$Cdn/bbl)	122.61	80.70	52	115.86	73.69	57
Natural gas						
Corporate Price (\$Cdn/mcf)	8.63	5.75	50	9.46	6.40	48
AECO Daily Spot Price (\$Cdn/mcf)	7.72	5.17	49	8.63	6.55	32
Exchange Rates						
U.S./Cdn. Dollar Average Exchange Rate	0.9604	0.9567	-	0.9822	0.9070	8

Corporate average oil and NGLs prices were 88.4% and 91.7% of Edmonton Par price for the three and nine months ended September 30, 2008, respectively. Corporate average natural gas prices were 111.8% and 109.6% of AECO Daily Spot price for the three and nine months ended September 30, 2008, respectively. Differences between corporate and benchmark prices can be a result of quality (higher or lower API, higher or lower heat content), sour content, NGLs included in reporting, and various other factors. Crocotta's differences are mainly the result of lower priced NGLs included in oil price reporting and higher heat content natural gas production that is priced higher than AECO Daily Spot. Note that these differences change on a monthly basis depending on demand for each particular product.

Transportation Expenses	Three Months Ended September 30			Nine Months Ended September 30		
	2008	2007	% Change	2008	2007	% Change
Oil and liquids (\$/bbl)	1.19	1.01	18	1.33	0.90	48
Natural gas (\$/mcf)	0.15	0.13	15	0.15	0.14	7
Total (\$/boe)	1.00	0.88	14	1.07	0.87	23

Transportation expenses are mainly third-party pipeline tariffs incurred to deliver the products to the purchasers at main hubs. Transportation expenses increased as a result of a significant increase in NGLs transportation costs as a result of the Company switching to a higher netback purchaser in the second quarter of 2008.

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Royalties (\$000s)	Three Months Ended September 30			Nine Months Ended September 30		
	2008	2007	% Change	2008	2007	% Change
Oil and liquids	1,861	245	660	5,543	331	1,575
Natural gas	903	142	536	3,752	304	1,134
Total royalties	2,764	387	614	9,295	635	1,364
Average Royalty Rate (% of sales)						
Oil and liquids	24.4	16.7	46	23.0	13.8	67
Natural gas	15.3	12.7	20	17.3	15.3	13
Average royalty rate	20.4	15.0	36	20.3	14.5	40

Oil, NGLs, and natural gas royalties increased significantly in the three and nine months ended September 30, 2008 from the comparative periods in 2007 mainly as a result of increased revenue from the Eastshore and Diamond Tree acquisitions in Q2 and Q3 2007 and successful drilling efforts during the latter half of 2007 and the first quarter of 2008.

The overall effective royalty rate was 20.4% for the three months ended September 30, 2008, compared to 15.0% for the quarter ended September 30, 2007. Year-to-date, the overall effective royalty rate was 20.3% in 2008 compared to 14.5% in 2007. The increase in the effective royalty rate is a result of higher royalty rates associated with the properties obtained in the Eastshore and Diamond Tree acquisitions in 2007, which are slightly offset by crown royalty holidays on several of the Company's natural gas wells. The low oil and NGLs royalty rate for the three and nine months ended September 30, 2007 was a result of a significant portion of the Company's oil production being on a Crown royalty holiday, which was used up by August 2007. The Company anticipates that the overall effective royalty rate will increase in future periods upon the expiration of the current crown royalty holidays.

Production Expenses	Three Months Ended September 30			Nine Months Ended September 30		
	2008	2007	% Change	2008	2007	% Change
Oil and liquids (\$/bbl)	8.01	9.28	(14)	8.26	9.24	(11)
Natural gas (\$/mcf)	1.85	1.18	57	1.71	1.26	36
Total (\$/boe)	9.90	7.95	25	9.50	8.24	15

Per unit production expenses for the three and nine months ended September 30, 2008 were \$9.90/boe and \$9.50/boe, respectively, up 25% and 15% from the comparative periods ended September 30, 2007. Per unit production expenses for natural gas were significantly higher in 2008 compared to 2007 as a result of higher per unit production expenses incurred on properties acquired from Eastshore and Diamond Tree in 2007.

Operating Netback	Three Months Ended September 30			Nine Months Ended September 30		
	2008	2007	% Change	2008	2007	% Change
Oil and liquids (\$/bbl)						
Revenue	108.36	70.21	54	106.25	68.38	55
Royalties	26.39	11.71	125	24.46	9.44	159
Production expenses	8.01	9.28	(14)	8.26	9.24	(11)
Transportation expenses	1.19	1.01	18	1.33	0.90	48
Operating netback	72.77	48.21	51	72.20	48.80	48
Natural gas (\$/mcf)						
Revenue	8.63	5.75	50	9.46	6.40	48
Royalties	1.32	0.73	81	1.64	0.98	67
Production expenses	1.85	1.18	57	1.71	1.26	36
Transportation expenses	0.15	0.13	15	0.15	0.14	7
Operating netback	5.31	3.71	43	5.96	4.02	48
Combined (\$/boe)						
Revenue	73.40	48.57	51	75.22	50.51	49
Royalties	14.98	7.27	106	15.29	7.31	109
Production expenses	9.90	7.95	25	9.50	8.24	15
Transportation expenses	1.00	0.88	14	1.07	0.87	23
Operating netback	47.52	32.47	46	49.36	34.09	45

During the third quarter of 2008, Crocotta generated an operating netback of \$47.52/boe, up 46% from \$32.47/boe for the third quarter of 2007. Year-to-date, the Company generated an operating netback of \$49.36/boe, up 45% from \$34.09/boe for the comparative period in 2007. The increase in the operating netback was a result of a significant increase in oil, NGLs, and natural gas prices, which was partially offset by an increase in royalties, stemming from the higher per unit royalty expenses on the oil and natural gas assets acquired from Eastshore and Diamond Tree during 2007.

