

**ASX Release**

21 August 2018

**LETTER OF DEMAND TO TANCOAL**

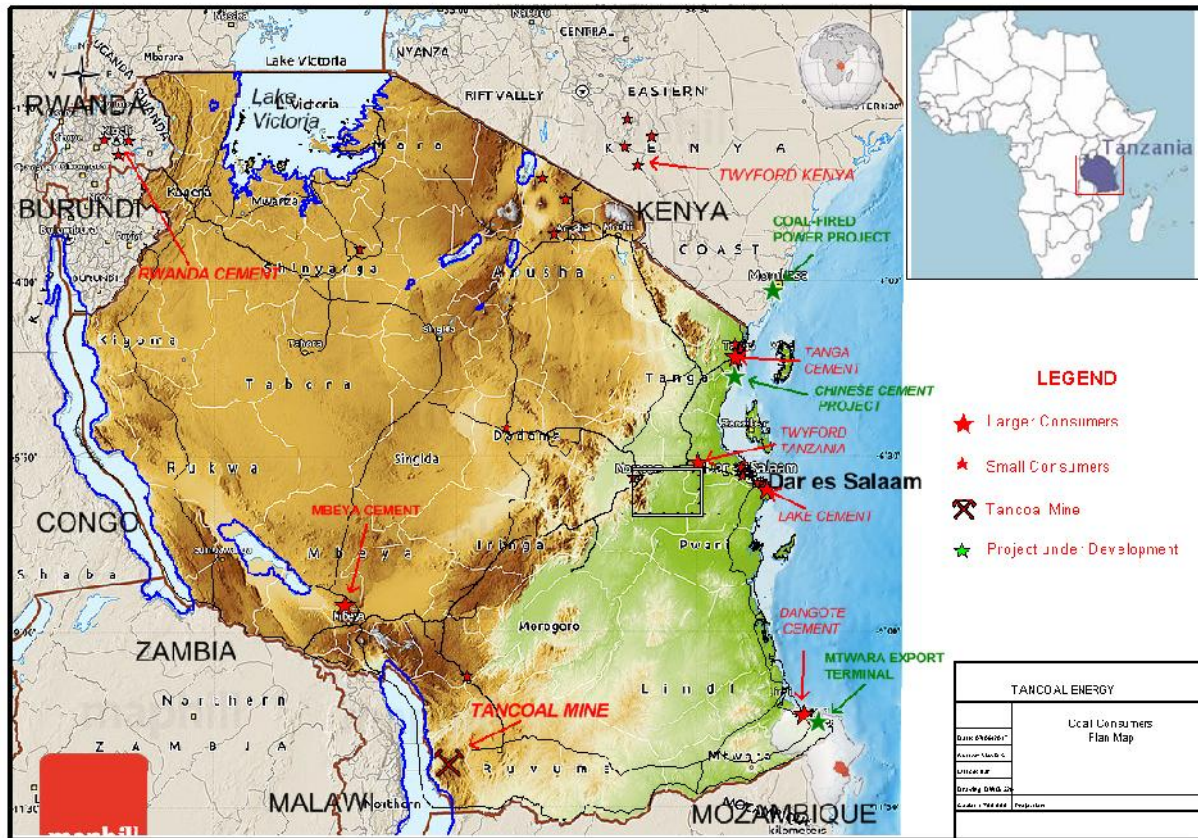
Tancoal Energy Limited, the joint venture between Intra Energy Corporation Limited ("IEC" or "the Company") (70%) and National Development Corporation of Tanzania (30%) has received a Letter of Demand from the Ministry of Minerals regarding payment of US\$1,139,944.50 (US\$ 759,963 and 50% penalty of US\$379,981.50) for outstanding underpaid royalties for the period August 2011 to June 2014. The letter states that if the payment is not made then permits will not be issued to allow coal to be transported to customers after 26 August 2018.

Tancoal contacted the Ministry and was advised that the demand for the underpaid royalty is on what they have estimated Tancoal's customers pay for the transportation of coal after it has left Tancoal's Kitai sales point. Written confirmation of how the royalty was calculated has been requested but not yet received. Tancoal doesn't agree with the demand and is in contact with the Ministers office to review the interpretation of the Mining Law.

Tancoal sells its Coal directly to its Customers. Coal is mined at the Ngaka coal mine and then crushed and hauled to Kitai which is 50 kms from the mine site (Sales Point). At the sales point further final processing of the Coal is done, including sorting and sizing dependent on the customers demand. From there, coal is sold to customers ex-Kitai. This means that all Tancoal coal supply agreements have Kitai as the delivery point.

Tancoal is taking the letter of demand seriously and has met with the Ministry to ask for clarification on the letter and subsequently has corresponded formally requesting clarification and time for the matter to be duly considered before any action is taken by the Ministry.

IEC will continue to update its shareholders on this matter.



ENDS

### Shareholder Enquiries

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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.