

CIC Energy Announces Investment by Vitol as a Strategic Partner

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Updates Provided on Power Projects

ROAD TOWN, Tortola, British Virgin Islands, March 27, 2012 /CNW/ - [CIC Energy Corp.](#) ("CIC Energy" or the "Company") (TSX:ELC, BSE:CIC Energy) is pleased to announce it has completed a private placement with Vitol Energy (Bermuda) Ltd. ("Vitol") a member of the Vitol Group of companies (the "Vitol Group") for a total of 5,263,158 common shares at a price of CDN\$1.90 each for gross proceeds of CDN\$10 million. This price reflects a 44% premium to the closing price of CIC Energy's common shares on March 26, 2012. Following completion of the private placement, Vitol holds 9.1% of the issued common shares of the Company. In connection with the private placement, CIC Energy has granted Vitol pre-emptive rights to maintain its proportionate shareholding interest in the Company and certain anti-dilution rights for a maximum of 12 months, in each case, subject to the approval of the TSX.

In addition, an agreement has also been entered into whereby CIC Energy will utilize Vitol's extensive coal marketing expertise. The terms of this agreement give the Vitol Group the right to market 60% of any future export coal produced from the area in the Mmamabula Coal Field in Botswana covered by prospecting license 11/2004 (excluding the remainder of the area held by CIC Energy, being the area covered by retention license 2009/IR). This area is expected to ultimately support the production of 20 million sales tonnes per year of an export quality coal, assuming a railway and logistics solution is found to transport the coal to a port with coal export facilities.

The Vitol Group is the largest independent energy trader in the world and is in the business of extracting, buying, selling, transporting and shipping products such as coal, gasoline, diesel, LPG, LNG, fuel oil, naphtha, ethanol, and biofuels. Its business extends to the ownership and operation of producing assets, terminals and seaborne vessels. The Vitol Group, with six regional centres and 23 additional offices around the world earned revenues of US\$297 billion in 2011.

In January 2012, the Vitol Group announced the acquisition of a 35% interest in the company which holds the concession for the de Carvão da Matola Terminal (the "Matola Coal Terminal") at Maputo from Grindrod Limited ("Grindrod"), the Johannesburg Stock Exchange listed integrated logistics services supplier. In addition, Vitol and Grindrod announced that they will enter into a partnership (65% Vitol / 35% Grindrod) to combine their respective sub Saharan coal trading businesses.

The Matola Coal Terminal provides access to international markets for the export of coal. The Mozambique Ports and Railways (known as "CFM"), which oversees the railway system of Mozambique and its connected ports, and Transnet SOC Limited ("Transnet"), South Africa's national rail carrier, have announced investment plans intended to promote the delivery of cargo by rail to the Matola Coal Terminal, and the Vitol Group and Grindrod have announced that they would conduct a feasibility study for an expansion of capacity at the Matola Coal Terminal by 20 million tons per year.

"This financing strengthens our ability to continue development of our key projects well into the future," said Greg Kinross, President of CIC Energy. "Furthermore, Vitol's ownership interest in the Matola Coal Terminal in Mozambique and their experience in trading and logistics is strategically attractive to us, especially given the positive developments we are seeing in South Africa by Transnet to increase export rail capacity from the Waterberg coal field, which is contiguous with and adjoins the Mmamabula Coal Field on the Botswana side of the border. This could provide CIC Energy with the opportunity to export coal sooner than we had anticipated."

The proceeds from this private placement will be used for general corporate purposes.

Power Project Updates

Mmamabula Energy Project

CIC Energy is also pleased to announce it has recently submitted a response in relation to the planned 1,200 MW Mmamabula Energy Project in response to the Request For Information ("RFI") released by South

Africa's Department of Energy ("DoE") and the National Treasury.

On March 5, 2012 the DoE and National Treasury publicly issued the RFI in relation to potential power projects based in South Africa and neighboring countries. The RFI was addressed to developers of coal-fired power stations, as well as cogeneration facilities, gas-fired power plants and hydroelectrical plants. The DoE have advised that they plan to use the responses to the RFI to evaluate the state of readiness of various projects able to supply electricity onto the South African grid prior to March 2019 and to then formulate a procurement process in relation to such projects.

