

ASX Release

12 September 2018

IEC AUGUST UPDATE

- **Record sales in August**
- **Record Production in August**
- **Coal stocks available to meet customer demand**

Intra Energy Corporation Limited ("IEC" or "the Company") is pleased to announce that Tancoal Energy Limited (IEC 70% and National Development Corporation of Tanzania 30%) recorded coal sales for August, higher than the record in July 2018. Sales were 66,179 tonnes compared to 44,497 in August 2018.

Production in August 2018 was 65,684 tonnes, maintaining stock levels required to meet customer demand, August 2017 production was 45,469 tonnes.



The steady increase in demand from both domestic and regional export markets is due to higher prices to purchase coal from Richard's Bay, a growing reputation in export markets for the quality of the coal from the Ngaka mine and an increase in both domestic and export sales of cement by the Tanzanian cement factories. The focus continues to be to achieve higher tonnages from export markets while fully supporting the Tanzanian Government efforts to increase industrialisation in Tanzania



Hon. Cosmas Nshenye, Mbanga District Commissioner, attended the final of the 'Supercup' football competition sponsored by Tancoal

During August, Tancoal sponsored a local 'Supercup' football competition, with the final being played at the Ntunduwaro village, the village closest to the mine, on 2 September 2018. The winner was Ntunduwaro Village. The tournament involved six teams from Ruanda ward which are Ntunduwaro Village, Ruanda Village, Mkombozi Village, Paradiso Village, Ruanda Secondary school and a team from the Tancoal mine also participated. The final of the event was attended by the Mbanga District Commissioner, Hon. Cosmas Nshenye, who presented the trophy.

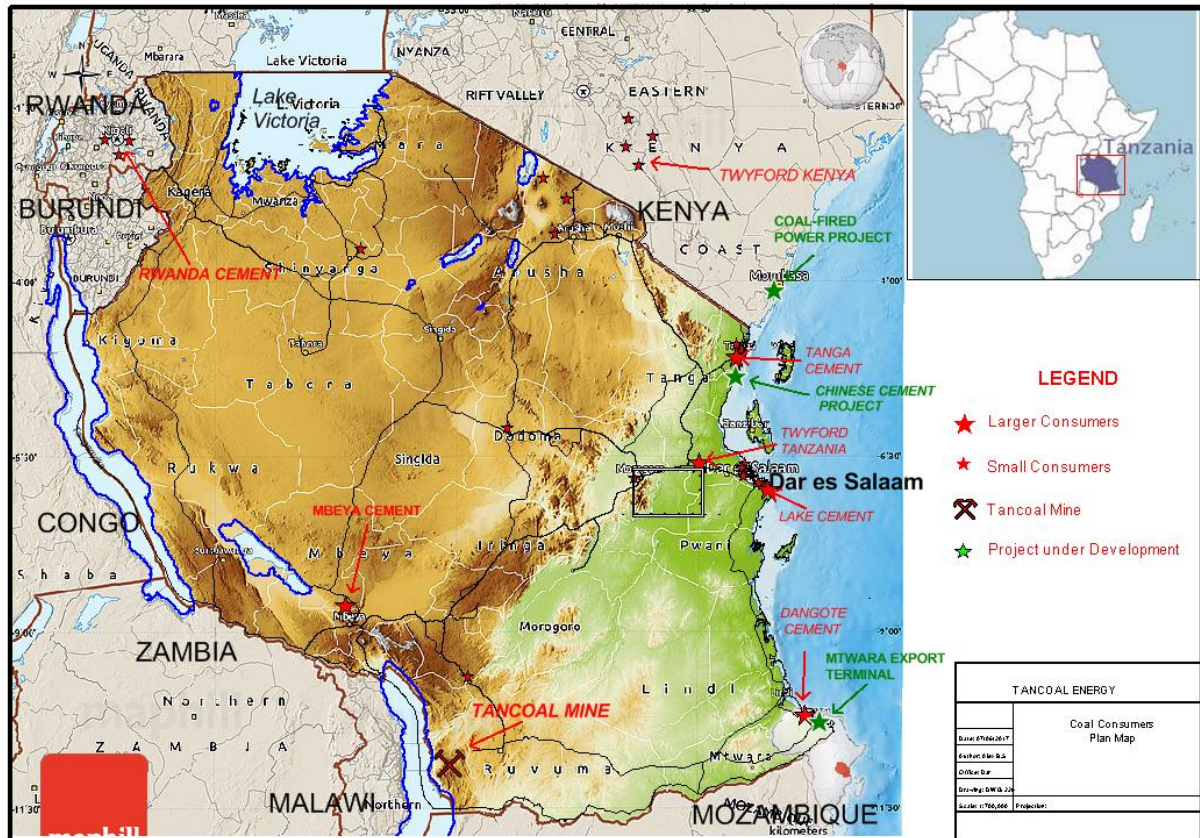
The village well project is progressing, with the pump house and electricity connection next to be completed. It will be followed by the installation of the pump and piping system before final commissioning of the project.

Business continues as usual at the Tancoal mine while working towards a resolution to the claim made by local mining contractor Caspian Limited (refer ASX Announcement on 11 September 2018).

Tancoal is engaging with the Ministry of Mining toward a resolution on the calculation of royalty on freight (refer ASX Announcement on 21 August 2018). In the meantime, the Ministry of Mining has not prohibited the loading of coal at the mine.

IEC will keep the market informed of material developments in both these matters.

IEC Chairman, Graeme Robertson, commented "Our month on month improvement of production and sales is both gratifying and testament to our continued effort to enhance Tancoal's position in Tanzania and support the Presidential policies for industrialisation and the push to grow business in all regions including export possibilities. In terms of export possibilities, the Company is negotiating with overseas traders and exploring with Government the means to reduce costs on all fronts and to become competitive with coal from South Africa and Mozambique."



ENDS

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About Intra Energy

Intra Energy is an environmentally responsible, diversified mining and energy group, focused on Eastern Africa, and is listed on the Australian Stock Exchange (ASX:IEC). IEC is a developer and producer of thermal coal in Eastern Africa operating under the motto of “African coal for African growth” and is the only operating thermal coal miner in Eastern Africa. Its flagship coal project is the Tancoal mine in the Ngaka coalfield of Tanzania, operated by Tancoal Energy Limited, a joint venture with the National Development Corporation of Tanzania.

Intra Energy has made significant progress with its Eastern African regional expansion strategy into new mining and renewable energy projects and battery storage materials, and maintains cost effective and efficient operations to remain a low cost producer in this dynamically growing region where it occupies the prime supply position.