

19 March 2012

Company Announcement Officer
Australian Securities Exchange

Dear Sir/Madam

INTRA ENERGY EXECUTES A MEMORANDUM OF UNDERSTANDING (“MOU”) WITH THE TANZANIA ELECTRIC SUPPLY COMPANY LIMITED (“TANESCO”) FOR THE DEVELOPMENT AND OPERATION OF A 120 MW COAL FIRED POWER STATION AT MBINGA DISTRICT, RUVUMA REGION IN TANZANIA

Intra Energy Corporation Limited (“IEC”) is pleased to announce that its wholly owned subsidiary in Tanzania, Intra Energy (Tanzania) Limited (“IETL”), has executed an MOU with TANESCO for the development of a net 120 MW coal-fired power station in close proximity to the Tancoal Mine in the Ngaka coalfields at Mbinga District, Ruvuma Region, which lies in the southwest Tanzania 80 km from the regional capital of Songea.

The Tancoal Mine, which commenced operations in August 2011, is owned by Tancoal Energy Limited (“Tancoal”), a public private partnership (“PPP”) between IEC (70%) and the National Development Corporation (“NDC”) of Tanzania (30%).

Tancoal will guarantee coal supply from a JORC quantified resource base of 251 million tonnes of which approximately 400,000 tonnes per annum is to be supplied to the power station, expected to be located 9.6km from current mining operations.

Tanzania, with a population of 45 million, a Gross National Product (GNP) growth rate of 6.5%, wide-scale mineral wealth and substantial industrial and agricultural potential has been constrained by sufficient electricity generation capacity and lack of any base load power. Installed capacity is 1,150 MW, 60% is operating and only 14% of the population connected to grid power. GNP is forecast to grow by more than 1% with reliable base load electricity supply. Increased village electrification will also enhance peoples' quality of life and educational standards.

Figure 1 below shows the proposed location of the power station, the Tancoal Mine and the transmission lines in the Songea region. The development of the 120 MW coal-fired power station is expected to deliver base load generation of more than 15% of Tanzania's currently operating electricity supply. The power generated will be supplied into the main grid by a TANESCO sponsored transmission system to the town of Songea, to replace diesel power generation at Songea and light-up regional villages, which currently are without electricity.

Legend (October 1996)

Existing	Under Construction	Proposed
100 kV	100 kV	100 kV
220 kV	220 kV	220 kV
330 kV	330 kV	330 kV
500 kV	500 kV	500 kV
765 kV	765 kV	765 kV

Symbols:

- City
- Thermal
- Hydroelectric

Map Labels: Uganda, Rwanda, Burundi, Lake Victoria, Kenya, Indian Ocean, Democratic Republic of Congo, Zambia, Malawi, Mozambique, Songea, Tancoal Mine and proposed power station.

Legend:

- Existing transmission grid
- Proposed extension to Songea and IEC power station development

The project has been designed to allow for a staged development to increase to 450MW generating capacity, to match the availability of increased transmission capacity in Tanzania, as well as the potential for export into neighbouring countries.

IEC will benefit from a strong domestic supply base in accordance with its strategy to be the pivotal domestic African coal supplier to develop and supply base load power generation in the region and support some of the fastest growing African economies in the world today.

The MOU sets the parameters for IETL/NDC and TANESCO to proceed with the early completion of a Power Purchase Agreement ("PPA") and subsequent financial closing for a targeted 2015 completion.

Yours sincerely

A handwritten signature in black ink, appearing to be 'GR' with a stylized flourish.

Graeme Robertson
Executive Chairman

For further information please contact:

Shareholder Enquiries

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