

FORM 51-102F3 - MATERIAL CHANGE REPORT

1. **Name and Address of Company**

CIC Energy Corp.
c/o Tau Capital Corp.
110 Sheppard Avenue East
Suite 610
Toronto, Ontario M2N 6Y8

2. **Date of Material Change**

June 11, 2007.

3. **News Release**

The news release attached hereto as Schedule "A" announcing the material change described herein was released through Canada News Wire Group at Toronto, Ontario on June 11, 2007.

4. **Summary of Material Change**

The material change is described in the Company's press release attached hereto as Schedule "A", which press release is incorporated herein.

5. **Full Description of Material Change**

5.1 Full Description of Material Change

No information other than that provided in Item 4 above is presently available

5.2 Disclosure for Restructuring Transactions

Not Applicable

6. **Reliance on subsection 7.1(2) or (3) of National Instrument 51-102**

Not Applicable.

7. **Omitted Information**

Not Applicable.

8. **Executive Officer**

The following is the name and business telephone number of an executive officer of the Company who is knowledgeable about the material change in this report.

Gregory Kinross
Chief Executive Officer
(416) 361-9636

9. **Date of Report**

June 12, 2007.



TSX:ELC
BSE:CIC ENERGY

Schedule "A"

News Release

CIC Energy Provides Updates on Mmamabula Energy Project and Stock Option Plan

Road Town, Tortola, British Virgin Islands (June 11, 2007) – CIC Energy Corp. ("CIC Energy" or the "Company") (TSX:ELC, BSE: CIC Energy) is pleased to provide an update on the Mmamabula Energy Project ("Mmamabula" or the "Project") in Southern Africa as well as providing an update on events subsequent to the annual meeting of shareholders related to the Company's stock option plan.

Updates on the Mmamabula Energy Project included in this news release are:

- Exploration
- Engineering, Procurement and Construction Contract
- Power Purchase Agreements
- Project Finance
- Appointment of Lenders' Counsel
- Environmental Impact Assessment

Exploration Update

In excess of 110,000 metres in over 1,150 diamond drill holes have been completed on the Project and a total of seven diamond drill rigs are currently active. Exploration drilling is now focused on the Serorome Block, while in-fill drilling to determine the detail of the geological structure and geophysical characteristics of the Mookane and Border Blocks is also in progress.

Beyond the power plant project, management of the Company is exploring options to maximize the value of the coal resource at Mmamabula. The current coal resource estimate in the measured and indicated categories (see the technical report referred to at the end of this news release) exceeds projected coal consumption for both Phase One and Phase Two power plants and ongoing exploration may lead to a further increase in the mineral resource. The general nature of the options being considered include other markets for the coal as well as other potential upstream projects such as coal to liquids.

Engineering, Procurement and Construction ("EPC") Contract

The Company is advancing well in its discussions with a select group of EPC contractors following the launch of a formal EPC tender late last year. Due to substantial global demand for power plants, a robust construction market and tight supply for engineering services, EPC contract prices for power stations have increased significantly since the Project was initiated in 2005.

As previously disclosed, the Company currently estimates the total cost of development and construction of Phase One to be approximately US\$6 billion for the power plant plus US\$0.3 billion for the mine infrastructure. A definitive EPC contract is expected to be signed concurrent with the Power Purchase Agreements, Implementation Agreement with the Government of Botswana and Project financing agreements towards the end of 2007.

Power Purchase Agreements (“PPAs”)

Discussions with Eskom Holdings Limited and Botswana Power Corporation, the national utilities of South Africa and Botswana respectively, on the Power Purchase Agreements are progressing well. The PPAs are expected to have a term of approximately 40 years and the finalisation and signing of definitive agreements is anticipated towards the end of 2007.

Project Finance

Discussions between the Company and its 50% partner International Power plc (“IPR”), and South African and international lenders and leading Export Credit Agencies, disclosed in the Company’s news release of March 14, 2007, are advancing well. Approximately 80% of the Project is expected to be financed by limited recourse project debt with the remainder to be financed by equity. CIC Energy and International Power are evaluating the option of selling down a small portion of their respective equity stakes to a third party in order to access low-cost debt finance.

Appointment of Lenders’ Counsel

The Company is pleased to announce the appointment of Shearman & Sterling LLP as the international lenders’ counsel for the Mmamabula Energy Project. Shearman & Sterling is a leading international law firm. For more information on Shearman & Sterling please see the company’s web site at www.shearman.com.

