CIC ENERGY RECEIVES NOTICE OF ARBITRATION FROM GCL BOTSWANA REGARDING MOOKANE DOMESTIC POWER PROJECT

Road Town, Tortola, British Virgin Islands (February 24, 2011) – CIC Energy Corp. (“CIC Energy” or the “Company”) (TSX:ELC, BSE:CIC Energy) announces that today it received a letter advising the Company that GCL Botswana Limited (“GCL Botswana”) has filed a notice of arbitration with the Hong Kong International Arbitration Center under the shareholders’ agreement respecting the Mookane Domestic Power Project.

GCL Botswana has alleged that CIC Energy’s subsidiary, CIC International (Barbados) Corp. (“CIC International”) has a contractual obligation under the shareholders’ agreement to agree with GCL Botswana the terms of a power purchase agreement and a coal supply agreement. Having consulted with legal counsel, the Company believes that this claim is without merit.

GCL Botswana also requested that CIC International provide written confirmation that CIC International will agree a power purchase agreement and a coal supply agreement.

Having consulted with legal counsel, CIC International refused to provide such confirmation on the basis that there is no provision in the shareholders’ agreement that obligates either GCL Botswana or CIC International to agree the terms of a power purchase agreement or a coal supply agreement with which such party is not satisfied and that if such an obligation did exist, it would not be enforceable as a matter of law.

The agreement between CIC Energy and JSW Energy Limited (“JSW”) provides that it is a condition of the completion of the acquisition of CIC Energy by JSW that CIC Energy shall have delivered documentation satisfactory to JSW demonstrating that there are no outstanding liabilities or obligations arising out of or in connection with the shareholders’ agreement. CIC Energy is in discussions with GCL Botswana with a view to resolving this dispute.

As CIC Energy has not had sufficient time to discuss this matter with JSW, CIC Energy cannot, at this time, provide any advice to shareholders as to the impact thereof upon the closing of the proposed acquisition, or the timing of the closing of such acquisition. CIC Energy had previously stated that the proposed acquisition was expected to close no later than Monday February 28, 2011.
**About CIC Energy Corp.**

CIC Energy Corp. is engaged in the advancement of the Mmamabula Energy Complex at the Mmamabula Coal Field in Botswana, Africa. This planned Complex consists of the Mmamabula Energy Project, the Moekane Domestic Power Project, the Export Coal Project and a potential Coal-to-Hydrocarbons Project.

CIC Energy has a treasury of approximately CDN$20 million and has 52,573,969 million shares outstanding and 70,160,417 shares fully diluted including 13,061,448 million warrants which have not vested. CIC Energy is listed on the Toronto Stock Exchange (TSX:ELC) and the Botswana Stock Exchange (BSE:CIC Energy).

For additional information on CIC Energy and its projects visit the Company’s website at www.cicenergy.com or contact:

Erica Belling, CFA, P.Eng.
VP Investor Relations
Tau Capital Corp.
Tel: (416) 361-9636 x 243
Email: ebelling@taucapital.com

**Forward-Looking Information**

This news release contains certain “forward-looking information”. All statements, other than statements of historical fact, that address activities, events or developments that CIC Energy believes, expects or anticipates will or may occur in the future are forward looking information. Such forward looking information reflects the current expectations or beliefs of CIC Energy based on information currently available to CIC Energy. Such forward-looking information includes, among other things, statements regarding the outcome of the dispute with GCL Botswana and the impact thereof upon the anticipated closing of the acquisition of the Company by JSW. Forward-looking information is subject to significant risks and uncertainties and other factors that could cause the actual results to differ materially from those discussed in forward-looking information, and even if such actual results are realized or substantially realized, there can be no assurance that they will have the expected consequences to, or effects on, CIC Energy or its shareholders. Factors that could cause actual results or events to differ materially from current expectations include, but are not limited to, the failure of CIC Energy to resolve the dispute with GCL Botswana in a timely fashion or at all, the failure of CIC Energy and/or JSW to satisfy the conditions precedent to the completion of the acquisition (including, but not limited to, the failure by CIC Energy to satisfy the condition precedent relating to the shareholders agreement referred to above, the failure to obtain any required governmental assurances and/or regulatory approvals, the occurrence of a material adverse change respecting the Company, the failure of CIC Energy to amend and/or terminate certain contracts within the requisite time and/or the failure of CIC Energy to obtain renewals of the Company’s mineral licences covering its coal resources) and other factors. Forward-looking information speaks only as of the date on which it is made and, except as may be required by applicable securities laws, CIC Energy disclaims any intent or obligation to update any forward-looking information, whether as a result of new information, future events or results or otherwise. Although CIC Energy believes that the assumptions inherent in forward-looking information are
reasonable, forward-looking information is not a guarantee of future performance and accordingly, undue reliance should not be put on such information due to the inherent uncertainty therein.