

## Construction under way at Proppant Pilot Plant

**ASX ANNOUNCEMENT**

**3 December 2014**

Australian oil and gas technology company **Coretrack Ltd (ASX: CKK)** (Coretrack, the Company) is pleased to announce that construction is underway at Ecopropp Pty Ltd's (Ecopropp) pilot-scale proppant manufacturing plant in Queensland.

During May 2014, Coretrack announced it had entered into an agreement to acquire Ecopropp, an Australian proppant development company. Proppants are a sand-like commodity which are a major input and cost item in the hydraulic fracturing (fracking) of oil and gas wells.

Since that date, Ecopropp has progressed the planning and development of a pilot plant at its project site in Clontarf, Queensland and construction of the pilot plant is now underway, and is on schedule for construction to be completed by the end of Q1, 2015. Production of proppants is scheduled to commence in Q2, 2015. The pilot plant is designed to validate the scale-ability of Ecopropp's unique fly-ash based proppant product.

External concrete works plus electrical installation, and office and laboratory construction is currently underway, as is the internal concrete foundation for the milling equipment.

Installation of the plant's natural gas and LPG gas supply is scheduled for this month, and the fly-ash, and other raw materials to feed the plant are also due to arrive on-site this month.



Finalisation of concrete works at Brisbane pilot plant

The majority of long lead-time equipment items and critical technical componentry, such as granulation equipment and sophisticated burners, are in the process of being shipped to site, with installation expected to take place in January 2015.



Mixer/Granulator



Sintering Kiln – 2<sup>nd</sup> inspection 24 October 2014



Cooling Kiln – 2<sup>nd</sup> inspection 24 October 2014

Ecoprop's German-based technical team are also due on-site in early January 2015 to oversee the final stages of construction and then assume responsibility for the operation and management of the pilot plant.

Coretrack executive director, Siegfried Konig, said:

*"We are delighted to report that construction of the pilot plant is underway, and on schedule to achieve our goal of producing our unique fly-ash based proppant in Q2, 2015. Production at the pilot plant will validate the scale-ability of our proppant product, and provide a clear runway for the commercialisation of the product in the massive global fracking and proppant market."*

### About Proppants

Proppants are a sand-like commodity which are a major input and cost item in the hydraulic fracturing (fracking) of oil and gas wells. Proppants are pumped into an oil and gas well under pressure to 'prop' open the tiny fractures created in hydrocarbon-bearing shale rocks during fracking, to allow oil and gas to flow from the ground fractures.

Traditional ceramic proppants are made from clay and/or bauxite. Ecoprop's ceramic proppant is majority manufactured from fly-ash, a by-product of coal fired power stations. The Company is of the view that Ecoprop's unique proppant product has the potential to lead the industry due to;

- the widespread availability of fly-ash;
- the fly-ash proppants' ultra-light weight; and
- its ability to withstand very high pressures in deep wells.

Ecopropp's proppants have been certified to meet or exceed both the American Petroleum Institute standards and the ISO standards.

Further information;

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