



CIC ENERGY CORP.

**Reviewed Consolidated Financial Statements
expressed in Canadian Dollars
for the three months ended February 29, 2008 and February 28, 2007**

CIC Energy Corp.
Consolidated Balance Sheets

		February, 29 2008 <u>Reviewed</u> \$'000	November, 30 2007 <u>Audited</u> \$'000
Assets			
Current assets:			
Cash		114,194	121,989
Other receivables		1,102	539
Deposits		55	79
Prepayments		<u>298</u>	<u>263</u>
		115,649	122,870
Non-current assets			
Property and equipment		711	694
Goodwill		3,326	3,326
Coal-to-hydrocarbons		139	-
Mineral assets		4,032	4,032
Mine infrastructure		1,047	1,047
Exploration properties		<u>94,009</u>	<u>86,338</u>
		<u>218,913</u>	<u>218,307</u>
Liabilities and shareholders' equity			
Current liabilities			
Accounts payable and accrued liabilities		3,319	3,465
Taxation liability		<u>121</u>	<u>134</u>
		3,440	3,599
Shareholders' equity	2	<u>215,473</u>	<u>214,708</u>
		<u>218,913</u>	<u>218,307</u>

CIC Energy Corp.
Consolidated Statements of Operations

	Three months ended	
	February, 29	February, 28
	2008	2007
	<u>Reviewed</u>	<u>Unaudited</u>
	\$'000	\$'000
Other income		
Interest received	1,025	237
Profit on foreign exchange	<u>146</u>	<u>774</u>
	<u>1,171</u>	<u>1,011</u>
Corporate and exploration expenses		
Office and general expenses	1,313	667
Personnel expenses	614	655
Stock based compensation	311	470
Operating lease expenses	248	33
Management fees	69	80
Listing fees	67	114
Depreciation	<u>28</u>	<u>16</u>
	<u>2,650</u>	<u>2,035</u>
Net loss before income taxes	(1,479)	(1,024)
Income taxes	<u>-</u>	<u>-</u>
Net loss	<u>(1,479)</u>	<u>(1,024)</u>
Basic and diluted loss per share (cents)	<u>(0.03)</u>	<u>(0.02)</u>

CIC Energy Corp.
Consolidated Statements of Deficit

	<u>Note</u>	Three months ended February, 29 2008 <u>Reviewed</u> \$'000
Deficit, beginning of period		(27,203)
Net loss for the period		(1,479)
Cancelled warrants		<u>307</u>
Deficit, end of period	2	<u><u>(28,375)</u></u>

CIC Energy Corp.
Consolidated Statements of Cash Flows

	Three months ended	
	February, 29	February, 28
	<u>2008</u>	<u>2007</u>
	<u>Reviewed</u>	<u>Unaudited</u>
	\$'000	\$'000
Cash Flows from Operating Activities		
Net loss	(1,479)	(1,023)
Net interest received	(1,025)	(237)
Items not affecting cash		
Depreciation	28	16
Unrealised operational foreign exchange gain	(146)	(775)
Stock based compensation	311	470
Net operating working capital changes	<u>(733)</u>	<u>(1,315)</u>
Net cash flow from operating activities	<u>(3,044)</u>	<u>(2,864)</u>
Cash Flows from Investing Activities		
Net interest received	1,025	237
Purchase of equipment	(46)	(176)
Coal to liquid expenditures	(139)	-
Acquisition of subsidiary, net cash acquired	-	(1,046)
Exploration properties expenditures	<u>(5,591)</u>	<u>(5,083)</u>
Net cash flow from investing activities	<u>(4,751)</u>	<u>(6,068)</u>
Cash Flow from Financing Activities		
Proceeds from issue of share capital and warrants	-	36,324
Share issue expenses	<u>-</u>	<u>(1,708)</u>
Net cash flow from financing activities	<u>-</u>	<u>34,616</u>
Increase in cash and cash equivalents	(7,795)	25,684
Cash, beginning of period	<u>121,989</u>	<u>27,911</u>
Cash, end of period	<u><u>114,194</u></u>	<u><u>53,595</u></u>

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of presentation

These interim consolidated financial statements of the Group do not include all the disclosures as required under Canadian generally accepted accounting principles for annual financial statements, however, the interim financial statements, except for the accounting for stock based compensation, follow the same accounting policies and methods of application as the most recent annual financial statements. The interim financial statements should be read in conjunction with CIC Energy Corp.'s audited financial statements for the year ended November 30, 2007.

