



NEWS RELEASE

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PINECREST ENERGY INC. ANNOUNCES THIRD QUARTER RESULTS AND FILING OF ITS INTERIM SEPTEMBER 30, 2011 FINANCIAL STATEMENTS AND AN INCREASE TO ITS 2011 CAPITAL BUDGET

November 8, 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 nine month periods ending September 30, 2011. The statements are available for review at www.sedar.com or www.pinecrestenergy.com.

ACCOMPLISHMENTS

- Closed a \$60 million bought-deal financing;
- Increased average daily production in Q3 2011 to 1,563 boe/d from 830 boe/d in Q2 2011, representing an 88% increase;
- Increased funds from operations in Q3 2011 by 83% to \$8.4 million from \$4.6 million in Q2 2011;
- Maintained a top decile operating netback of \$63.90/boe;
- Increased the Company’s net acreage in the Red Earth Slave Point play by 53% to now hold approximately 100,000 net acres with an average working interest of over 90%;
- Achieved a 100% drilling success rate during the third quarter consisting of 5 gross (4.4 net) wells;
- Expanded the Evi central battery;
- Reduced per barrel operating and transportation expenses by approximately 25% compared to Q2 2011;
- Resumed production suspended due to a third party pipeline disruption; and
- Achieved current production of approximately 2,100 boe/d.

OPERATIONS

The third quarter of 2011 proved to be a very exciting and eventful time for Pinecrest. In July, Pinecrest commissioned the expansion of the Evi battery giving the Company sufficient processing capacity for its production from the Evi and Otter fields. In September, operations were restored on the Rainbow pipeline, which is connected to the Evi battery. This reduced the need to truck clean oil from the Evi battery to various sales oil terminals in the area and resulted in overall operating efficiencies and reduced costs. In the third quarter of 2011, Pinecrest was able to reduce per barrel operating and transportation expenses by 25% as compared to the prior period. It is anticipated that there will be additional operating and transportation expense reductions as production volumes increase and the full effect of the reduction of clean oil trucking costs associated with Rainbow pipeline disruption are realized.

During the third quarter of 2011, Pinecrest continued to develop its Slave Point resource play at Red Earth by drilling 5 gross (4.4 net) successful horizontal wells and placing one of these wells on production prior to quarter end. All of the wells were horizontally drilled within the Slave Point reservoir with single laterals approximately 1,400 meters in length and configured for 20 fracture stimulations. Overall reservoir quality has been good to excellent and in line with the Company's expectations. These wells are part of the Company's continuous Slave Point drilling program, which commenced in December 2010.

Pinecrest remains focused on capturing the significant upside associated with waterflooding its Slave Point reservoirs, as analogous waterfloods in the immediate area have been assigned incremental recovery factors ranging between 50 and 100 percent over primary recovery. The performance on the Company's initial non-operated waterflood has been affected by minor implementation issues which are in the process of being remedied. Looking forward, the waterflood scheme will benefit from increased and more consistent injection volumes. Response to the flood is anticipated within the next two to six months. At this time, Pinecrest has identified and is in the process of applying for two additional operated waterflood schemes and it is anticipated that initial water injection should commence early in the third quarter of 2012.

Pinecrest is preparing to drill its first infill well at a proposed eight wells per section spacing. In conjunction with waterflooding, the Company anticipates that eight wells per section spacing will be the eventual well density throughout the Company's Slave Point opportunity base. The combination of water flooding and infill drilling/downspacing is consistent with Pinecrest's corporate strategy of focusing capital on large, low risk oil accumulations and applying its in-house technical expertise to improve recoveries and capital efficiencies. Other operators in the immediate area have drilled wells in similar spacing schemes.

Additionally, the Company has made strategic investments in the acquisition of undeveloped land, increasing its position in the Slave Point light oil resource play through crown sales. Pinecrest has successfully grown its undeveloped acreage in its Red Earth core area by over 53% to now hold approximately 100,000 net acres with an average working interest of over 90%. Pinecrest currently has a risked development drilling inventory of 235 (4 wells/section) or 470 (8 wells/section) net Slave Point drilling locations. This provides the Company with six to ten years of drilling inventory. In addition, Pinecrest operates its own production facilities and infrastructure which allows for quick, cost effective tie-in of wells.

BUDGET OUTLOOK / EXPANSION

Due to favorable weather and operating conditions and an inventory of drill-ready locations, the Board of Directors has approved an expansion of the 2011 capital budget. Pinecrest has elected to contract two additional drilling rigs, which increases the total to four drilling rigs running in the Red Earth area. This acceleration of capital spending will allow Pinecrest to get a head start on its 2012 first quarter drilling and completions activities, however, at this time, none of the additional wells drilled in the fourth quarter are scheduled to be brought on-stream by the end of 2011. The Company's 2011 budgeted exit rate of 3,000 – 3,200 bbls/d remains unchanged. Pinecrest anticipates bringing on 12 - 14 new Slave Point wells in the first quarter of 2012 while continuing to operate 2-3 drilling rigs. Complete details of the 2012 budget will be provided in December 2011. December 31, 2011 year end net debt is projected to be \$20 MM.

	<u>Cdn</u> <u>\$MM</u>	<u>Net Wells</u> <u>Drilled</u>	<u>Net Wells</u> <u>Completed</u>	<u>Net Wells</u> <u>On-stream</u>
Original Budget (excluding land and property acquisitions)	105	22	18	18
New Budget (including land & property acquisitions)	160	26	22	18

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 have been focused on the identification, evaluation and acquisition of high working interest, operated lands and 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.

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