The Company is further pleased to announce the appointment of Webber Wentzel Bowens as the South African lenders’ counsel for the Project. Webber Wentzel Bowens is a leading South African law firm. For more information on Webber Wentzel Bowens please see the company’s web site at www.wwb.co.za.

Environmental Impact Assessment

The Project’s final Environmental Impact Assessment was filed last week with the Government of Botswana for the power station, mine and transmission lines. The Environmental Impact Assessment will be subject to a final public participation process in July 2007, with the target being to obtain formal Records of Decision from the Government in terms of environmental compliance in accordance with Botswana law and regulation during third quarter of this year. The Project is also seeking Environmental and Social Impact Assessment approval under applicable World Bank Guidelines in the form of International Finance Corporation Performance Standards and Equator Principles. Such approval is also expected during third quarter of 2007.

Recent Annual Meeting

At CIC Energy’s annual meeting held on May 28, 2007 each matter considered by shareholders was passed, including certain amendments to the Company’s stock option plan. Among other things, the amendments allowed for an increase in the maximum number of options issuable under the stock option plan from 10% to 12.5% of the number of common shares issued and outstanding from time to time. However, the board of directors of the Company, based on a recommendation from management, passed a resolution subsequent to the annual meeting to keep the plan maximum at 10% of the number of common shares issued and outstanding.

Also at the annual meeting, shareholders elected Mr. E. Adrian Meyer as a new member of the board. Mr. Meyer is a Principal and Director of Cidel Bank & Trust Inc. in Barbados and brings a wealth of business and finance experience to CIC Energy. The board thanked Mr. Frank Crothers for his contribution to the board, as he did not stand for re-election.

About CIC Energy Corp.

CIC Energy is a TSX/BSE-listed company engaged in the advancement of the Mmamabula Energy Project, a planned power station and integrated coal mine in Botswana. This Project is in partnership with International Power plc (LSE/NYSE-listed), a leading independent electricity generating company. The Southern Africa region is projected to require significant new baseload power generation capacity over the next several years. The Project includes the Mmamabula East and Mmamabula South prospecting licenses, located in the Mmamabula coal fields of southeastern Botswana, 120 kilometres north of the capital city of Gaborone and adjacent to South Africa's Waterberg Coal Fields.

Additional information with respect to Mmamabula is contained in a technical report of Snowden Mining Industry Consultants dated June 1, 2007 and entitled "CIC Energy Corp.: Mmamabula Project, South-eastern Botswana, Project No. J912, National Instrument 43-101 Technical Report", a copy of which has been filed on SEDAR and may be accessed at www.sedar.com.

CIC Energy has a treasury of approximately CDN\$54 million and has 47,993,111 shares outstanding and 54,493,611 shares fully diluted. For additional information on the Company and Mmamabula, please visit CIC Energy's website at www.cicenergycorp.com or contact:

Erica Belling
VP Investor Relations
Tau Capital Corp.
Tel: (416) 361-9636 ext. 243
Email: ebelling@taucapital.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 Mmamabula Energy Project with respect to estimates and/or assumptions in respect of mineral resources, mineral resource qualities, 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 complete a positive bankable feasibility study on the Project; 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 Project; Rand liquidity and constraints under applicable South African law and/or practice on the amount that a single lender is able to lend to a single borrower; delays in the development of the Project caused by unavailability of equipment, labour or supplies, limited capacity among engineering, procurement and construction firms, 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 fixed price contracts with reputable engineering, procurement and construction firm(s) and other agreements required to facilitate the development, operation and financing of the Project, including with International Power plc; failure to raise additional funds 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; political risks arising from operating in Africa; lack of markets for coal resources, if any, which may exceed the projected coal consumption of the Phase One and Phase Two power plants of the Project; 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.

No assurances can be given that the levels of coal indicated by the current mineral resource estimates for the Project will be produced. Such estimates are expressions of judgment based on knowledge, mining experience, analysis of drilling results and industry practices. Valid estimates made at a given time may significantly change when new information becomes available. While the Company believes that the current mineral resource estimates for the Project are well established, by their nature resource estimates are imprecise and depend, to a certain extent, upon statistical inferences which may ultimately prove unreliable. If such estimates are inaccurate or are reduced in the future, this could have a material adverse impact on the Company.

Mineral resources are not mineral reserves and do not have demonstrated economic viability. There is no certainty that mineral resources can be upgraded to mineral reserves through continued exploration.