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Project: Mmamabula Energy Project – Botswana

Sector: Electricity

Project Profile:

The Mmamabula Energy Project is a plan to build a coal mine and power station close to Botswana's border with South Africa. The Mmamabula site is estimated to have over two billion tons of recoverable coal deposits, which would be able to support over 4,800 megawatt power plant for 40 years.

The BVI company CIC Energy Corp (CIC) owns the coal deposits at Mmamabula through its wholly owned subsidiary in Botswana, Meepong Resources. CIC listed on the Toronto stock exchange in March 2006 and on the Botswana Stock Exchange in May 2006. Total capital raised to date is approximately CAD\$ 185 million.

The coal mine is located 80 km from the South African power grid at Matimba. The power plant is estimated to become operational in 2012 and become a major power provider for the SADC region. The South African state-run utility Eskom is slated to become the main off-taker.

The bankable feasibility study is currently underway and expected to be complete in the fourth quarter of 2007. The total cost of the project is estimated to be around US\$ 6 billion. The project planners expect to have the financing in place by December 2007 and start construction in 2008.

CIC has entered into a project development agreement (PDA), subscription agreements and other related agreements with International Power plc (IPR) as part of the ongoing development of the Mmamabula Energy Project. Pursuant to the PDA, CIC and a wholly-owned subsidiary of IPR have agreed to undertake the development of the planned Phase One (2,100-2,460MW power station and related 7.5-9.0 million TPA coal mine), in which each of CIC and IPR will indirectly hold a 50% interest. One of the largest construction companies in Southern Africa, Grinaker-LTA, has been selected as the preferred contractor for the proposed Mmamabula coal mine underground operation.

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Sources of information:

1. PwC Survey conducted for [Public Private Infrastructure Advisory Facility](#), June 2005.
2. [CIC Corporate Presentation August 2007](#)
3. [Mmegi Online, March 24, 2006](#)
4. [Mmegi Online, April 6, 2006](#)
5. [Africa Electra, February 27 2006](#)
6. [CIC and International Power Sign Project Development Agreement, 26 March 2007](#)
7. [South African Contractor Wins Mmamabula Work, 19 January 2007](#)

Last update: August 27, 2007.

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