CIC Energy Provides Update on Mmamabula Energy Complex

Road Town, Tortola, British Virgin Islands (May 23, 2008) – CIC Energy Corp. (“CIC Energy” or the “Company”) (TSX:ELC, BSE: CIC Energy) today announced that due to the challenging Engineering, Procurement and Construction (“EPC”) market globally and the importance of the Mmamabula Energy Project (“MEP”) to the electricity offtakers, the MEP Sponsors (CIC Energy and International Power plc) have approached the offtakers with revised project risk allocations. The EPC market globally has continued to tighten in the last few months, and the Sponsors have concluded that it will be difficult to enter into a turnkey EPC contract for this large scale project on terms and conditions that, until recently, were accepted by EPC contractors and would have enabled this project to be financed on a non-recourse project finance basis. The revised risk allocations are intended to facilitate the financing of the MEP on a limited recourse basis and the completion of related negotiations may impact the MEP schedule.

“Strong demand in the EPC market for steam turbines has resulted in EPC contractors insisting on terms and conditions for project financed projects of the scale of the Mmamabula Energy Project that we don’t believe will be acceptable to lenders without changes to risk allocations,” said Gregory Kinross, President of CIC Energy.

As mentioned in previous news releases, EPC contract prices for power stations are increasing and costs for the MEP are expected to rise in line with industry trends.

Export Coal Project
CIC Energy’s Export Coal Project is advancing rapidly with a mine, rail and port pre-feasibility study now underway, which is expected to be completed in the third quarter of this year. The Company is investigating exporting seaborne traded A grade thermal coal from the Mmamabula Coal Field to the west coast of southern Africa. An approximately 1,500 kilometer rail line would have to be constructed from Mmamabula in a westerly direction through Botswana and Namibia by a transportation consortium, which could include CIC Energy. At the Namibian coast, a coal terminal and loading facility is envisaged to be built to be able to load ocean going vessels at a high rate to minimize demurrage cost.

The Company’s initial talks with the Government of Botswana have been well received and meetings with the Government of Namibia are scheduled. The current time line for this project indicates that the Export Coal Project could be operational by 2013. A dedicated mine with a multi-product (double stage) beneficiation plant, as well as a rapid rail load-out, is envisaged to be built at the Mmamabula site. It is anticipated that a mining subsidiary of CIC Energy would enter into a long-term agreement with the
transportation consortium for a substantial proportion of the new rail capacity. The plans for the port would include a tippler to offload the rail wagons and stockpiling capacity to accommodate sufficient coal to load large ocean going vessels using a high capacity ship loader.

**Coal-to-Hydrocarbons Project**

CIC Energy’s initial market study for the Coal-to-Hydrocarbons (“CTH”) Project has been completed. This study looked at the potential market opportunities for the different downstream products that could be produced from the synthesis gas (“syngas”) which would be produced by gasifying coal at CIC Energy’s Mmamabula Coal Field. Potential downstream products include chemicals and fuels. This initial market study concluded that there are several opportunities to sell potential downstream products to the Southern African Development Community and international markets.

A second phase detailed value-chain study, which includes a more comprehensive market study, is now underway by a major global company in the oil and gas sector. This study is expected to be completed in the third quarter of 2008.

Three separate technical feasibility studies are also in progress. The first technical study being undertaken by Jacobs Engineering related to the production of syngas from coal, was announced last December. The main part of this study is expected to be completed at the end of the second quarter. An addendum was made to the study mandate to maximize energy efficiency of the CTH Project site, and this aspect is expected to be completed early in the third quarter.

Today, CIC Energy announced two additional technical studies. Toyo Engineering of Japan has been commissioned to undertake a technical feasibility study related to the manufacturing of a specific fuel end-product. This study is expected to be completed in early third quarter. The third technical study, also anticipated to be finished early in the third quarter, is a pre-feasibility study being conducted by a partnership between Lategan & Bouver and VGI (both from South Africa) evaluating at a multi-product pipeline from CIC Energy’s Mmamabula site to Gauteng, the industrial heartland of South Africa.

As previously announced, CIC Energy is in active discussions with several potential joint venture partners as possible equity partners and offtakers for the CTH Project.

**About CIC Energy Corp.**

CIC Energy is a TSX/BSE-listed company engaged in the advancement of the Mmamabula Energy Complex in Botswana, Africa. This planned Complex consists of the Mmamabula Energy Project, a Coal-to-Hydrocarbons Project and the Export Coal Project. The Mmamabula Energy Project is a planned power station and integrated coal mine in partnership with International Power plc (LSE listed), a leading independent electricity generating company. The majority of the electricity generated is intended for sale under long-term power purchase agreements to regional utilities. Phase One of the Mmamabula Energy Project is planned as a 2,100 to 2,460 megawatt (MW) power station with an integrated 7.5 to 9.0 million tonne per annum coal mine scheduled to be in commercial operation in late 2012 or early 2013.
CIC Energy has a treasury of approximately CDN $108 million. For additional information on the Company and the Mmamabula Energy Complex, please visit CIC Energy’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 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 Mmamabula Energy Project, the CTH Project and the export coal opportunities with respect to estimates and/or assumptions in respect of mineral resources, targets, future production, goals, objectives, plans and future economic, market and other conditions. 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: failure to re-allocate the risks associated with the MEP in a manner that will allow the Company to enter into an EPC Contract on terms acceptable to the Sponsors, the Offtakers and project lenders; failure to complete a positive bankable feasibility study on the Mmamabula Energy Project; failure to complete, or delays in the completion of, positive feasibility and market studies on the CTH Project; failure to obtain a viable transportation solution to export coal and/or failure to enter into export coal purchase agreements; the grade, quality and recovery of coal which is mined varying from estimates; inflation; changes in exchange rates; the ability to raise the required debt financing for the Mmamabula Energy Project; further delays in the development of the Mmamabula Energy Project 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; insufficient transportation and transmission capacity; geological and mechanical conditions; delays or failures in obtaining regulatory permits and/or licences respecting mining, power generation and/or power transmission lines; the existence of undetected or unregistered interests or claims, whether in contract or tort, over the properties of the Company; availability of water and sorbent (at cost effective prices); inability to enter into power purchase agreements and/or transmission agreements with Eskom Holdings Limited and (to a lesser extent) Botswana Power Corporation or other requisite agreements, including preliminary and/or definitive contracts with reputable EPC firm(s) and other agreements required to facilitate the development, operation and financing of the Mmamabula Energy Project, including with International Power plc, on favourable terms or at all; failure to raise additional funds (by
way of debt or equity) on favourable terms to finance such development; inability to obtain tax concessions from the Government of Botswana and requisite credit support from the Government of South Africa and/or the Government of Botswana; failure to enter into technology and other agreements required to develop the CTH Project; 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.