INTRA ENERGY
ABN 65 124 408 751

ASX Release

18 August 2017

IEC UPDATE – JULY 2017 PRODUCTION REPORT

- **Record Production in July**
- **Sales continue to be steady**
- **Stockpile of more than 20,000 tonnes**
- **Two long term sales contracts signed with Twyford Ceramics**
- **New Screen Plant arrived**
- **Export development commenced**

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%) produced a record tonnage of 54,630 tonnes during the month of July (compared to July 2016: 20,842 tonnes) at its Ngaka Coal Mine in Tanzania, maintaining the target level of 600,000 tonnes per year. Sales were 48,857 tonnes (July 2016: 18,634 tonnes) which is very close to the record tonnes sold in January 2017 of 49,241. A stockpile of 20,489 tonnes had been built at 31 July.

Jack Feng (Twyford Ceramics Managing Director) and Jim Shedd with signed contract

On 1 August 2017 Twyford Ceramics signed two five-year contracts on a take or pay basis with Tancoal. The contracts commence in September for 6,600 tonnes per month for their Kenyan plant and 4,900 tonnes per month for their plant in Tanzania. Twyford's Kenya plant is currently a customer of Tancoal, the plant in Tanzania is new. Twyford is from China and is a major international ceramics producer.

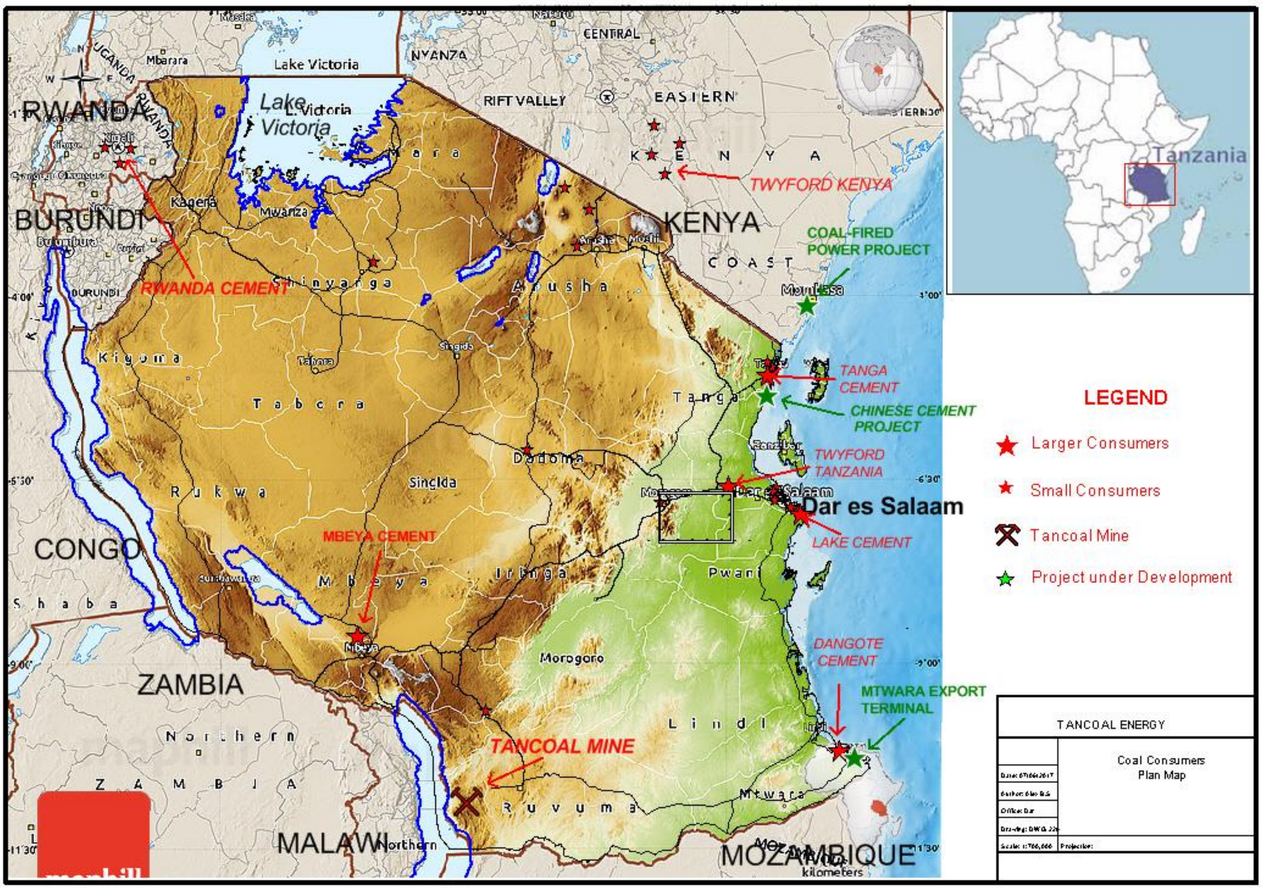
The new screen plant has arrived at the Port of Dar es Salaam, it is being transported to site and is expected to be in operation by the end of August. The new crushing plant is in transit and is expected to be in operation from October. KCB Bank of Tanzania approved a loan of US$936,000 @ 8% over 60 months to finance 80% of the new crushing and screening plant.

The Regional Commissioner of the Ruvuma Region, where the mine is situated, visited the Mine to see implementation of the Mining production increases demanded by the Government.

On 24 July, Graeme Robertson (Chairman of the Board) along with Jim Shedd (CEO) and the Tancoal Sales Team visited the Mtwara Port in Southern Tanzania in preparation for coal exports from the region. With the coal prices in South Africa continuing to increase, enquiries are now being received from countries near Tanzania, such as Kenya, Ethiopia and Mauritius (among others) regarding the possibility of supplying them with coal. The Port has all the facilities available to allow for exports. Initial discussions have considered using barges as an effective way to supply coal to some of the regions near Tanzania.

Talks have recommenced with SinoHydro regarding the letter from the Minister of Energy and Minerals to move ahead on the Ngaka Power Station Project. It was agreed to renew the MOU and establish a joint venture vehicle once equities are established.

IEC Chairman, Graeme Robertson, commented "July was a productive month with increased coal output despite problems with the new contractor's performance''. Sales were well below the market levels indicated to the Government by Tanzanian consumers so a decision has been taken to aggressively enter the export market in competition with South African coal while coal prices ex Richards Bay remain in excess of US$85 per tonne. Logistical solutions are being evaluated."



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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 Securities 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.