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The following is a reconciliation of operating netback per boe to net earnings per boe for the periods noted:

(\$/boe)	Three Months Ended September 30			Nine Months Ended September 30		
	2008	2007	% Change	2008	2007	% Change
Operating netback	47.52	32.47	46	49.36	34.09	45
General and administrative expenses	4.83	12.12	(60)	4.06	21.30	(81)
Interest expense (income)	0.85	(1.37)	(162)	0.66	(3.45)	(119)
Depletion, depreciation, and accretion	31.63	26.05	21	31.13	26.25	19
Stock-based compensation	1.04	0.53	96	0.85	0.84	1
Future income tax expense (recovery)	2.50	-	100	3.64	(8.38)	(143)
Net earnings	6.67	(4.86)	237	9.02	(2.47)	465

General and Administrative Expenses (\$000s)	Three Months Ended September 30			Nine Months Ended September 30		
	2008	2007	% Change	2008	2007	% Change
G&A expenses (gross)	1,105	793	39	3,155	2,246	40
G&A capitalized	(124)	(95)	31	(366)	(296)	24
G&A recoveries	(91)	(52)	75	(322)	(101)	219
G&A expenses (net)	890	646	38	2,467	1,849	33
G&A expenses (\$/boe)	4.83	12.12	(60)	4.06	21.30	(81)

General and administrative expenses ("G&A") decreased to \$4.83/boe for the third quarter of 2008 compared to \$12.12/boe for the quarter ended September 30, 2007. G&A decreased 81% to \$4.06/boe for the nine months ended September 30, 2008 from \$21.30/boe for the nine months ended September 30, 2007. The decrease in G&A on a per unit basis is the result of the significant increase in production in 2008 compared to 2007.

Interest (\$000s)	Three Months Ended September 30			Nine Months Ended September 30		
	2008	2007	% Change	2008	2007	% Change
Interest expense	156	-	100	412	3	13,633
Interest income	-	(73)	(100)	(11)	(303)	(96)
Net interest expense (income)	156	(73)	314	401	(300)	234
Interest expense (income) (\$/boe)	0.85	(1.37)	162	0.66	(3.45)	119

Interest expense amounts for the first nine months of 2008 relate to interest incurred on amounts drawn from the Company's credit facility, which was used to facilitate the Company's drilling program in the fourth quarter of 2007 and first nine months of 2008. Interest income in the first nine months of 2007 related to interest earned on funds raised through the November 2006 and May 2007 private placement issuances.

Depletion, Depreciation and Accretion	Three Months Ended September 30			Nine Months Ended September 30		
	2008	2007	% Change	2008	2007	% Change
DD&A (\$000s)	5,839	1,387	321	18,931	2,279	731
DD&A (\$/boe)	31.63	26.05	21	31.13	26.25	19

Depletion, depreciation, and accretion ("DD&A") increased 21% to \$31.63/boe for the quarter ended September 30, 2008 compared to \$26.05/boe for the quarter ended September 30, 2007. Year-to-date, DD&A increased 19% to \$31.13/boe compared to \$26.25 for the comparative period in 2007. The provision for DD&A for the three and nine months ended September 30, 2008 includes \$0.1 million and \$0.3 million, respectively, for accretion of asset retirement obligations and amortization of equipment under capital lease.

The increase in the DD&A rate resulted from a large portion of the reserves acquired from Eastshore and Diamond Tree in 2007 being classified as "probable" (which are not recognized for depletion) as the wells were relatively new. The Company expects the DD&A rate per boe to decrease over time as the reserves acquired from Eastshore and Diamond Tree move from probable to proved due to a longer production history, allowing for a higher confidence in reserve estimates.

Stock-based Compensation	Three Months Ended September 30			Nine Months Ended September 30		
	2008	2007	% Change	2008	2007	% Change
Stock-based compensation (\$000s)	193	28	589	516	73	607
Stock-based compensation (\$/boe)	1.04	0.53	96	0.85	0.84	1

The Company grants stock options to officers, directors, employees and consultants and calculates the related stock-based compensation using the Black-Scholes option-pricing model. The Company recognizes the expense over the vesting period of the stock options. The increase in stock-based compensation in the first nine months of 2008 compared to the first nine months of 2007 is a result of the issuance of approximately 2.2 million options in the intervening period.

CORPORATE INFORMATION

OFFICERS AND DIRECTORS

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