CIC Energy Signs EPC Contract with Shanghai Electric Group

Appoints Absa Capital and Standard Bank as Mandated Lead Arrangers

Road Town, Tortola, British Virgin Islands (March 23, 2009) – CIC Energy Corp. (“CIC Energy” or the “Company”) (TSX:ELC, BSE: CIC Energy) is pleased to announce that an Engineering, Procurement and Construction (“EPC”) contract has been signed with Shanghai Electric Group Co., Ltd. (“SEC”) for the first power station to be built at the Mmamabula Coal Field in Botswana, Africa. This supersedes the Preliminary Agreement signed with SEC in December 2008.

“With the EPC contract signed we are on-track to complete the Power Purchase Agreements and financing this year for the Mmamabula Energy Project,” said Greg Kinross, President of CIC Energy. “All going well, we expect to begin supplying power to the grid in early 2013.”

“Shanghai Electric is pleased to have concluded this EPC contract and we look forward to the commencement of construction later this year,” said Mr. Jianhua Zheng, President of Shanghai Electric Power Generation Group.

The contract has been executed by Meepong Energy (Proprietary) Limited, the Botswana project company that has been formed by CIC Energy for the purposes of developing and owning the power station. As is typical for an Independent Power Producer (“IPP”) project, the contract is a lump sum turnkey contract for the engineering, procurement, construction, testing and commissioning of the Mmamabula Energy Project power station.

The planned capacity of the Mmamabula Energy Project power station will be approximately 1,320 megawatts (“MW”) (gross) or 1,200 MW (net) comprised of two supercritical 660 MW units (gross). The technology used will be air-cooled to conserve water, supercritical boilers will be used for higher efficiency and flue gas desulphurization will be used for sulphur removal. The Mmamabula Energy Project will be compliant with the Equator Principles which are guidelines based on environmental and social standards of the International Finance Corporation (“IFC”), the private sector arm of the World Bank Group.

Appointment of Absa Capital and Standard Bank as Mandated Lead Arrangers

CIC Energy also announces the appointment of Absa Capital, a division of Absa Bank Limited (“Absa”), and The Standard Bank of South Africa Limited (“Standard Bank”), two leading South African banks, as mandated lead arrangers (“MLAs”) for the commercial bank facility and the Export Credit Insurance Corporation of South Africa (Pty) Ltd (“ECIC”) portion of the debt financing.

As previously announced, CIC Energy intends to finance the Mmamabula Energy Project with funds from three sources: (1) Development Finance Institutions (“DFIs”) with a mandate to fund projects in developing countries (examples of DFIs include Industrial Development Corporation of South Africa Limited, Development Bank of Southern Africa Limited, IFC and...
African Development Bank), (2) certain export credit agencies like the ECIC and export facilitation banks like the Export-Import Bank of China (“CExim”) and (3) South African and other commercial banks.

This announcement complements the appointment of NM Rothschild and Sons Limited (“Rothschild”) as the Project Financial Advisors for the Mmamabula Energy Project, announced in October 2008.

“The financing process for the Mmamabula Energy Project is well underway,” said Mr. Kinross. “The selection of Absa Capital and Standard Bank is based on the solid experience of these banks in financing infrastructure and other major projects in southern Africa.”

Discussions with Potential Electricity Offtakers

CIC Energy’s discussions with Eskom Holdings Limited (“Eskom”) and Botswana Power Corporation (“BPC”) continue to advance. Formal bids have been submitted to Eskom and BPC, the expected electricity offtakers for the Mmamabula Energy Project for the proposed 30 year Power Purchase Agreements. These bids are being reviewed by the management team and board of Eskom and BPC and the outcomes of this process are expected in the second calendar quarter of this year.

Following approval by the boards of Eskom and BPC, the Power Purchase Agreements will be subject to regulatory approvals in both South Africa and Botswana.

Financing Plan

The financing process for the Mmamabula Energy Project commenced in late 2008 following the appointment of Rothschild as Project Financial Advisor. A Preliminary Information Memorandum (“PIM”) and term sheets are being finalized for distribution to the lender group. The lender technical due diligence process will commence with the appointment of the Lender’s Independent Engineer, anticipated within weeks. The negotiation of the financing term sheet will run concurrently with planned visits by the lender group to the Mmamabula Energy Project site in Botswana and SEC’s manufacturing facilities and reference plant in China.

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

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. The intention is for this planned Complex to consist 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$75 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 the Mmamabula Energy Project, please visit CIC Energy’s website at www.cicenergy.com or contact:
About Shanghai Electric Group Co., Ltd.
Shanghai Electric Group Co., Ltd. (“SEC”) is one of the largest mechanical and electrical equipment manufacturers in China, listed on both the Hong Kong and Shanghai Stock Exchanges (Hong Kong listing code 2727). 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, Bangladesh and India. In 2007 SECPG manufactured about 30 gigawatts of power plant capacity (www.shanghai-electric.com).

About Absa Capital
Absa Capital, a division of Absa Bank Limited and affiliated to Barclays Capital, is a leading South African investment bank with global reach, offering clients financing, risk management and advisory solutions in a wide range of currencies and structures across the globe.

About Standard Bank
The Standard Bank of South Africa Limited is a leading African banking group focused on emerging markets globally. It has been a mainstay of South Africa's financial system for over 145 years, and now spans 17 countries across the African continent. Its international expansion has taken it to 19 countries outside Africa including Brazil, Russia and China. Its headquarters are in Johannesburg and it is listed on the Johannesburg Stock Exchange (www.standardbank.co.za).

Standard Bank's Corporate and Investment Banking division is a leading global emerging markets corporate and investment bank and offers its clients banking, trading, investment, risk management and advisory services in developing economies throughout the world.

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 Mmamabula Energy Project, including development activities, planned operations and the commencement of construction, operations and the production of power at the Mmamabula Energy Project. 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 failure of the Company to enter into power purchase agreements and/or transmission agreements with Eskom Holdings Limited and/or Botswana Power Corporation and other requisite agreements for the development, operation and financing of the Mmamabula Energy Project, on favourable terms or at all; the failure of the counterparties to such requisite agreements (including the EPC contract with SEC) 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 Mmamabula Energy Project on favourable terms or at all; capital equipment, infrastructure and operating costs varying significantly from estimates; delays in the development of the Mmamabula Energy Project 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 Mmamabula Energy Project; delays in the development of the Mmamabula Energy Project 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, Botswana that may be prejudicial to the development of the Mmamabula Energy Project or the failure to obtain amendments to any such laws that may be necessary to implement the Mmamabula Energy Project; 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.