

ASX Release

12 December 2019

IEC NOVEMBER 2019 UPDATE

- **Sales 43,034 tonnes in November**
- **Production 58,588 tonnes in November**
- **Stocks available to meet customer demand**
- **High level meetings with Ministry to improve communications**
- **Government commits to improve exports**

Intra Energy Corporation Limited ("IEC" or "the Company") announces that Tancoal Energy Limited (IEC 70% and National Development Corporation of Tanzania 30%) sold 43,034 tonnes of coal in November 2019, sales were lower than the 62,108 tonnes sold in November 2019.

58,588 tonnes were produced in November 2019 as compared to 56,648 tonnes in November 2018. Tancoal has suitable stock levels to meet customer demand and has the capacity to increase production should demand increase.



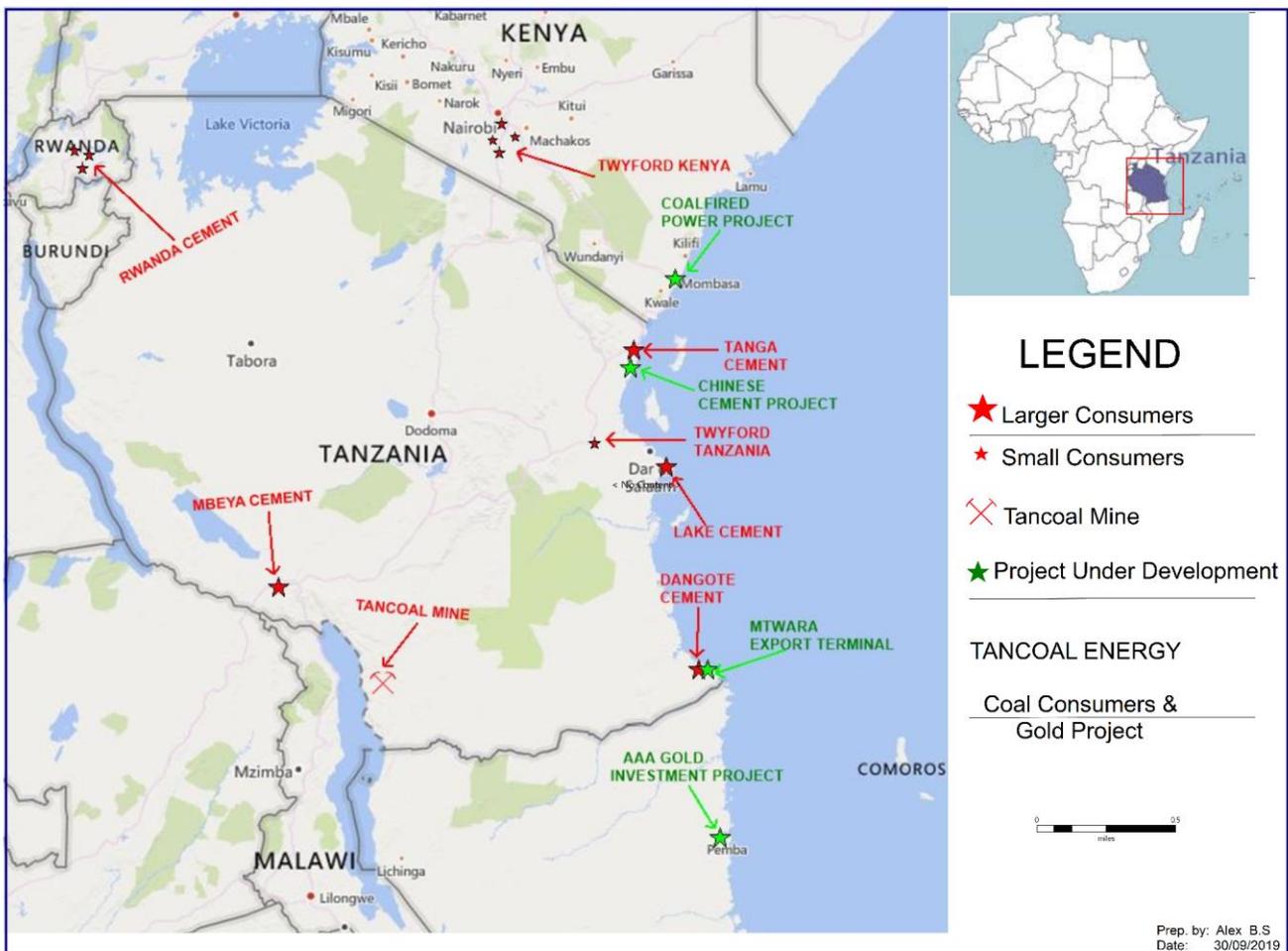
Hon. Doto Biteko (MP), Minister of Minerals (3rd from right) with IEC Chairman Mr Graeme Robertson, Tancoal CEO Mr Daniel Mikenze, IEC and Tancoal Managing Director Mr Jim Shedd and official guests meeting at the Ministry of Minerals, United Republic of Tanzania

Sales were lower than forecast mainly due to uncertainty for customers surrounding the royalty on transport, increased competition from two local Indian-owned coal mines and continued kiln maintenance at a major customer. The small competitor mines have secured approximately 10,000 tonnes per month but due to mining limitations are unlikely to be long term competitors. Another issue is the supply into Kenya of low quality coal from small mines using copies of Tancoal documents resulting in quality complaints. The Tanzanian Revenue Authority and Customs have been alerted and Tancoal is working to closing down the smuggling operation.

During November, the Chairman of Tancoal/IEC met with the Minister of Minerals, Hon. Doto Biteko (MP) and other officials at the Tanzanian Ministry of Minerals and the Mining Commission to discuss and agree a method of resolution of misunderstandings regarding royalties, fees, penalties, issuance of licences and expansion of coal sales in compliance with legal requirements. It was agreed that Tancoal Director, Daniel Mikenze handle future communications and that the Hon. Minister and Tancoal Chairman should meet on a regular basis to ensure a smooth relationship. A proposal for a payment plan for past royalties has been submitted to the Mining Commission for review.

Meetings have been held with the former contractor, Caspian, to extend the payment plan for the three final payments due to tight cash flow from lower sales. Details are pending.

IEC Chairman, Graeme Robertson, commented “IEC is very pleased with the engagement of the Hon. Minister of Minerals in amicable discussions to improve the relationship between Government and Tancoal. The Hon. Minister reinforced the Government’s intention to expand exports and will work with Tancoal in assisting this process. He also reminded Tancoal that regulations must be followed and that Government and Company should maintain a closer relationship. He was briefed on some of the issues and agreed that these should be addressed to achieve a satisfactory outcome. It is the aim to hold a second meeting in January.”



ENDS

Authorised for release by the Board of Directors

Shareholder Enquiries

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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.