(b) Change in Accounting Policy

In the first quarter of 2008, the Group changed its accounting policy for the recognition of stock-based compensation expense from the Black-Scholes model, to the Binomial model. Both models are permitted under Canadian GAAP. Management believes that the Binomial model provides a mathematically more advanced measurement methodology than the Black-Scholes model and it is the methodology recommended by the Company's accounting advisors who are specialists in this area. It is important to note, however, that there is no difference in the results between the Black-Scholes and Binomial models for companies that do not pay dividends. Accordingly this change in methodology had no impact on the results as previously reported and there has been no need to make an adjustment to opening equity or comparative figures.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 For the three months ended February 29, 2008 and February 28, 2007

2. CHANGES IN EQUITY

	Capital Stock #’000	Capital Stock \$’000	Warrants #’000	Warrants \$’000	Stock Options \$’000	Contributed Surplus \$’000	Deficit \$’000	Total \$’000
Nov 30, 2006	43,424	83,016	2,065	1,532	190	4	(8,355)	76,387
Warrants exercised	1,792	13,789	(1,333)	(1,421)	–	–	–	12,368
Broker warrants exercised	123	141	(582)	(375)	–	–	375	141
Shares issued for services	25	346	–	–	–	–	–	346
SAD-ELEC-merger allocation	130	1,800	100	479	–	–	–	2,279
Private placements	7,628	121,208	324	619	–	–	(6,738)	115,089
Warrants issued to executives	–	–	1,525	3,887	–	–	–	3,887
Stock-based compensation	–	–	–	–	12,628	–	–	12,628
Stock options exercised	583	4,068	–	–	(1,517)	1,517	–	4,068
Net loss for period	–	–	–	–	–	–	(12,485)	(12,485)
Nov 30, 2007	53,705	224,368	2,099	4,721	11,301	1,521	(27,203)	214,708
Stock-based compensation	–	–	–	1,377	867	–	–	2,244
Broker warrants cancelled	–	–	(110)	(307)	–	–	307	–
Net loss for period	–	–	–	–	–	–	(1,479)	(1,479)
Feb 29, 2008	53,705	224,368	1,989	5,791	12,168	1,521	(28,375)	215,473

3. RELATED PARTY TRANSACTIONS

Included in the accounts are payments made to companies under the control or significant influence of officers and directors of the Company. These transactions are recorded at the exchange amount, being the amount agreed to by the parties and are in the ordinary course of business. A summary of these transactions follows:

	Three months ended	
	February 29, 2008	February 28, 2007
	\$'000	\$'000
Administrative services ¹	69	80

1. CIC carries on business outside Canada. CIC purchases administrative, advisory and investor relation services from a company that shares a common director to assist in fulfilling its ongoing obligations as a reporting issuer listed for trading on a stock exchange in Canada. On August 1, 2005, the Company entered into an administrative service agreement (the "Agreement") with Tau Capital Corp. ("Tau"). The Agreement has an initial term of three years, terminating on July 31, 2008, subject to further renewal by the parties to the agreement. The terms of the Agreement required the company to pay a monthly service fee of US\$18,000 until the listing of the Company's shares on a Canadian stock exchange. As the shares are now listed, the agreement calls for Tau to be paid a monthly service fee of US\$23,000. In addition an amount of \$41,503 was charged to the Company in respect of services rendered outside the Tau Agreement in the first quarter of 2008 (Q1 2007:\$nil).

4. SEGMENT REPORTING

The Group comprises of one significant business segment which relates to the acquisition, exploration and development of coal properties in Botswana.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the three months ended February 29, 2008 and February 28, 2007

This report contains forward-looking statements based on current expectations. These forward-looking statements entail various risks and uncertainties that could cause actual results to differ materially from those reflected in these forward-looking statements. Risk and uncertainties about the Company's business are more fully discussed in the Management's Discussion and Analysis published in the Company's Annual Report and in CIC's Annual Information Form.

Directors

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