

ASX Release

5 January 2017

Company Announcement Officer
 Australian Securities Exchange

NEW SALES RECORD FOR TANCOAL

TEMPORARY INCREASE IN WORKING CAPITAL FACILITY



Intra Energy Corporation Limited (ASX: IEC) and its partner, The National Development Corporation of Tanzania (NDC) are pleased to announce that December sales for the Tancoal Mine in Tanzania were a record 38,877 tonnes. The result is very pleasing given the rainy season and end of year slow down with Tancoal Energy Limited ("Tancoal") fulfilling all domestic customers demand requirements.

Production of 38,601 tonnes was close to the previous record of 39,376 tonnes in November 2015, prior to the increase in imported coal from South Africa. Overburden removed was 189,153 bcm's giving a strip ratio average of 4.9. Production is forecast to rapidly increase with the arrival in early January of additional trucking and excavation equipment ordered late November/early December to the minesite.

Tancoal is meeting current sales orders however, as reported on 29 December 2016, the round table discussions with the cement industry, the Ministry of Energy and Minerals and Tancoal specified that production needed to increase to 60,000 tonnes per month to cater for demand and allow surplus capacity into stockpile. The increase in working capital is to fund the immediate mobilisation of the new equipment to increase production capacity to Tanzanian requirements. The new equipment includes one 40T excavator, one 85T excavator, four 55T dump trucks and a grader for haul road maintenance. An additional forty 20 T haulage trucks have been contracted to increase haulage capacity from minesite to the sales stockpile.

KCB Bank Tanzania Limited ("KCB Bank") has agreed to increase the current working capital facility to Tancoal by US\$200,000 for sixty days while an application for an increase of US\$1,000,000 to the facility is made.

Terms of KCB Bank Debt Facility	Debt covenants	Fixed and Floating charge	Interest rate
Term Loan US\$1,274,000	None	Yes	8% - USD Base Rate minus 1%
Bank Guarantee (existing US\$625,000)	None	Yes	Bank fees apply
Invoice Discounting Facility (existing US\$500,000)	None	Yes	8.5% - USD Base Rate minus 0.5%
Overdraft (existing US\$1,800,000) (new temporary limit US\$2,000,000)	None	Yes	8% - USD Base Rate minus 1%

The outstanding debt facilities totalled US\$5.119m at 31 December 2016. An amount of US\$100,000 of the bank guarantee is available for use, the balance has been previously applied. The balance of the Term Loan at 31 December 2016 was US\$495,000.

KCB Bank is Eastern African's largest banking institution with an asset base of USD 5.045 Billion, a market capitalization USD 704.5 Billion and broad regional distribution in six Eastern Africa countries. Tancoal is the leading supplier of coal to the industrial markets in the Eastern African region.

ENDS

Shareholder Enquiries

Mark McAndrew
Executive Director and Chief Operating 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

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

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.