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NEWS RELEASE

CIC ENERGY SIGNS SUPPLEMENTARY AGREEMENT WITH JSW ENERGY LIMITED

Transaction with JSW to be Restructured as a Merger

Road Town, Tortola, British Virgin Islands (December 16, 2010) – CIC Energy Corp. (“CIC Energy” or the “Company”) (TSX:ELC, BSE:CIC Energy) today announces that it has entered into a binding supplementary agreement (the “Supplementary Agreement”) with JSW Energy Limited (“JSW”), which supplements the Acquisition Agreement referred to in CIC Energy’s news release of November 23, 2010.

Under the terms of the Supplementary Agreement, the legal structure for completing the proposed acquisition has been changed from a take-over bid to a merger. CIC Energy has agreed to support a merger of CIC Energy with JSW Energy Natural Resources (BVI) Limited (“JSWBVI”), a wholly owned subsidiary of JSW, with JSWBVI being the surviving entity (the “Merger”). Upon the completion of the Merger, the shareholders of the outstanding shares of CIC Energy, including any shares issued pursuant to the exercise of outstanding options, will receive CDN$7.42 per share (being the same price as contemplated under the Acquisition Agreement). This completion of the Merger remains subject to the satisfaction of the same conditions as specified under the Acquisition Agreement, plus three additional conditions as discussed further below that result from the change in the transaction structure to a merger.

“The price to be offered to shareholders has not changed at CDN$7.42 per share,” said Mr. Warren Newfield, Chairman and CEO of CIC Energy. “Today’s news is simply a change in the legal structuring of the proposed acquisition of CIC Energy by JSW.”

CIC Energy will be holding a special meeting of shareholders (the “Meeting”) to consider and approve the Merger. The Meeting is scheduled to take place on January 21, 2011. The record date is December 8, 2010. Under the terms of the Supplementary Agreement, a Notice of Special Meeting and Management Information Circular containing information regarding the Merger, as well as details on the voting procedure, will be mailed to CIC Energy shareholders no later than December 30, 2010. The delay, from the previously indicated mailing date of December 20, 2010, is due to the additional time needed to prepare the Circular to effect the change in the transaction structure.
CIC Energy’s financial advisor, Deutsche Bank Securities Inc. (“Deutsche Bank”) has revised its fairness opinion, which remains unchanged from the initial fairness opinion issued in relation to the Acquisition Agreement. In Deutsche Bank’s opinion, subject to the assumptions, qualifications and limitations set forth in such opinion, the consideration payable to shareholders of CIC Energy (other than JSW and its affiliates) pursuant to the Merger is fair, from a financial point of view, to such shareholders.

The Supplementary Agreement has been approved by the board of directors of CIC Energy. CIC Energy’s board has determined to recommend that shareholders of CIC Energy vote in favour of the Merger.

The Merger is expected to close no later than February 28, 2011 (the “Completion Deadline”), subject to the satisfaction of the same conditions precedent as set out in the Acquisition Agreement. In addition to such conditions, the completion of the transaction under the Supplementary Agreement is also subject to: the resolution approving the Merger being passed by a majority of the votes cast at the Meeting; holders of not more than 5% of the issued and outstanding CIC Energy shares having exercised their dissent rights in respect of the Merger; and the Meeting having been held on or before January 24, 2011.

Motilal Oswal Investment Advisors Pvt Ltd is the strategic advisor to CIC Energy for this transaction and Deutsche Bank Securities Inc. is the financial advisor to the Special Committee of the CIC Energy board of directors.

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 Mookane Domestic Power Project, the Export Coal Project and a potential Coal-to-Hydrocarbons Project.

CIC Energy has a treasury of approximately CDN$23 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:

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About JSW Energy Limited

JSW is a power company listed on the National Stock Exchange and the Bombay Stock Exchange. JSW Energy is the independent power arm of the rapidly growing JSW
Group. It is focused on delivering power solutions in the states of Karnataka, Maharashtra, Rajasthan, and Himachal Pradesh. The company has an operational capacity of 1,430 MW; additionally 1,710 MW of generating capacity is in an advanced stage of completion. The company is targeting an aggregate generation capacity of 12,070 MW by 2015-16. JSW Energy is an early entrant in the power trading business and is planning a presence in power transmission, distribution, generation through non-conventional sources, and tie-ups with well-known equipment manufacturers and suppliers. JSW Energy is working towards becoming a full-service integrated energy company.

JSW Group, under the leadership of Mr. Sajjan Jindal, is US$5 billion enterprise with interests across various core economic sectors – Steel, Energy, Cement, Aluminium, Minerals, Infrastructure & logistics and IT. The group apart from a Pan-India presence has global footprints across North America, South America, Africa, Europe and Middle East. JSW group has a market capitalisation of over US$ 10 billion. JSW Steel Limited, the flagship company of the JSW Group, is the largest private sector steel manufacturer in India in terms of installed capacity.

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 structure and timing of the Merger and the Meeting (including the expected timing of mailing of the materials in connection with the Meeting). 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, alternative transactions involving third parties which may result in the termination of the Merger Agreement and/or the terms of the Merger Agreement being changed, the failure of the parties to satisfy the conditions precedent to the completion of the Merger (including, but not limited to, the failure of the shareholders of CIC to approve the Merger, the failure to obtain specified governmental and third party 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, the failure of CIC Energy to obtain renewals of the Company’s mineral licences covering its coal resources, and shareholders of CIC representing more than 5% of the total outstanding shares of the Company having validly exercised dissent rights in connection with the Merger), 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 statement, 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 (including, without limitation, that the conditions to completing the Merger are satisfied within the times required) are reasonable, forward-looking statements are not guarantees of future performance and accordingly, undue reliance should not be put on such statements due to the inherent uncertainty therein.