

ASX Release

6 May 2019

UPDATE ON NEGOTIATIONS WITH CASPIAN LIMITED

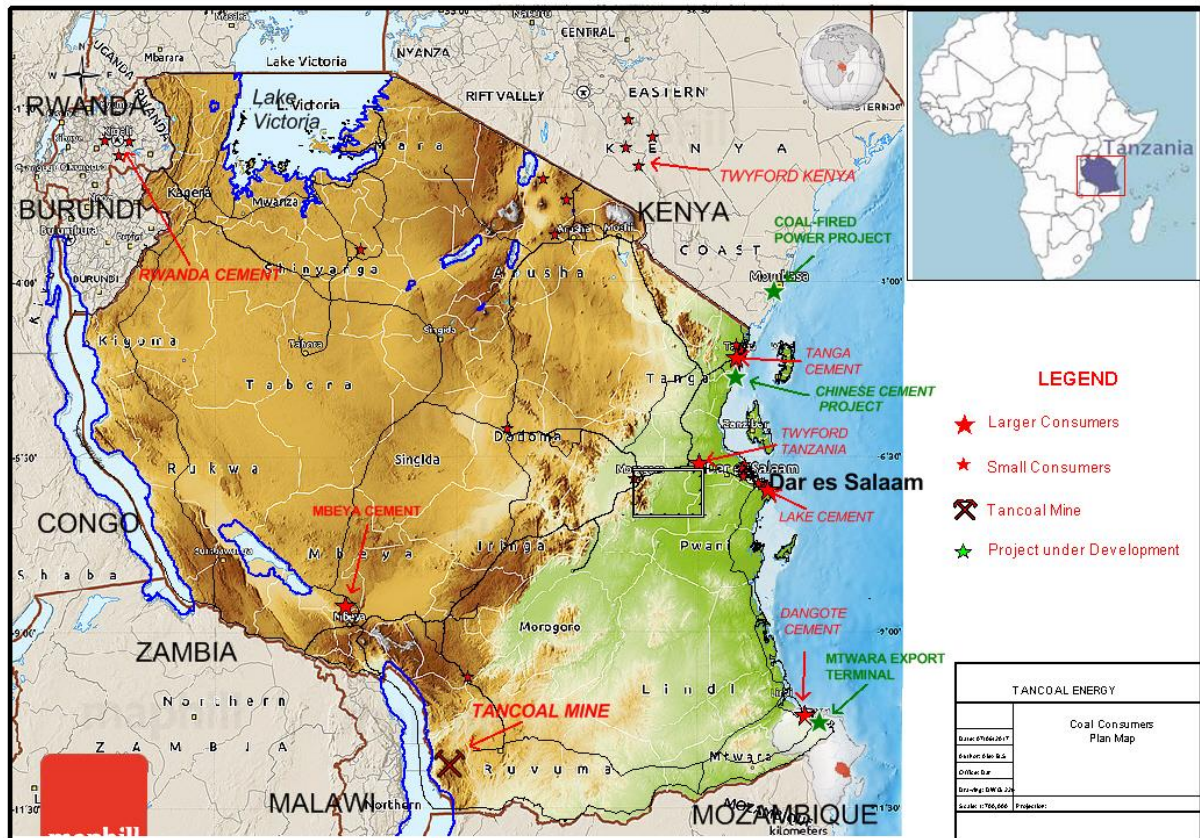
Intra Energy Corporation Limited (**IEC** or the **Company**) is pleased to announce that its 70% owned subsidiary (30% owned by the National Development Corporation of Tanzania), Tancoal Energy Limited (**Tancoal**) has entered into a Settlement Agreement with Caspian Limited (**Caspian**) to settle the contracting dispute that had arisen between the parties.

The Settlement Agreement was signed fully executed on 3 May 2019 whereby the Parties agreed:

- to terminate the machinery lease agreement between them from 30 April 2019;
- to accept that 75% of the total amount (USD11.1 Million) owed will be as full settlement (USD8.4 Million) of claims;
- that all contracted machinery will be removed from the minesite within two months from 30 April 2019;
- that Tancoal will make immediate payment of USD2.0 Million to Caspian and the balance in equal instalments over an 8 month period;
- that Caspian will immediately withdraw the Court Case currently pending at the High Court of Tanzania; and
- that each party to bear their own costs in relation to this matter

IEC believes that this has been a satisfactory outcome and that Tancoal has the capacity to continue current levels of production to meet Tanzania's coal requirements with new equipment that has been delivered or ordered."

ENDS



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.