

NEWS RELEASE

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PINECREST ENERGY INC. ANNOUNCES THE CLOSING OF OVER ALLOTMENT OPTION ON ITS PREVIOUSLY ANNOUNCED BOUGHT DEAL PROSPECTUS OFFERING

CALGARY, ALBERTA (October 12, 2010) Pinecrest Energy Inc. ("**Pinecrest**") (TSXV: PRY) is pleased to announce it has closed the over-allotment option on its previously announced bought-deal financing (the "**Offering**"), with a syndicate of underwriters led by Canaccord Genuity Corp. and including Cormark Securities Inc., GMP Securities L.P., Peters & Co. Limited, and Paradigm Capital Inc. (collectively, the "**Underwriters**"), pursuant to which the Underwriters purchased an additional 3,663,143 common shares at a price of \$1.40 for aggregate gross proceeds of \$5,128,400.20. Closing of the over-allotment option brings the aggregate gross proceeds of the Offering to \$40,128,400.20.

The net proceeds of the Offering will be used to fund Pinecrest's capital program and for general corporate purposes.

GENERAL

Pinecrest trades on the TSX Venture Exchange under the symbol "PRY". Pinecrest currently has 113,978,917 Common Shares outstanding, after giving effect to the common shares issued pursuant to the over-allotment option, as well as 34,758,930 common share purchase warrants.

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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: the use of proceeds of the Offering, Pinecrest's capital program, and the anticipated closing date of the Offering. 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; and obtaining required approvals of regulatory authorities, including the approval of the TSX Venture Exchange. 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.

This press release shall not constitute an offer to sell, nor the solicitation of an offer to buy, any securities in the United States, nor shall there be any sale of securities mentioned in this press release in any state in the United States in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state.

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