

ASX Release

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Company Announcement Officer
Australian Securities Exchange

INTRA ENERGY CORPORATION SIGNS DEFINITIVE MOU WITH SINOHYDRO CORPORATION FOR THE DEVELOPMENT OF THE NGAKA THERMAL POWER PROJECT IN TANZANIA.

Intra Energy Corporation (ASX:IEC) ("IEC") is pleased to advise that it has signed a Memorandum of Understanding ("MOU") with Sinohydro Corporation ("SINOHYDRO") of China to undertake the joint development of the 270MW Ngaka coal-fired power station in Tanzania. The purpose of the MOU is to clarify mutual responsibilities between the Parties in both the development of the Project and in Government negotiations.

IEC and SINOHYDRO will establish a Special Purpose Vehicle ("SPV") to undertake the project. SINOHYDRO will be the majority shareholder and will be responsible for the engineering, construction, operations and financing, IEC subsidiary, Tancoal Energy Limited ("TANCOAL") will be responsible for the development, mining and supply of coal to the Ngaka Power Station.

The Ngaka Power Station is designed as a 2 x 135 MW Pulverised Coal Injection plant and is expected to consume up to 1.2 million tonnes of high quality coal per year from TANCOAL's northern coal field. The Power Station will be sited approximately 7 km from the actual minesite. It is expected to provide more than 15% of Tanzania's current electricity generation needs through a 220 kVa transmission system. TANCOAL has a Jorc coal resource of some 423 million tonnes and is currently mining and supplying more than 300,000 tonnes per year into the domestic industrial market.

The MOU, signed in Dar es Salaam, is valid for 12 months or until superseded by a Joint Venture Agreement and the establishment of the SPV company. Commenting on the MOU, IEC Chairman Graeme Robertson said "Both SINOHYDRO and ourselves have worked hard to make this project a reality and in doing so have formed a close working relationship. The MOU represents the next stage in entering into a formal relationship to bring the project to fruition".

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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.