CIC Energy Selects Shanghai Electric Group as Preferred EPC Contractor for Mmamabula Energy Project (MEP)

*MEP Cost, Schedule and Other Updates Including Appointment of Parsons Brinckerhoff as Owner’s Engineer*

Information on conference call taking place at 9:00 a.m. EST on Monday December 1, 2008 included below

**Road Town, Tortola, British Virgin Islands (December 1, 2008)** – CIC Energy Corp. (“CIC Energy” or the “Company”) (TSX:ELC, BSE: CIC Energy) is pleased to announce that Shanghai Electric Group Co., Ltd. (“SEC”) has been selected as the preferred Engineering, Procurement and Construction (“EPC”) contractor for the first power station to be built at the Mmamabula Coal Field in Botswana, Africa. As a result, CIC Energy has entered into a Preliminary Agreement with SEC in respect of the Mmamabula Energy Project (“MEP”).

CIC Energy and SEC commenced discussions in mid-2008, which resulted in the preparation and delivery by SEC of a comprehensive firm bid package for a fixed price, lump sum turnkey power station build for the Mmamabula Energy Project, a 1320 megawatt (“MW”) (gross) capacity power station. The signing of the Preliminary Agreement followed an initial due diligence of all aspects of the firm bid package, subsequent follow-up discussions on all technical specifications for the power station, and negotiations between CIC Energy and SEC on the terms and conditions of the proposed EPC contract.

CIC Energy expects to conclude definitive terms for the EPC contract with SEC before the end of the first quarter of 2009. Under the terms of the Preliminary Agreement, CIC Energy has granted to SEC a right of exclusivity for such period. SEC and the Company are also interested in cooperating on further expansions of the power station and the Preliminary Agreement contemplates the negotiation by CIC Energy and SEC of an option agreement with respect to such expansions.

“SEC is perhaps the largest power station manufacturer in the world and SEC’s participation in this project is a major asset to the MEP,” said Mr. Greg Kinross, President of CIC Energy. “The execution of the Preliminary Agreement with SEC as the preferred power station EPC contractor for the Mmamabula Energy Project positions us very well for an anticipated start of construction in 2009, which is one of the MEP’s compelling advantages.”

The finalization of the EPC contract for the MEP is key to concluding agreements with electricity offtakers, lenders and others. Subject to conclusion of all project agreements (including the EPC contract) and the execution of definitive loan agreements (“Financial Close”) by mid-2009, commercial operation of the power station is expected in late 2012 or early 2013.

“Shanghai Electric is delighted to be appointed as the preferred EPC contractor for the Mmamabula Energy Project and looks forward to concluding the EPC contract within the next few months,” said Mr. Jianhua Zheng, President of Shanghai Electric Power Generation Group. “We are confident of executing a successful project in Botswana with CIC Energy and look forward to growing our business in Africa.”
In 2007, SEC manufactured 30 gigawatts of power plant capacity. SEC is a vertically integrated company with subsidiaries that provide all of the key components for a power station build, including boilers, turbines, generators and flue gas desulfurization equipment. SEC has had strong technology cooperation with other leading companies (like Siemens, Alstom and Foster Wheeler), and today SEC undertakes projects and supplies equipment on a worldwide basis.

The planned capacity of the MEP power station will be approximately 1320 MW (gross) comprised of two supercritical 660 MW units (gross). The technology used will be dry-cooled to conserve water, supercritical boilers will be used for higher efficiency and flue gas desulfurization will be used for sulphur removal. The MEP will be compliant with the Equator Principles which are guidelines based on environmental and social standards of the International Finance Corporation, the private sector arm of the World Bank Group.

Appointment of Parsons Brinckerhoff as Owner’s Engineer

CIC Energy also announces the appointment of Parsons Brinckerhoff (“PB”) as owner’s engineer for the Mmamabula Energy Project.

PB will assist with the detailed evaluation of SEC’s firm bid package, as well as the finalization of technical specifications for the EPC contract. The appointment is initially for the period up to Financial Close, with an expected extension to include the construction phase of the MEP. As owner’s engineer during the construction phase, PB’s role would be to assist with project management, design review, supervision and coordination through the engineering, construction, inspection, testing and commissioning of the MEP power station and other project elements.

Other coal-fired power projects that PB is involved in include Eskom’s Medupi power station project, as project manager and engineering partner. PB has also had extensive involvement with various projects for the Botswana Power Corporation, including work on the Morupule coal-fired power station.

