

## Coretrack announces \$400,000 Placement and Share Purchase Plan

ASX ANNOUNCEMENT

6 March 2015

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### Highlights

- Coretrack to raise \$400,000 through a Placement of 125,000,000 ordinary shares at \$0.0032 per share.
- Company will also undertake a Share Purchase Plan to existing eligible shareholders at \$0.0032 per share.
- Placement and SPP issue price represents a 20% discount to 5 day VWAP.
- Funds raised will be used for;
  - Continued development of the Company's investment in the Ecopropp proppant business,
  - Business development initiatives, and
  - Provide general working capital.
- Coretrack also advises of changes to its board.

**Coretrack Limited (ASX: CKK)** (Coretrack, the Company) is pleased to announce details of a Placement to raise \$400,000 for the continued development of the Company's investment in the Ecopropp proppant product for use in hydraulic fracturing (fracking) of oil and gas wells globally.

Coretrack has entered into a Placement arrangement with Singapore-based Orca Capital to raise \$400,000, via the issue of 125,000,000 shares at \$0.0032 per share, representing a 20% discount to the 5 day volume weighted average price prior to 3 March 2015, of \$0.004 per share.

Following completion of the Placement, the total shares issued to the new investors shall equate to approximately 17.6% of the number of issued and outstanding Ordinary Shares capital of the Company on a fully diluted basis. The transaction will also include the appointment of two directors to the Coretrack board.

### Share Purchase Plan

Coretrack is also pleased to announce that, following completion of the Placement, it plans to conduct a Share Purchase Plan (SPP). Under the SPP, existing eligible shareholders, who are registered as holders of shares at 5.00pm (AEDLST) on the record date, currently anticipated to be on or around Monday 16 March 2015, and whose registered address is in Australia or New Zealand, can apply for up to \$15,000 worth of new shares in the Company at the same issue price as the placement; \$0.0032 per share.

The Company will apply for quotation of the new shares on the ASX, which will rank equally in all respects with existing Coretrack fully paid ordinary shares. Subject to shareholder approval, the Company reserves the right to place any shortfall arising from the SPP at its discretion. Further details regarding the SPP will be provided in due course.

The funds raised from the Placement and the SPP will be used for the continued development of the Company's investment in the Ecopropp Pty Ltd proppant business, business development initiatives and to provide general working capital.

Coretrack Executive Director, Siegfried Konig said:

*"We are extremely pleased that the investor group within Orca Capital has chosen to invest in Coretrack, and this new investment represents a vote of confidence in the Company and our business plans to develop our unique, low cost proppant for the massive global proppant market which is integral to the fracking of oil and gas wells. This group of investors brings entrepreneurial skills and international connections to our business and the Company anticipates that it will benefit from Orca's overseas network, and the additional depth its investors bring to the Coretrack investor base."*

### **Board changes**

Coretrack also advises of the following changes to its board and senior management. Non Executive Chairman Mr Winton Willesee, and Non Executive Directors Mr Trevor Beazley and Mr Bernie Kelly have stepped down from the Board.

Coretrack Executive Director Mr Siegfried Konig will remain the Company's Executive Director, and Mr Ross Henden and Mr Eugene Loy have joined the board as Non Executive Directors. Mr Henden and Mr Loy join the Coretrack board as nominees of Orca Capital. The Company welcomes both to the board and looks forward to benefiting from their experience and expertise in the corporate sector and capital markets.

Mr Henden has extensive experience in the capital markets and corporate financing. He has previously worked as a stockbroker and institutional adviser with Bain & Co, Davies & Dalziel, Gillon Derham & Co and Josephson Wright & Co, and also in the banking and institutional sectors with BT, MLC, NAB and Asteron. Mr Loy has more than 12 years experience in commercial banking, capital markets and corporate advisory. He has previously served as director of Skywards Limited (ASX: SKL), and is a member of the Australian Institute of Company Directors.

Coretrack thanks the outgoing board members for their contribution to the Company throughout their tenure. All three outgoing directors have agreed to continue to assist the Company to ensure a smooth transition. Mr Willesee was also Coretrack's joint company secretary along with Ms Erlyn Dale. Concurrent with the Board changes, they have both stepped down from this joint role.

Coretrack Executive Director, Siegfried Konig said;

*"All three gentlemen have led Coretrack through a significant period of development as it transitioned its focus to the development of the proppant business, and have made strong contributions to the Company. We sincerely thank them for their dedication, enterprise and endeavour and for leading the Company through this important, formative stage."*

### **Proppant Pilot Plant**

Coretrack also advises that construction of its pilot scale proppant manufacturing plant in Clontarf, in Queensland is progressing. The Company will provide a formal update on the pilot plant shortly.

ENDS

### **For further information please contact;**

Siegfried Konig  
Executive Director  
Coretrack  
Ph: 0411 111 193  
E: [s.konig@ecopropp.com](mailto:s.konig@ecopropp.com)

James Moses  
Media and investor relations  
Mandate Corporate  
Ph: 0420 991 574  
E: [james@mandatecorporate.com.au](mailto:james@mandatecorporate.com.au)

## **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.

## **Background**

During May 2014, Coretrack announced that it had entered into an agreement with Queensland-based proppant development company, Ecopropp, which gave Coretrack an Option to acquire 100% of Ecopropp shares subject to the satisfaction of various conditions precedent and the subsequent achievement of certain milestones (refer to ASX announcement dated 12 May 2014). On 18 August 2014 the Company announced that all of the conditions precedent to acquire the Option had been met (refer to ASX announcement dated 18 August 2014). Ecopropp has now commenced the development of a small scale proppant manufacturing plant in Queensland to validate the "scale-ability" of the product and achieve its first milestone.