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## **News Release**

May 25, 2011

### **Reservoir Announces Completion of Private Placement by Reservoir Minerals Inc. of \$9.6 Million in Subscription Receipts Pursuant to Proposed Spin-Out of Mineral Exploration Assets**

**Vancouver, British Columbia (TSX Venture: REO)** – Reservoir Capital Corp., (“**Reservoir**” or the “**Company**”) is pleased to announce that Reservoir Minerals Inc., (“**Minerals**”) has completed a previously announced non-brokered private placement financing (the “**Private Placement**”) of 14,776,150 non-transferable subscription receipts (the “**Subscription Receipts**”) of Minerals at a price of \$0.65 per Subscription Receipt for aggregate gross proceeds of approximately \$9.6 million.

Each Subscription Receipt purchased under the Private Placement will entitle the holder to receive one unit (each, a “**Unit**”) of Minerals, upon the satisfaction of certain release conditions (“**Release Conditions**”). Each Unit will consist of one common share (a “**Common Share**”) of Minerals and one non-transferable Common Share purchase warrant (the “**Warrant**”), with one whole Warrant entitling the holder to purchase one additional Common Share for a period of two years from the date of conversion of the Subscription Receipts at an exercise price of \$0.90 in the first year and \$1.00 in the second year subject to accelerated expiry in certain circumstances.

The subscription proceeds from the Private Placement will be held in escrow pending satisfaction of the Release Conditions, including obtaining regulatory approval and satisfying certain conditions to the completion of the previously announced proposed spin-out by Reservoir of certain Serbian mineral exploration permits (“**Serbian Mineral Projects**”) to Minerals by means of a plan of arrangement pursuant to the *Business Corporations Act* (British Columbia) (the “**Spin-out Transaction**”).

“This is an important step for the Company, ensuring that Reservoir Minerals, subject to certain escrow release conditions and pursuant to the proposed Spin-out Transaction, will be funded to advance the Serbian Mineral Projects and build up an exploration portfolio internationally.” commented Miles Thompson, Chairman of the Company. “It also takes Reservoir Capital Corp. a step closer to becoming a pure-play renewable energy company, which we believe to be essential as the Company works towards project finance and development of the Brodarevo hydroelectric projects.”

In connection with the Private Placement, Minerals issued 429,882 non-transferable compensation option receipts (“**Compensation Option Receipts**”) of Minerals to finders, equal to 4% of the aggregate number of Subscription Receipts issued to subscribers to the Private Placement introduced by such finders. Upon the conversion of the Subscription Receipts and the provision of escrowed proceeds to Minerals pursuant to a subscription receipt agreement (the “**Subscription Receipt Agreement**”) between Minerals and Computershare Trust Company of Canada as escrow agent (“**Escrow Agent**”), each Compensation Option Receipt shall automatically, for no additional consideration, be exchanged for a Unit. If the Subscription Receipts do not convert, the Compensation Option Receipts will immediately become null and void and no Units will be issued.

The Subscription Receipts are issued pursuant to the terms of the Subscription Receipt Agreement. The gross proceeds from the sale of Subscription Receipts have been deposited with the Escrow Agent pursuant to the terms of the Subscription Receipt Agreement. The Subscription Receipt Agreement provides, among other things, that upon the satisfaction of the Release Conditions, the gross proceeds and any interest thereon will be released from escrow and delivered to Minerals. In the event that the Release Conditions are not satisfied within 150 days of the closing of the Private Placement, the gross proceeds shall be returned to the subscribers to the Private Placement.

### **Background to Proposed Spin-out Transaction**

The Company entered into a letter of intent dated March 24, 2011 with Minerals regarding the proposed re-organization of its business components into two separately listed public corporations by the spin-out of certain Serbian mineral exploration permits to Minerals, by means of the Spin-out Transaction. The Spin-out Transaction is further described in the Company’s press release dated March 25, 2011. The objective of the Spin-out Transaction is to maximize shareholder value by allowing the market to independently value the Company’s renewable energy projects and mineral exploration business. In addition to allowing the Company to continue to focus efforts on its renewable energy projects, the Company is confident that having a dedicated management team and funding for the mineral exploration business will accelerate development of existing mineral projects and give scope for new acquisitions.