“As one of the leading engineering consultancies in the world, PB brings technical and project management expertise, including in-depth understanding of Chinese power plant equipment and construction, that will assure the Mmamabula Energy Project is built on time and on budget,” said Mr. Greg Kinross, President of CIC Energy.

Gavin Young, Managing Director for PB’s African operation, welcomed the appointment saying: “Parsons Brinckerhoff has strong ties with Africa, having worked on projects there since the early part of the 20th century. We are delighted to continue our association via the Mmamabula Energy Project, which promises to provide significant new baseload power generation capacity for Southern Africa.”

MEP Cost and Schedule Estimates

CIC Energy’s estimated equipment costs for the MEP have been revised for the resized 1320 MW project. The estimated capital equipment and infrastructure costs related to the power station and mine are currently approximately US$3 billion.

CIC Energy has changed its disclosure practice related to project cost estimates for the MEP given the volatility of certain components of the cost estimate (such as estimated interest payments, hedging costs and foreign currency translation, etc.) By disclosing capital costs rather than total project costs, investors can more easily compare the MEP’s costs with other new power projects taking place globally. In addition, these cost estimates will not be dependent upon global financial markets or the Company’s ability to forecast these markets. The total project cost will only be established at Financial Close, when the loan agreements have been negotiated.

The milestones to be achieved prior to commencement of full construction of the MEP in the third quarter of 2009, are as follows:

Late 2008

- Submission for a mining license to the Government of Botswana
Early 2009

- Submit formal bids to Eskom Holdings Limited and Botswana Power Corporation for long-term Power Purchase Agreements (“PPAs”)
- Reach agreement with an independent power producer (“IPP”) partner
- Conclude a definitive EPC contract for the power station
- Submission for an IPP license to the Government of Botswana
- Award infrastructure construction contracts
- Commence procurement process for the construction of the coal mine

Mid 2009

- Commencement of early infrastructure works
- Conclude PPAs and other project agreements including those with the Government of Botswana
- Financial Close
- Start of construction for the power station and coal mine

Discussions with Potential Electricity Offtakers

CIC Energy is in discussions with Eskom Holdings Limited and Botswana Power Corporation, the expected electricity offtakers for the MEP, on the terms and conditions of the Power Purchase Agreements. As the terms and conditions of these agreements had been substantively negotiated previously, CIC Energy anticipates concluding the agreements in mid-2009. The expected term of these Power Purchase Agreements is approximately 30 years.

Mine Plan

CIC Energy has completed the final mine plan for the coal mine that will supply the MEP power station. The planned capacity of the coal mine will be approximately 4.5 million metric sales tonnes per annum. Coal from the Serorome Block will be segregated for the exclusive use of the power station, as will be required under the PPAs.

The procurement process for the development of the Serorome mine and the associated infrastructure is planned to begin early in 2009. A turnkey EPC contract will be awarded for the manufacturing and erection of the wash plant (beneficiation plant) and discussions are well advanced with the preferred contractor. The coal crushing system and associated coal conveyor system will also be tendered for a turnkey EPC contract. The procurement process for the equipment required for steady state mining will also commence in early 2009.

CIC Energy plans to make its submission to the Government of Botswana for a mining license in December 2008.

Infrastructure Tender Process

CIC Energy has commenced a formal tender process for the common infrastructure related to the MEP including clearing of the project site and certain earth works, roads, water supply and wastewater treatment facilities, housing development, a railway spur, waste disposal and other facilities.

The Company has received bids from well qualified contractors and early infrastructure work is expected to begin during the first half of 2009. The tender process has been designed to encourage the participation of local contractors in Botswana.

Costs incurred for this early infrastructure work prior to Financial Close are expected to be funded from CIC Energy’s treasury of C$86 million.

Financing Plan

As previously announced in a news release of October 29, 2008, CIC Energy has appointed NM Rothschild and Sons Limited as Project Financial Advisors for the planned debt financing for the power station, coal mine and related infrastructure that make up the MEP. The expected lending group
includes development finance institutions with a mandate to fund projects like the MEP. It is also anticipated that certain export credit agencies will be participating in the funding in support of the export of goods and services from their host countries for the construction of the MEP. A large segment of funding is being targeted from a Chinese export credit agency. Funding is also anticipated from South African commercial banks and discussions are ongoing with all of the potential lenders mentioned above.

