FORM 51-102F3 - MATERIAL CHANGE REPORT

1. **Name and Address of Company**

CIC Energy Corp. (the "**Company**")
c/o Tau Capital Corp.
110 Sheppard Avenue East
Suite 610
Toronto, Ontario M2N 6Y8

2. **Date of Material Change**

October 12, 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 October 12, 2007.

4. **Summary of Material Change**

As previously disclosed by the Company, Engineering, Procurement and Construction (EPC) contract prices for power stations have increased significantly worldwide since the Mmamabula Energy Project (the "**Project**") was initiated in 2005. This is due to substantial global demand for new power plants, a robust construction market, higher commodity prices and tight supply for engineering services. The Project is exposed to the same industry trends and therefore the Project is expected to incur price increases in line with the industry, currently estimated to be approximately 40% of the Company's last published cost estimate.

In addition, the Company is aware that EPC contractors are facing longer lead times for power plant equipment and construction services as the global demand for power plant builds is straining supply and engineering capacity. Consequently the Company is revising its Project schedule estimates by approximately four to six months.

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**

October 16, 2007.

SCHEDULE "A"

TSX:ELC
BSE:CIC ENERGY

NEWS RELEASE

CIC REPORTS THIRD QUARTER 2007 FINANCIAL RESULTS AND UPDATES PROJECT ESTIMATES

Road Town, Tortola, British Virgin Islands (October 12, 2007) – CIC Energy Corp. ("CIC Energy" or the "Company")(TSX:ELC, BSE: CIC Energy) reported a loss for the three month period ended August 31, 2007 of $2,188,008 or $0.04 per share (basic and diluted), and a loss for the nine month period of $5,949,220 or $0.13 per share (basic and diluted).

The reported loss for the three and nine month periods is attributable to non-capitalized exploration expenditures, administration and personnel costs as well as the cost of private placements financings.

Capitalized exploration costs amount to $73,561,520, with exploration costs for the nine month period totaling $22,326,282

Consolidated Interim Financial Statements for the three and nine months ending August 31, 2007, along with Management's Discussion and Analysis, have been filed on SEDAR and are available at www.sedar.com.

As mentioned in previous news releases, Engineering, Procurement and Construction (EPC) contract prices for power stations have increased significantly worldwide since the Mmamabula Energy Project (the "Project") was initiated in 2005. This is due to substantial global demand for new power plants, a robust construction market, higher commodity prices and tight supply for engineering services. The Project is exposed to the same industry trends and therefore the Project is expected to incur price increases in line with the industry, currently estimated to be approximately 40% of the Company's last published cost estimate.

In addition, the Company is aware that EPC contractors are facing longer lead times for power plant equipment and construction services as the global demand for power plant builds is straining supply and engineering capacity. Consequently the Company is revising its Project schedule estimates by approximately four to six months.

For additional information on CIC Energy and its projects visit the Company's website at www.cicenergy.com or contact:

Erica Belling, CFA, P.Eng.
VP Investor Relations
Tau Capital Corp.
Tel: (416) 361-9636 x 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, the selection of a preferred EPC contractor, goals, scheduling, 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; 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 EPC contractors, 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 a reservation fee agreement and/or definitive fixed price contracts with reputable EPC contractor(s) and other agreements required to facilitate the development, operation and financing of the Project, including with International Power plc, on favourable terms or at all; failure to raise additional funds (by way of debt and/or equity) to finance such development on favourable terms or at all; 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; the termination of the preliminary agreement with Sumitomo Corporation; the inability to enter into a definitive agreement with Sumitomo Corporation regarding its possible subscription for a 20% interest in Meepong Energy (Mauritius); 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.