This news release does not constitute an offer to sell, or the solicitation of an offer to buy, any securities. The securities referenced herein have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “**1933 Act**”), or any state securities laws, and may not be offered or sold in the United States or to, or for the account or benefit of, US persons (as such terms are defined in the 1933 Act), absent registration or an exemption therefrom.

### **About the Company**

Reservoir is a renewable energy company, engaged in development of a 58.4 MW hydroelectric project at Brodarevo in southwest Serbia. Reservoir holds four geothermal exploration licenses in Serbia and has applied for three hydroelectric licenses on the Cehotina River in Bosnia (17.75 MW) and one to develop a 32 MW project from an existing reservoir dam at Vrutci in Serbia. The Company holds a portfolio of 8 precious and base metal exploration properties in Serbia. Reservoir’s common shares trade on the TSX Venture Exchange (symbol “REO”) and on the Frankfurt and Berlin Exchanges (symbol “ROC”).

For further information on Reservoir Capital Corp., please consult the Company’s website [www.reservoircapital.com](http://www.reservoircapital.com), or contact Chris MacIntyre at +1 416 703 0010 or via e-mail at [cmacintyre@reservoircapitalcorp.com](mailto:cmacintyre@reservoircapitalcorp.com).

*Neither the TSX Venture Exchange nor its Regulation Service Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.*

*Except for statements of historical fact relating to the Company, some statements in this news release contain forward-looking statements and information (“**forward-looking statements**”). Forward-looking statements are frequently characterized by words such as “plan”, “expect”, “project”, “intent”, “believe”, “anticipate” and other similar words, or statements that certain events or conditions “may” or “will” occur.*

*Forward-looking statements are based on the opinions and estimates of management at the date the statements are made, and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. These statements include, but are not limited to, statements with respect to the satisfaction of the Release Conditions, the expected benefits of the proposed Spin-out Transaction, the completion of the Spin-out Transaction, the receipt of any shareholder and regulatory approvals for the Spin-out Transaction and the development potential of the Company's properties including its mineral properties. The Release Conditions may not be met if requisite regulatory and other approvals are not obtained in accordance with the planned timeline. Accordingly, there is a risk that the Release Conditions will not be satisfied within the expected timeframe or at all. These statements address future events and conditions and, as such, involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the statements. Such factors and assumptions include, among others, the effects of general economic conditions, the price of natural resources, changing foreign exchange rates and actions by government authorities, uncertainties associated with legal proceedings and negotiations and misjudgements in the course of preparing forward-looking information. In addition, there are known and unknown risk factors which could cause the Company's actual results, performance or achievements to differ materially from any future results, performance or achievements expressed or implied by the forward-looking statements. Known risk factors include risks associated with the ability obtain any necessary approvals, waivers, consents and other requirements necessary or desirable to permit or facilitate the Spin-out Transaction, the risks that any applicable conditions of the proposed transaction may not be satisfied, risks associated with project development; the need for additional financing; operational risks associated with mining and mineral processing; the uncertainties involved in interpreting drilling results and other ecological data, fluctuating metal prices, the possibility of project cost overruns or unanticipated costs and expenses, uncertainties relating to the availability and costs of financing needed in the future; fluctuations in metal prices; title matters; environmental liability claims and insurance; reliance on key personnel; the potential for conflicts of interest among certain officers, directors or promoters of the Company with certain other projects; currency fluctuations; competition; dilution; the volatility of the Company's common share price and volume; tax consequences to investors; and other factors described in the section entitled “Risks” in the Company's Management's Discussion and Analysis for the period ended January 31, 2011 and other risks and uncertainties. Forward-looking statements are made based on management's beliefs, estimates and opinions on the date that statements are made and the Company undertakes no obligation to update forward-looking statements if these beliefs, estimates and opinions or other circumstances should change, except as required by applicable securities law. Circumstances or management's estimates or opinions could change. The reader is cautioned not to place undue reliance on forward-looking statements.*