NEWS RELEASE

CIC ENERGY UPDATES DISCUSSIONS WITH ESKOM ON THE MMAMABULA ENERGY PROJECT


Eskom has advised CIC Energy that Eskom’s discussions with the Government of South Africa regarding a sustainable funding model for Eskom are still ongoing, and that while Eskom supports the role of independent power producers (“IPPs”) such as CIC Energy, until such time as the funding model has been agreed with the appropriate stakeholders, Eskom cannot commit to the purchase of electricity from an IPP. For this reason Eskom has indicated that, at this time, it can neither accept nor reject the offer submitted by CIC Energy’s subsidiary Meepong Energy.

This is consistent with recent statements made by Eskom that it needed to finalize its funding model before it would be in a position to submit its upcoming multiyear price determination to the National Energy Regulator of South Africa (“NERSA”). Eskom is engaging with the relevant stakeholders to resolve the funding model and anticipates that the discussions will be completed prior to the end of its financial year (March 2010). In the interim, Eskom and CIC will continue to work together in anticipation of a positive outcome of the funding model.

This development follows the Company’s announcement of July 2, 2009 that CIC Energy’s offer had been submitted for evaluation by Eskom’s formal governance process.

“We are hopeful that the discussions between the Government of South Africa and Eskom to establish a sustainable funding model will soon be finalized in light of the urgent need for private sector electricity providers to complement Eskom’s new build programme,” said Mr. Greg Kinross, President of CIC Energy. “This is especially relevant for the MEP because all other project development and financing activities are progressing very well.”

In light of this development, CIC Energy is reviewing its planned program of project development activities on the MEP. This review includes direct engagement by the Company with the Government of South Africa and NERSA, a process that was initiated by the Company following the submission of the offer to Eskom and Botswana Power Corporation earlier this year.
“We do not believe that any of the project fundamentals and compelling advantages of the MEP have changed as a result of this development other than the additional time that is likely to be required to reach conclusion, which we are currently evaluating,” added Mr. Kinross.

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 July 17, 2009 at 10:45 a.m. Eastern Time (4:45 p.m. SAST).
To participate in the conference call, investors and media from the US and Canada should dial 1-800-733-7571 ten minutes prior to the scheduled start time. International callers should dial +1 (416) 644-3414.
CIC Energy will offer an archived webcast of the conference call, accessible from the Company’s web site at www.cicenergy.com.

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 Export Coal Project and a potential Coal-to-Hydrocarbons Project. The Mmamabula Energy Project is a proposed 1,200 MW (net) power station and integrated coal mine.

CIC Energy has a treasury of approximately C$57 million and has 52,573,969 million shares outstanding. 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 Statements
This news release contains certain “forward-looking statements”. 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 statements. These forward-looking statements reflect the current expectations or beliefs of CIC Energy based on information currently available to CIC Energy. Such forward-looking statements include, among other things, statements relating to the MEP, the status of ongoing negotiations of the PPA(s) for the MEP, discussions between Eskom and the Government of South Africa in respect of a sustainable funding model for the purchase of electricity from an IPP and the timetable for consideration of such a funding model. Forward-looking statements are subject to significant risks and uncertainties and other factors that could cause the actual results to differ materially
from those discussed in the forward-looking statements, 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, the Company.

Factors that could cause actual results or events to differ materially from current expectations include, but are not limited to: the delay or failure of negotiations between Eskom and the Government of South Africa to determine a sustainable funding model for the purchase of electricity from an IPP, on favourable terms or at all; the delay or failure of the Government of South Africa to consider such a funding model in a timely manner or at all; the delay or failure in receiving a favourable response from Eskom in respect of the offer submitted by CIC Energy to Eskom and Botswana Power Corporation (“BPC”) in March 2009; further delays or failures in entering into PPAs and/or transmission agreements with Eskom and/or BPC and other requisite agreements for the development, operation and financing of the MEP, on favourable terms or at all; the failure of the counterparties to such requisite agreements to comply in all material respects with the terms and conditions of such agreements; the failure to complete agreements with equity partners, including an arrangement with an IPP partner on favourable terms or at all; the ability to raise the required debt or equity financing for the implementation of the MEP on favourable terms or at all; capital equipment, infrastructure and operating costs varying significantly from estimates; delays in the development of the MEP caused by delays in reaching necessary agreements with relevant counterparties, events of force majeure or otherwise; the failure to obtain acceptable tariffs and/or concessions, including tax concessions, from the Government of Botswana; inability to obtain requisite credit support from the Government of South Africa and/or the Government of Botswana in relation to the MEP; delays in the development of the MEP caused by the unavailability of equipment, labour or supplies, climatic conditions or otherwise; delays or failures in obtaining regulatory permits and/or licences (and renewals thereof) respecting mining, power generation and/or power transmission lines and other transportation and industrial activities; the existence of undetected or unregistered interests or claims, whether in contract or tort, over the properties of the Company and its subsidiaries; the loss of any key executives, employees or consultants; inflation; changes in exchange rates; Rand liquidity and constraints under applicable South African law and/or practice on the amount that a single lender is permitted to lend a single borrower; volatility of and sensitivity to market prices for coal and prices (market or otherwise) for electricity; changes in anticipated demand for power in southern Africa; changes in equity markets; environmental and safety risks, including increased regulatory burdens; insufficient or sub-optimal transportation and transmission capacity; dispatch risk; geological and mechanical conditions; availability of water and sorbent; amendments to the laws of South Africa or Botswana that may be prejudicial to the development of the MEP or the failure to obtain amendments to any such laws that may be necessary to implement the MEP; political risks arising from operating in Africa; lack of markets for the Company’s coal resources; the grade, quality and recovery of coal which is mined varying from estimates; or other factors (including development and operating risks).

Any forward-looking statement 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 the forward-looking statements 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.