CIC Energy is also in active discussions with potential partners to take an equity stake in the MEP, and these discussions include potential IPP partners.

**Conference Call**

CIC Energy will host a conference call with Warren Newfield, CEO and Chairman, Greg Kinross, President, Tore Horvei, COO-Projects and Eddie Scholtz, COO-Mining to discuss this news release on December 1, 2008 at 9:00 a.m. Eastern Time (4:00 p.m. SAST). To participate in the conference call, investors and media from the US and Canada should dial 1-800-732-0232 ten minutes prior to the scheduled start time. International callers should dial +1 (416) 644-3416. CIC Energy will offer an archived webcast of the conference call, accessible from the Company’s web site at [www.cicenergy.com](http://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 power station and integrated coal mine project, to be developed in multiple phases. The first phase includes a 1320 megawatt power station. The planned Export Coal Project is actively investigating ways to export A grade thermal coal from the Mmamabula Coal Field. The Coal-to-Hydrocarbons Project is intended to produce syngas from coal which can be converted to a variety of downstream products, including fuels and petrochemicals.

CIC Energy has a treasury of approximately C$86 million and has 52.8 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 the Mmamabula Energy Project, please visit CIC Energy’s website at [www.cicenergy.com](http://www.cicenergy.com) or contact:

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**About Shanghai Electric Group Co., Ltd.**
Shanghai Electric Group Co., Ltd. (“SEC”) is one of the largest mechanical and electrical equipment manufacturers in China. Shanghai Electric Power Generation Group (“SECPG”) is SEC’s flagship division which specializes in the manufacture of state-of-the-art power generation equipment and EPC contracting on a turnkey basis and has total assets and annual revenue of more than RMB10 billion. SECPG ranks among the top in the world in annual output of fossil fuel power plant equipment. SECPG has supplied more than a quarter of the installed electrical generating capacity in China and has also completed power projects in Iran, Pakistan and India. In 2007 SECPG manufactured about 30 gigawatts of power plant capacity. ([www.shanghai-electric.com](http://www.shanghai-electric.com))

**About Parsons Brinckerhoff**
Parsons Brinckerhoff (“PB”) is a leader in developing and operating infrastructure around the world, with some 13,000 employees dedicated to meeting the needs of clients and communities across Africa, Europe, the Americas, the Middle East, Asia and Australia-Pacific region. Clients come to PB for a wide range of advice, skills and resources in strategic consulting, program management, planning, engineering, construction management and operations. For over a century PB has earned a
distinguished reputation for delivering world-class infrastructure and for its technical expertise in power, transportation, community development, water and the environment. (www.pbworld.com)

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 the Company 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 the Company based on information currently available to the Company. Such forward-looking statements include, among other things, statements relating to the MEP, including the selection of a preferred EPC contractor, anticipated capital equipment and infrastructure costs and the target schedule for construction and commercial operation of the MEP. 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: inability to enter into power purchase agreements, transmission agreements or other requisite agreements, including preliminary and/or definitive fixed price contracts with reputable EPC firm(s), partnership agreements, agreements to develop one or more power stations and other agreements required to facilitate the development, operation and financing of such power stations on favourable terms or at all; the capital equipment and infrastructure costs of the MEP varying significantly from estimates; the ability to raise the required debt or equity financing, including the entering into of definitive loan agreements with project lenders and export credit agencies, for the implementation of the contemplated power stations on favourable terms or at all; Rand liquidity and constraints under applicable South African law and/or practice on the amount that a single leader is able to lend to a single borrower; delays or failures in obtaining regulatory permits and/or licences (and extensions and renewals thereof) respecting mining, power generation and/or power transmission lines; failure to complete, or delays in the completion of, positive bankable feasibility studies in respect of the MEP; delays in the development of the MEP caused by unavailability of equipment, labour or supplies, limited capacity among EPC firms (and resulting less attractive EPC contract terms being made available), climatic conditions or otherwise; the grade, quality and recovery of coal which is mined varying from estimates; changes in equity and/or credit markets; inflation; changes in exchange rates; changes in anticipated demand for power in southern Africa; environmental and safety risks, including increased regulatory burdens; geological and mechanical conditions; the existence of undetected or unregistered interests or claims, whether in contract or tort, over the properties of the Company and its subsidiaries; lack of markets for the Company’s coal resources and any products derived therefrom; political risks arising from operating in Africa; 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, the Company 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 the Company 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.