"We are encouraged by the Government of South Africa's renewed interest in purchasing power from independent power producers from within and outside of South Africa, which potentially could include the Mmamabula Energy Project," said Greg Kinross, President of CIC Energy. "We anticipate further developments later this year as the RFI indicates that the DoE intends to issue a request for proposals for new power projects from developers within the next six months. We continue to believe that given its advanced stage of development and certain key contracts in place such as the EPC contract with Shanghai Electric, the MEP can make a meaningful contribution towards the country's urgent new capacity needs".

CIC Energy has also re-initiated discussions with potential equity investors to participate as partners in the Mmamabula Energy Project.

Domestic Power Project

In recent months the Government of Botswana ("GoB") has publicly announced it needs 600 MW from new independent power producer ("IPP") projects. The GoB's stated intention is to purchase 300 MW from a brownfields IPP project (with coal sourced from the Morupule Colliery) and an additional 300 MW from a greenfields project elsewhere in Botswana, which potentially could be CIC Energy's Domestic Power Project. The GoB's indicated timelines for production are 2015 and 2018 for the brownfields and greenfields IPP projects respectively. The GoB is expected to announce more details in the near future.

About the Mmamabula Energy Project

The Mmamabula Energy Project is a proposed 1,320 MW (gross) or 1,200 MW (net) power station and integrated coal mine project being developed at the Mmamabula coal field in Botswana adjacent to the coal resources held by CIC Energy. The power generated is intended for export to South Africa. The Mmamabula Energy Project is the most advanced base-load IPP project in the region. CIC Energy has invested more than US\$100 million in this project.

About the Domestic Power Project

The Domestic Power Project is a proposed 300 MW (gross) power station and integrated coal mine project in Botswana. The power generated is intended for consumption in Botswana.

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

CIC Energy has a treasury of approximately CDN\$17.4 million and has 58,012,127 shares outstanding and 75,958,575 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).

About Vitol

The following information was provided by Vitol.

The Vitol Group was founded in 1966 in Rotterdam, the Netherlands. Since then the company has grown significantly to become a major participant in world energy markets and is now one of the world's largest independent energy traders. Its trading portfolio includes crude oil, oil products, bunker fuel, LPG, LNG, natural gas, coal, power, metals and carbon emissions. Vitol trades with all the major national oil companies, the integrated oil majors and the independent refiners and traders. Through its trading business, Vitol has

established itself in shipping, as one of the world's largest charterers of crude oil and oil product tankers. Globally Vitol trades over 5.5 million barrels of crude oil and products per day and its 2011 revenues were US\$297 billion.

In addition to its trading business and its 50% share in the storage and terminals business, VTTI, with 11 terminals on five continents, Vitol has an exploration and production business which includes interests in Ghana, Cameroon, Kazakhstan, Russia and Azerbaijan. It also currently owns and operates over 100,000 barrels per day in refining assets and a thermal coal mine in British Columbia, Canada.

Further details on the Vitol Group are available at www.vitol.com

Forward-Looking Statements

All statements in this news release, 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 information reflects the current expectations or beliefs of CIC Energy based on information currently available to CIC Energy, and includes, among other things, the Company's use of proceeds from the private placement, levels and timing for the production and export of coal at the Mmamabula Coal Field, development of the Company's key projects, future power production capacity at the Mmamabula Energy Project, the ability of CIC Energy to obtain access to required rail and terminal facilities including the Matola Coal Terminal, CIC Energy's ability to obtain an equity investment in the Mmamabula Energy Project, and the sale of power from the Mmamabula Energy Project and the Domestic Power Project. Forward-looking information is subject to significant risks and uncertainties and other factors that could cause the actual results to differ materially, and even if such actual results are realized or substantially realized, there can be no assurances 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 include, but are not limited to, the possibility of unexpected costs and expenses, general business and economic uncertainties, volatility of and sensitivity to market prices for coal and prices (market or otherwise) for electricity, changes for anticipated demand for power in southern Africa, the Minister of Energy in South Africa electing to procure new power generation capacity from other sources, failure of the DoE to issue an RFI and even if the DoE issues an RFI, there is no assurance that CIC Energy's response will be accepted, the railway and logistical issues affecting the transportation of coal are not resolved to the satisfaction of the Company, lack of markets for the Company's coal resources, the grade, quality and recovery of coal which is mined varying from estimates, as well as those risks set out in the Company's public documents filed on SEDAR. 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.

For further information:

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

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