

OSC Overturns Staff Decision Blocking Crown Hill Capital Prospectus

TORONTO, ON. – August 8, 2011: Crown Hill Capital Corporation (the “Company”), the Manager and Trustee of Citadel Income Fund and Energy Income Funds (the “Funds”), announced today that its application for a hearing and review of the decision of the acting Director of Investment Funds before the Ontario Securities Commission (the “Commission”) was successful. The Commission overturned the decision of the acting Director not to issue a receipt for a preliminary prospectus filed on March 4, 2011 for an offering of warrants by the Funds (the “Warrant Offerings”).

“Crown Hill is gratified by the Commission’s ruling and its finding that there was not sufficient grounds to justify the acting Director’s decision and the Staff recommendations,” said President and Chief Executive Officer Wayne Pushka. “The Funds will now file final prospectuses in accordance with the Commission’s Order and we will continue to build our business for the benefit of our unitholders.”

Background to the OSC Decision

The acting Director of Investment Funds had accepted the recommendation of Staff against the receipting of the prospectus based on Staff’s comments regarding the widely publicized acquisition by Crown Hill Fund of the administration contracts of the Citadel Group of Funds in June 2009 (the “Acquisition”) and the subsequent merger of some of those funds with Crown Hill Fund, forming the Citadel Income Fund. At the time, Staff expressed their concerns with the Acquisition and the disclosure made in the June 3, 2009 information circular. After the Company made changes to the proposed reorganization to address Staff’s concerns, a new information circular was issued, was approved by unitholders, and the reorganization was partially completed to create Citadel Income Fund.

Despite the Company’s response, Staff continued to raise the same concerns with the Acquisition nearly two years later, and used those arguments to deny the receipting of the prospectus in relation to the Warrant Offering. On April 14, 2011 the Company and the Fund availed themselves of the Opportunity to be Heard (the “OTBH”) before the Director of Investment Funds. The OTBH meeting was adjourned and reconvened on May 11, 2011 with another (acting) Director. In the meantime, on May 6, 2011, Staff served the Company and its President with an enforcement notice, relating to the Acquisition. The second (acting) Director upheld Staff’s recommendation.

On May 31, 2011, the Company and the Funds sought a hearing and review of the Director’s decision pursuant to subsection 8(2) of the *Securities Act*. The application was scheduled to be heard on July 12, 13 and 14, 2011. On July 7, 2011, Staff issued a Notice of Hearing and Statement of Allegations against the Company and its President. Staff then sought to stay the hearing and review of the Director’s decision on the basis that the Commission should await the outcome of the recently commenced enforcement proceeding. The Commission dismissed Staff’s motion.

In granting the application, the Commission ruled that, contrary to Staff’s submission and the Director’s decision, it was not apparent that there was sufficient evidence to justify a refusal to issue a receipt for the prospectuses on the grounds that the business of the Funds may not be conducted with integrity.

The Company and its President will be requesting the earliest available hearing dates to address the allegations made by Staff in the enforcement proceeding, which are substantially the same as those made by Staff in relation to the receipting of the prospectuses.

For further information please contact the Investor Relations department at 416.361.9673 or toll-free at 1.877.261.9674.

Certain statements contained in this news release constitute forward-looking information within the meaning of Canadian securities laws. Forward-looking information may relate to matters disclosed in this press release and to other matters identified in public filings relating to the Fund, to the future outlook of the Fund and anticipated events or results and may include statements regarding the future financial performance of the Fund. In some cases, forward-looking information can be identified by terms such as "may", "will", "should", "expect", "plan", "anticipate", "believe", "intend", "estimate", "predict", "potential", "continue" or other similar expressions concerning matters that are not historical facts. Actual results may vary from such forward-looking information.