CIC ENERGY TO OPEN DATA ROOM TO OTHER POTENTIAL ACQUIRERS

CIC Energy to terminate agreements with JSW Energy, but may continue discussions with JSW Energy on a non-exclusive basis

Road Town, Tortola, British Virgin Islands (May 31, 2011) – CIC Energy Corp. (“CIC Energy” or the “Company”) (TSX:ELC, BSE:CIC Energy) today announces that its board of directors has approved the termination by the Company of the Acquisition and Supplementary Agreements with JSW Energy Limited (“JSW”) in accordance with their terms as the proposed acquisition of the Company by JSW will not be completed by the required deadline of May 31, 2011. A notice of termination will be sent to JSW on June 1, 2011.

CIC Energy believes shareholder interests will be better served by pursuing an alternative transaction. While CIC Energy is willing to continue discussions with JSW Energy, any such discussions would have to be on a non-exclusive basis.

CIC Energy intends to open its data room to potential acquirers as soon as practicable following termination of the agreements with JSW. CIC Energy has already received several expressions of interest as was reported in the Company’s news release of April 28, 2011. It is expected that CIC Energy advisors, Deutsche Bank Securities Inc. and Motilal Oswal Investment Advisors Pvt Ltd., will begin speaking with the advisors of prospective acquirers shortly thereafter.

“It is disappointing that after almost eight months the transaction with JSW has not been completed despite several extensions to the original deadline,” said Greg Kinross, President of CIC Energy, “we thank shareholders for their patience and understanding and remain committed to unlocking value for shareholders”.

“We look forward to beginning discussions regarding the acquisition of the Company with other major corporations that have expressed interest in CIC Energy in recent months, as well as other parties,” said Warren Newfield, CEO of CIC Energy. “We believe this is the best course of action for shareholders. We are prepared to continue the process with JSW, but only on a non-exclusive basis.”

Arbitration by GCL Botswana
In respect of the arbitration process recently initiated by GCL Botswana Limited (“GCL Botswana”), CIC Energy continues to regard it as being entirely without merit. Although discussions have taken place between the Company and GCL Botswana with a view to settling the dispute and terminating the underlying shareholders’ agreement, the
situation remains unresolved. The Company is open to further discussions with GCL Botswana, but is considering all of its options to resolve its position.

**Conference Call**
CIC Energy will host a conference call with Warren Newfield, CEO and Chairman, and Greg Kinross, President to discuss this news release on Tuesday May 31, 2011 at 4:00 p.m. Eastern Time (10:00 p.m. SAST).

To participate in the conference call, investors and media from the US and Canada should dial 1-888-231-8191 prior to the scheduled start time. International callers should dial +1 (647) 427-7450.

**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 one or more Power Projects, an Export Coal Project and a potential Coal-to-Hydrocarbons Project.

CIC Energy has a treasury of approximately CDN$16 million and has 52,573,969 shares outstanding and 70,140,417 shares fully diluted including 13,061,448 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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**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, the anticipated termination by CIC Energy of the agreements with JSW and related timing thereof, expected discussions (including the subject matter thereof) with potential acquirers and the expected timing for the commencement of such discussions and the Company’s plans. 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 alleged dispute with GCL Botswana. 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.