

ASX Release

14 October 2019

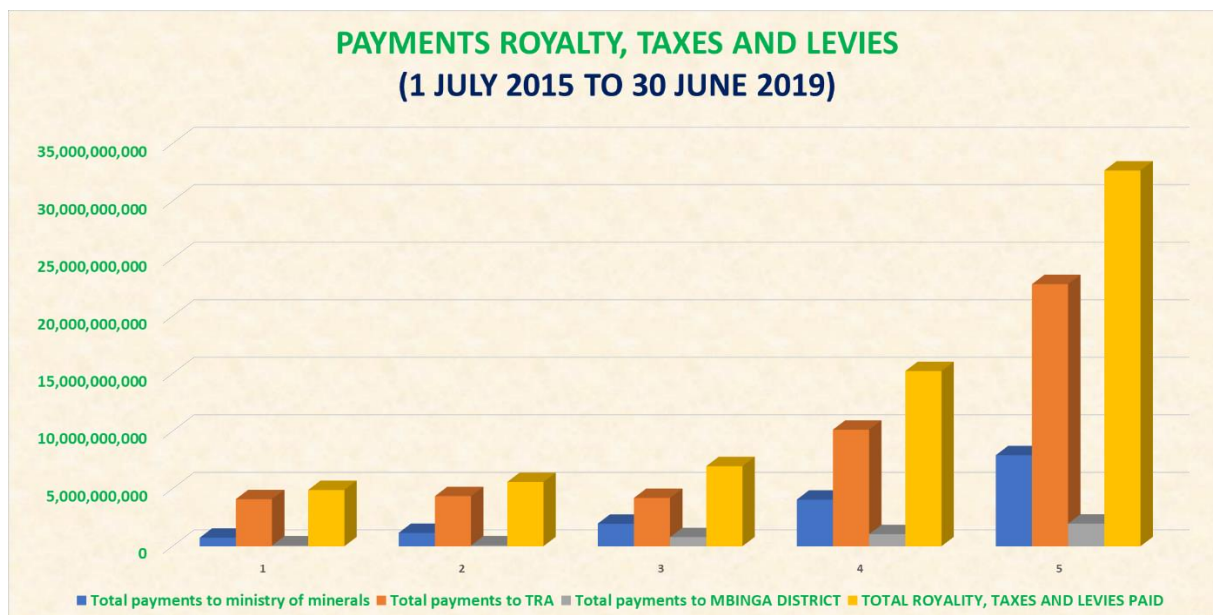
IEC SEPTEMBER 2019 UPDATE

- **Sales 50,724 tonnes in September**
- **Production 50,177 tonnes in September**
- **Stocks available to meet customer demand**

Intra Energy Corporation Limited ("IEC" or "the Company") announces that Tancoal Energy Limited, owned 70% by IEC and 30% by the National Development Corporation, established by the government of Tanzania, sold 50,724 tonnes of coal in September 2019, sales were lower than the 68,792 tonnes sold in September 2018. Sales were lower than the prior year due to loss of an export customer to South African coal due to the implementation of royalty on the cost of transport.

50,177 tonnes were produced in September 2019 as compared to 62,144 tonnes in September 2018. Tancoal has suitable stock levels to meet customer demand and has the capacity to ramp up production should demand return to the levels prior to the implementation of the additional Government royalty on transport.

The following chart demonstrates that IEC has been a substantial contributor to the sustainable development of the Tanzanian economy, with the contributions of Royalties, taxes and levies rising year on year to A\$9.3 million in FY 2019.



A major contributor to the increase in sales and contribution to the Tanzanian economy has been the export market. Sales to export customers in Rwanda, Kenya and Uganda have increased substantially from 27,662 tonnes in FY 2016 to 184,646 tonnes in FY 2019 as a result of the implementation of an aggressive sales campaign mounted by the Company. Tancoal produces a sought after high quality thermal coal with an energy characteristic of 6,000K~6,300Kcals/kg which consistently meets or exceeds client specifications. Apart from the availability of high quality coal the increase in export sales necessitated the purchase in FY 2018 of improved crushing and screening plant capable of producing the sized coal required by the export customers.

The Tanzanian Ministry of Minerals, Mining Commission advised the Company that it will pursue the payment of a Royalty and penalty for late payment of US\$10,408,798 (US\$6,939,199 and penalty of US\$3,469,599) (refer ASX announcement on 3 September 2019). Every effort is being directed at reversing this government imposition to hopefully restore the Company's export market as quickly as possible so as to maintain optimal utilisation of the Company's personnel, equipment and processes built up over the last few years to cater for the expanding market available to the Company.

