



NEWS RELEASE

TSX Venture Exchange: PRY

PINECREST ENERGY INC. ANNOUNCES SECOND QUARTER RESULTS AND FILING OF ITS INTERIM JUNE 30, 2011 FINANCIAL STATEMENTS

August 11, 2011 – Calgary, Alberta - Pinecrest Energy Inc. (“Pinecrest” or the “Company”) is pleased to announce that it has filed on SEDAR its unaudited condensed financial statements and related Management’s Discussion and Analysis (“MD&A”) for the three and six month period ended June 30, 2011. The statements are available for review at www.sedar.com or www.pinecrestenergy.com.

ACCOMPLISHMENTS

- Increased its low risk development drilling inventory by approximately 35% to 242 locations, based on 4 wells per section;
- Established production of over 2,300 bbls/d of light oil (prior to the suspension of the Rainbow pipeline); current production is approximately 1,900 bbls/d with an additional 200 bbls/d shut in due to adverse weather/access conditions;
- Completed the construction of a major pipeline and regional gathering system, installing over 29 kilometers of pipelines;
- Completed the expansion of the Evi oil processing facility, increasing capacity to over 10,000 bbls/d of oil (~4,000 bbls/d net);
- Commenced injection on the Company’s first waterflood;
- Completed and tied-in a total of 4 gross (3.5 net) horizontal oil wells in the Greater Red Earth area, for a total of 20 gross (11.1 net) horizontal wells equipped to produce as at June 30, 2011;
- Increased average daily production by 10% to 830 boe/d compared to 753 boe/d for the three months ended March 31, 2011; and by 1,367% or 792 boe/d compared to 54 boe/d for the six months ended July 31, 2010;
- Amended the \$30.0 million credit facility with a Canadian chartered bank to provide supplemental funding for the Company’s general operations and capital program; and
- On August 3, 2011, Pinecrest announced a \$60 million bought-deal offering of 25,000,000 shares, plus an over-allotment option of 3,750,000 shares, at a price of \$2.40 per share. Closing is anticipated to occur on August 24, 2011.

PINECREST 2011 OUTLOOK

During the second quarter, the Company was presented with a series of unique and unrelated challenges in its core operating area of Red Earth, Alberta. Wildfires, the suspension of the Rainbow pipeline and subsequent wet conditions impacted the Company's ability to maintain continuous production from its assets. Despite these challenges, the Company's capital program has not been affected, and exit guidance has remained unchanged at 3,000 - 3,200 bbls/d of light sweet crude oil.

Additionally, the Company has made strategic investments in undeveloped land acquisition and key infrastructure projects. In the last three months, Pinecrest has successfully grown its low risk development drilling inventory by approximately 35% to 242 locations (based on 4 wells per section), and has grown its land base prospective for the Slave Point to 97 net sections, which is an increase of approximately 50%.

At Red Earth, the Company has installed over 29 km of pipelines and participated in an expansion of the Evi oil battery, allowing for increased oil production from the Company's active capital program. This investment in facility infrastructure will ensure Pinecrest has the ability to get its oil to market throughout the year, reducing reliance on the availability of trucks, road or lease conditions. Production certainty, low processing and water disposal costs, lower overall operating costs and under normal circumstances, no trucking costs, are the immediate benefits resulting from the investment in this key producing infrastructure (current incremental trucking charges attributable to the Rainbow pipeline disruption are approximately \$8/bbl).

Due to the challenges previously discussed, Pinecrest is in the process of optimizing production from its final three wells in its winter drilling season. All three wells are producing at a restricted rate while still recovering load water from their fracture stimulation treatments. The Company is confident that the wells will meet or exceed the Company's type curve. The average initial production from the three wells is as follows:

Average Days on Production	24
Average Oil rate	262 bbls/d
Average Current rate	308 bbls/d

Pinecrest has been successful in assembling a significant land position in the Greater Red Earth Slave Point play, and is now focused on the execution of an aggressive capital program to organically grow its reserves, production and cash flow per share. Pinecrest's management team and its Board of Directors has been focused on the identification; evaluation and acquisition of high working interest, operated lands in the emerging Slave Point resource play. The successful execution of this plan has resulted in the Company assembling a significant land position, a significant drilling inventory and strategic producing infrastructure in the heart of the Slave Point light oil resource play.

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Advisory

The information in this press release contains certain forward-looking statements. These statements relate to future events or our future performance. All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe", "would" and similar expressions. In particular, forward looking statements in this press release includes, but is not limited to: Pinecrest's capital program and 2011 business objectives, Pinecrest's 2011 budget, oil recovery rates, the effects of waterfloods on recovery factors, decline rates and type curves for wells, production rates, exit rates for production and bank debt, downspacing opportunities, the quantity of reserves, and projections of market prices and costs. These statements involve substantial known and unknown risks and uncertainties, certain of which are beyond Pinecrest's control, including: the impact of general economic conditions; industry conditions; changes in laws and regulations including the adoption of new environmental laws and regulations and changes in how they are interpreted and enforced; fluctuations in commodity prices and foreign exchange and interest rates; stock market volatility and market valuations; volatility in market prices for oil and natural gas; liabilities inherent in oil and natural gas operations; uncertainties associated with estimating oil and natural gas reserves; competition for, among other things, capital, acquisitions, of reserves, undeveloped lands and skilled personnel; incorrect assessments of the value of acquisitions; changes in income tax laws or changes in tax laws and incentive programs relating to the oil and gas industry; geological, technical, drilling and processing problems and other difficulties in producing petroleum reserves. Pinecrest's actual results, performance or achievement could differ materially from those expressed in, or implied by, such forward-looking statements and, accordingly, no assurances can be given that any of the events anticipated by the forward-looking statements will transpire or occur or, if any of them do, what benefits that Pinecrest will derive from them. Except as required by law, Pinecrest undertakes no obligation to publicly update or revise any forward-looking statements.

Statements relating to "reserves" or "resources" are deemed to be forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions, that the resources or reserves described can be profitably produced in the future.

Any references in this news release to initial production (IP) rates, 30 day production rates and 60 day production rates are useful in confirming the presence of hydrocarbons, however, such rates are not determinative of the rates at which such wells will continue production and decline thereafter. While encouraging, readers are cautioned not to place reliance on such rates in calculating the aggregate production for the Company.

Barrels of Oil Equivalent ("boe") may be misleading, particularly if used in isolation. A boe conversion ratio of 6MCF:1bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this news release.