

ASX Release

16 January 2020

IEC DECEMBER 2019 UPDATE

- **Sales 48,995 tonnes in December**
- **Production 33,134 tonnes in December**
- **Stocks available to meet customer demand**

Intra Energy Corporation Limited ("IEC" or "the Company") announces that Tancoal Energy Limited (IEC 70% and National Development Corporation of Tanzania 30%) sold 48,995 tonnes of coal in December 2019, lower than the 73,482 tonnes sold in December 2018.

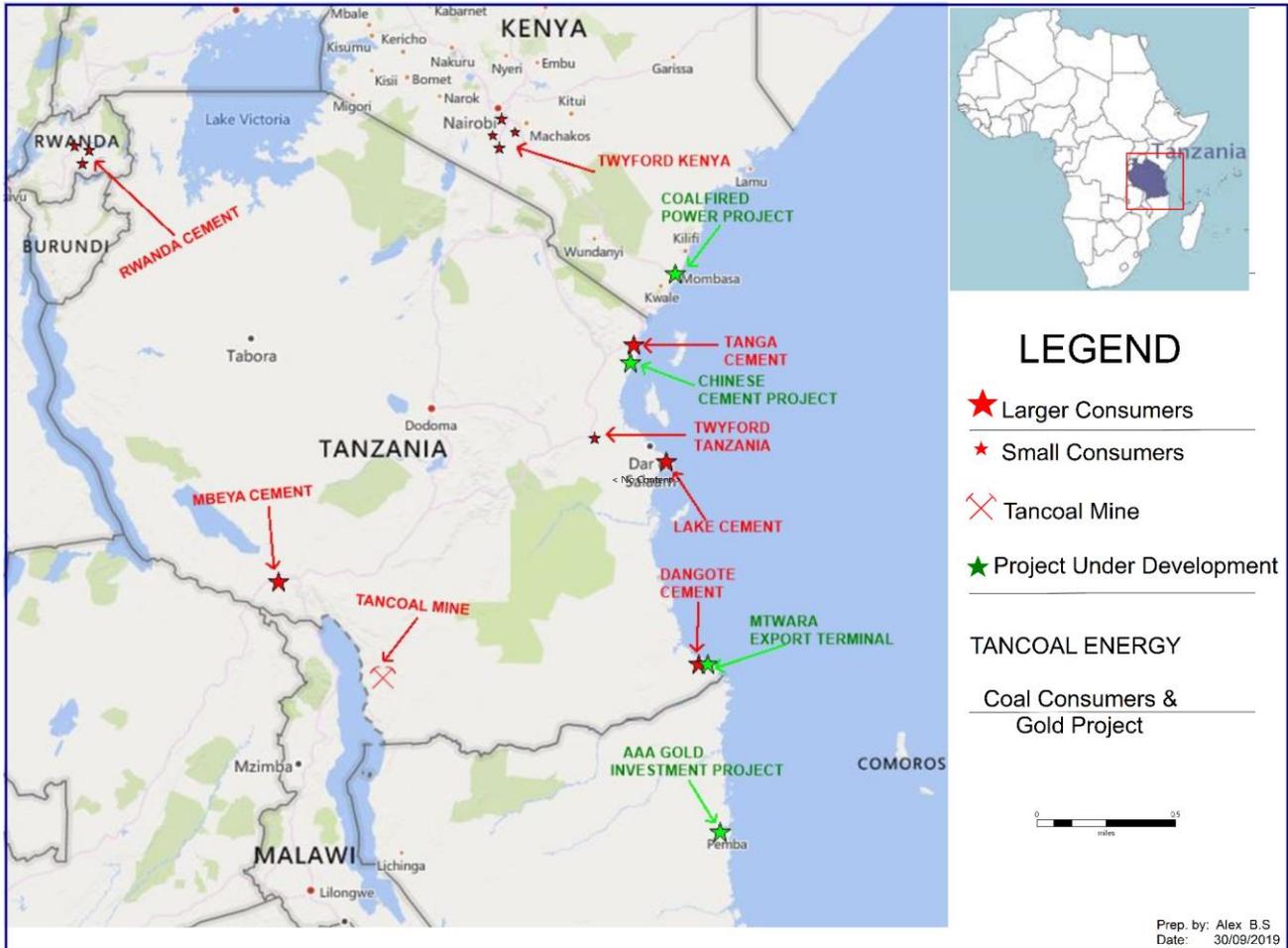
32,675 tonnes were produced in December 2019, 68,199 tonnes were produced in December 2018. Production was lower due to the start of the rain season and lower demand. Tancoal has suitable stock levels to meet customer demand and has the capacity to increase production should demand increase.

Sales continued to be lower than forecast with the main reasons the same as the previous month, uncertainty for customers surrounding the royalty on transport, continued kiln maintenance by a major customer and increased competition from two small local competitor mines that have secured approximately 10,000 tonnes per month but due to mining limitations are not expected to be long term competitors. The investigation into the supply of low quality coal into Kenya from small mines in Tanzania using copies of Tancoal documents is ongoing.

Meetings are continuing with the Ministry of Minerals and the Mining Commission to build a smooth relationship and 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. The proposal for a payment plan for past royalties is still under review by the Mining Commission.

Discussions are continuing with the former contractor, Caspian, to extend the payment plan for the three final payments due to tight cash flow from lower sales.

IEC Chairman, Graeme Robertson, commented "IEC continues to engage with the Tanzanian Mining Commission during this period which has seen extensive rainfall and low seasonal demand for coal from large customers. Unfortunately, local competitors have taken some market share and regional export trade has been seriously reduced as costs of transport and royalty makes Tanzanian coal less competitive against product from South Africa. Further engagement with the Tanzanian Government is planned to address the fall off in sales experienced during the recent past months. The Company is well placed in terms of plant, equipment and personnel to quickly return to the production levels achieved for this similar period in 2018."



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Shareholder Enquiries

Jim Shedd
 Managing Director
 Intra Energy Corporation Limited
www.intraenergycorp.com.au
 Registered Office: Level 40, 2 Park Street, Sydney NSW 2000
 Postal Address: PO Box 1930, North Sydney NSW 2059

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.