

## ECOPROPP DELIVERS OUTSTANDING PROPPANT TEST RESULTS

ASX ANNOUNCEMENT

17 December 2014

### Highlights

- **ISO STANDARDS SIGNIFICANTLY EXCEEDED**
- **ONLY 3.2 % FINES AT 10,000 PSI COMPARED TO ISO 3503-2 STANDARD <10% at 4,000 PSI**
- **SIGNIFICANT REDUCTION IN MANUFACTURING COSTS INDICATED**
- **COMPLIANT WITH ISO 3503-2 STANDARD AT 15,000 PSI**
- **HIGHLIGHTS POTENTIAL FOR USE IN DEEP UNCONVENTIONAL WELLS**

Oil and gas technology company Coretrack Limited (ASX: CKK) (Coretrack, the Company) is pleased to announce highly positive results of the latest independent testing of Ecopropp Pty Ltd's (Ecopropp) flyash-based proppants for use in the fracking of oil and gas wells.

The tests were designed to determine the maximum pressure the proppants could withstand before 10% or more of the proppant crushed or became "fines", a generally accepted market threshold.

The tests were highly successful and produced a best ever result for the Ecopropp proppant, of a compressive strength of 15,000 PSI. This is significantly higher than the standard ISO threshold for achieving less than 10% fines, which is 4000 PSI. The result equates to only 3.2% of the Ecopropp proppant being converted to fines at 10,000 PSI, compared to the ISO 3502-2 standard (of 4,000 PSI for proppant decomposition to fines of less than 10%).

The tests, which were conducted by US based Global Energy Laboratories, confirmed an exceptionally high pressure threshold for the Ecopropp proppants.

Coretrack is highly encouraged by the results of this latest independent third party expert laboratory testing of its proppants, which among other things, indicates the potential for a significant reduction in manufacturing costs for Ecopropp's flyash-based proppant compared to traditional bauxite and/or clay-based proppants. Flyash is a generally unwanted by-product of coal fired power stations

In May, Coretrack announced an agreement to acquire Ecopropp, an Australian proppant development company (ASX announcement dated 12 May 2014). Proppants are a sand-like commodity which are a major input and cost item in the hydraulic fracturing (fracking) of unconventional oil and gas wells.

In addition to their high strength, Ecopropp's proppants are light weight, which also offers significant advantages over other proppant products for many applications. A further test designed to determine the "bulk density" of the Ecopropp proppant achieved a result of just **1.42 grams per cubic cm**. This weight is significantly less than some of the major market participants and is expected to deliver significant advantages in logistics, as customers may potentially receive a higher volume of proppant for an equivalent weight.

Commenting on the results, Coretrack Executive Director Siegfried Konig said:

*"We're delighted with these results, particularly as we did not need to increase the Bauxite component in this batch to attain the higher strength, which makes the proppant lighter and cheaper to manufacture. A comparison against some of the major proppants on the market in the US shows our proppant is able to withstand significantly higher pressures with very low powderization rates which makes them very attractive for deep unconventional wells where the pressures are greatest. With such a small percentage of fines being produced at great pressures we expect these proppants to produce superior flow rates and thus increased productivity from deep wells in comparison to others on the 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. Ecopropp's ceramic proppant is majority manufactured from fly-ash, a by-product of coal fired power stations. The Company is of the view that Ecopropp'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.

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