

# Coretrack Signs License Agreement for CLRS

**ASX ANNOUNCEMENT**

**13 August 2014**

Perth based **Coretrack Limited (ASX:CKK)** is pleased to announce that its agreement to license its Core Level Recorder System Technology (**CLRS**) is now unconditional and the full form license documents have now been signed by both parties.

The counterparty that now has a worldwide exclusive license to develop, operate, manufacture and sub-license Coretrack's CLRS technology is "Specialised Oilfield Services Pty Ltd" which is majority owned by Aztech Well Construction Pty Ltd and its associates.

Aztech Well Construction Pty Ltd is a professional oil & gas consultancy company which primarily offers well project management, engineering services and a complete coring optimization service throughout Asia Pacific.

Aztech regularly oversees offshore and onshore oil and gas coring and drilling operations for some of the largest oil and gas companies in Australasia.

The CLRS was developed by Coretrack to address the problem of core samples jamming down hole during an oil and gas drilling/coring operation.

The technology works by alerting the operator at surface of potential for a jam by displaying the lack of core intake at surface.

Knowledge of down hole core jamming has been an industry issue for many years and it is possible that the CLRS could potentially save oil companies millions of dollars per annum in either lost time or re-coring operations.

The relevant terms of the License Agreement are as follows:

- 1) Coretrack will grant Specialised Oilfield Services a worldwide exclusive license to further develop, operate, manufacture and sub-license Coretrack's CLRS technology.
- 2) Specialised Oilfield Services will undertake and fund all developmental and commercial operational activities for the CLRS and Coretrack will be free carried in this regard. This also includes the building of new units.
- 3) Specialised Oilfield Services will pay Coretrack a royalty for all commercial operations involving the use of the CLRS technology based on a percentage of gross revenue achieved.
- 4) Specialised Oilfield Services can earn up to 70% of the CLRS IP by meeting certain expenditure hurdles.
- 5) Specialised Oilfield Services will have the ability to sub-license the technology in different international jurisdictions with all sub-license fees and royalties split between Coretrack and Specialised Oilfield Services according to their respective ownership of the CLRS IP at the time.

Commenting on the transaction Coretrack Chairman Matt Birney said “We are confident that we have both the right strategy and partner for this project.”

“Aztech (and therefore Specialised Oilfield Services) are working in and around the oil and gas drilling business every day and are well placed to identify opportunities for the CLRS to be beneficially included on a coring job.”

“We welcome the input and experience of Aztech and Specialised Oilfield Services and we expect that this will add another dimension to their business as they regularly advise clients on the optimum way to core a well”, said Mr Birney.

Reflecting on the transaction, Specialised Oilfield Services Operations Manager and Coring Specialist Andy Thompson commented: “We have hit the ground running with this project and we expect to be running the CLRS on a coring job in the coming weeks.”

“The CLRS is essentially well priced insurance against a costly coring failure that could in certain circumstances save oil companies millions of dollars – particularly if a well has to be side-tracked due to core jamming and milling”, said Mr Thompson.

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