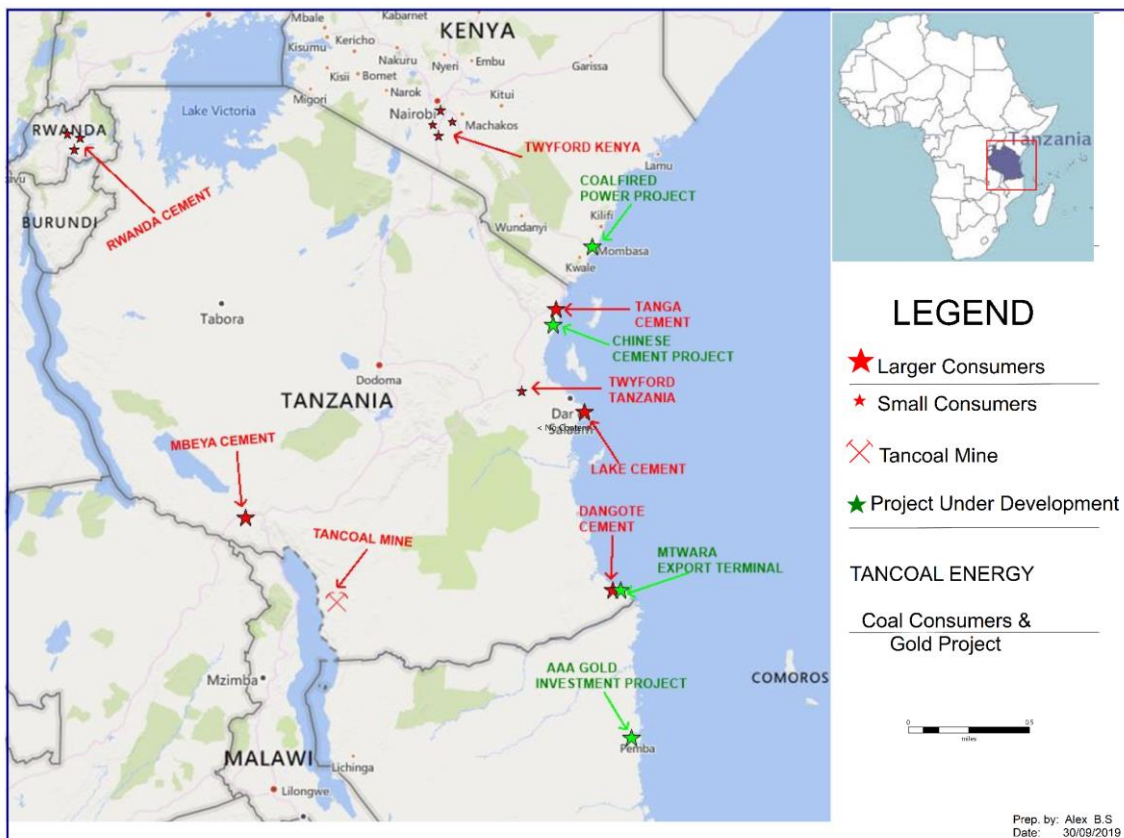
Tancoal has submitted a payment plan that is now under consideration. IEC will keep shareholders informed of any development.

The Tanzanian Revenue Authority (TRA) has commenced an investigation into the tax position of the Company and its employees, IEC and Tancoal are cooperating with the TRA and will notify the market of any resulting outcome.

The gold concession in Mozambique that IEC's wholly owned subsidiary, AAA Drilling Limited, a Mauritian incorporated investment company, has invested in has commenced trenching.

IEC Chairman, Graeme Robertson, commented "IEC continues to operate with decreased production and sales from Tancoal Energy Limited due to the policies regarding road transport royalties promoted by the Mining Commission of the Ministry of Minerals. Tancoal must comply despite evidence that the additional costs plus the threats to not issue road haulage permits have directly lost Tancoal market share in exports. The Tanzania Revenue Authority (TRA) investigation into IEC and Tancoal is onerous and unfortunate as it sends negative signals to foreign investors. The market will be kept informed of any outcome.

Trenching has commenced at Intra Minerals Mozambique gold concession with initial results expected by year end. This provides Intra Energy diversification into mineral production with gold continuing its upward spiral in prices."



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.