

ASX Release

22 May 2017

IEC INCREASES COAL PRODUCTION

- **Coal production rises to 600,000 tonnes per year capacity in First Phase Expansion**
- **Second Phase Expansion commences to increase coal production to 1,000,000 tonnes per year**
- **Government of Tanzania inspection teams visit minesite and acknowledge progress to meet the coal requirements of the Nation's rapid industrialisation programme**
- **Heavy rainfall has subsided allowing for operational improvements**

Intra Energy Corporation Limited ("IEC" or "the Company") is pleased to announce the completion of its First Phase expansion of production from a capacity of 273,414 tonnes in the calendar year ("CY") 2016 to a capacity of 600,000 tonnes per year as of May 2017.

This has been achieved under extremely difficult conditions with unusually heavy rainfall, pressure to rapidly increase production to support Tanzania's rapid industrial expansion and as the sole commercial coal producer in Tanzania, to replace imported coal and manage cement industry expectations. Despite these influences the Tancoal Mine (owned 30% by the National Development Corporation of Tanzania - "NDC" and 70% by IEC) increased production in the first four months of the CY to 162,368 tonnes compared with 55,128 tonnes for the same period in 2016.



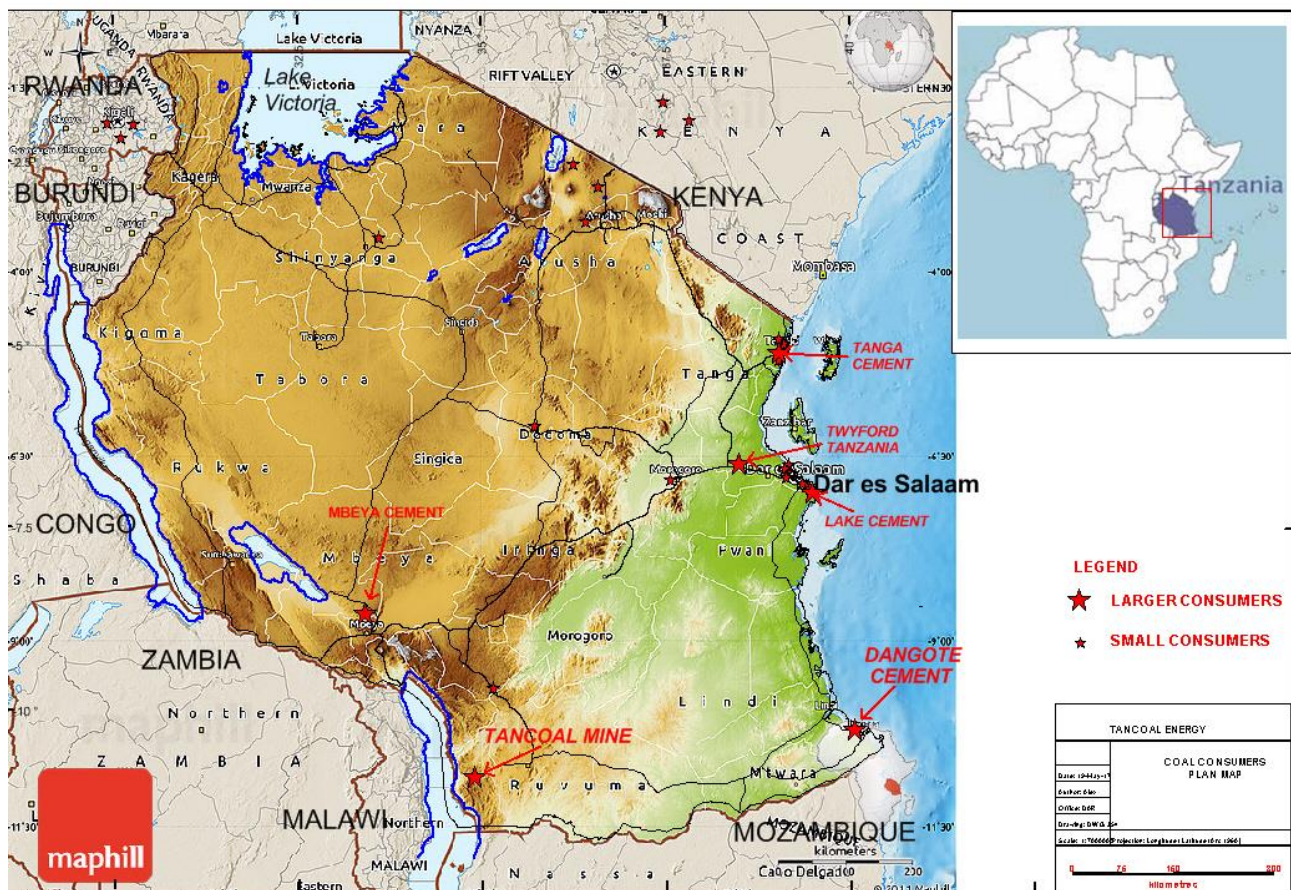
Loading at Sales Point

The increase in production to match anticipated sales was achieved by the operation of the first contract mining fleet in addition to existing mining plant, a new lower cost and more efficient blasting regime and installation of a new weighbridge at the Kitai Stockpile to improve the turnaround time for coal trucks. The queuing of more than 100 trucks to receive coal during the past several months has been eliminated with faster turnaround times.

The Second Phase expansion of production to 1,000,000 tonnes per year is expected to be completed by August 2017 with the introduction of the second contract mining fleet in June, an increase in fuel storage capacity and the operation of a new crushing, screening and stacking plant to be installed at our sales stockpile at Kitai. The new crusher will increase Tancoal's crushing capacity from 150 tonnes per hour to 300 tonnes and improve efficiency as the current crushing plant is at minesite and the new plant will be at the Sales Stockpile (Kitai) (50 km from the mine) which will enable the mined raw coal to be transported directly from minesite to Kitai to reduce handling.

Teams from the Ministry of Energy and Minerals and the Prime Minister's Office have inspected operations and were pleased with the increased production and ability to meet any demands of the President of Tanzania's impressive industrialisation targets. The Government has assisted in organising media coverage to illustrate the progress of the Tancoal operations.

According to the CEO, Jim Shedd, "Our current focus is on raising prices to a sustainable level, entering into long term supply contracts, and most importantly cutting costs and increasing productivity."



ENDS

Shareholder Enquiries

Jim Shedd

Chief Executive Officer

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

Mark McAndrew

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.