



26 September 2013

Company Announcement Officer
Australian Securities Exchange

Dear Sir/Madam

INTRA ENERGY INCREASES DEBT FACILITIES TO FUND MINE EXPANSION

On 23 October 2012, Intra Energy Corporation Limited (ASX:IEC) announced that two of the Group's subsidiary companies in Tanzania, Tancoal Energy Limited ("Tancoal") and AAA Drilling Limited ("AAA Drilling"), each entered into a Term Loan Facility ("Loan Facility"), for \$2.5m and \$1.4m respectively, with the National Bank of Commerce in Tanzania ("NBC") (ultimately controlled by Barclays Bank Plc).

Each Loan Facility is secured against plant and equipment. As at 30 September 2013 AUD\$3,496m has been drawn down on the Tancoal Loan Facility. The Loan Facilities are amortised over a three (3) year term and principal and interest repayments are made monthly.

We are pleased to announce that the NBC has approved an increase in the Tancoal Loan Facility from US\$2.5m to US\$3.5m (maintaining the interest rate of 8% per annum). In addition, NBC approved a US\$500,000 Working Capital Facility and Letter of Credit Facility of US\$450,000 at the interest rate of 8% per annum.

The additional funding under the Loan Facility will be allocated to the expansion of the Kitai Stockpile, including the acquisition of a new wheel loader and a dewatering pump.

The Working Capital Facility is available to support the monthly working capital cycle of Tancoal. The Letter of Credit facility allows Tancoal to accept and cash letters of credit from its customers, providing credit security.

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As part of the approval, the NBC has approved a change of financial covenants under the Tancoal Loan Facility as follows:

- 1) Interest Cover – EBITDA should not fall below 2.0 times finance charges (previously 3.5) as reported at the end of each financial year over the loan period;
- 2) Debt Service Cover – EBITDA should not fall below 1.5 times debt serviced (previously 2.5) as reported at the end of each financial year over the loan period; and
- 3) Net Debt Gearing – The requirement that Gross Borrowing minus subordinated shareholder loans should not exceed 100% of Net Tangible assets as reported at the end of each financial year over the loan period no longer applies.

For further information please contact:

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