

Coretrack to complete acquisition of Ecopropp Pty Ltd

ASX ANNOUNCEMENT

24 March 2015

Highlights:

- **Coretrack to proceed with acquisition of Ecopropp Pty Ltd.**
- **Coretrack to issue Milestone 1 shares to Ecopropp Pty Ltd shareholders in accordance with acquisition terms.**

Coretrack Limited (ASX: CKK) (Coretrack, the Company) is pleased to announce that it is now proceeding to complete the acquisition of all of the issued share capital of Ecopropp Pty Ltd (Ecopropp).

In May 2014 (ASX Announcement, 12 May 2014), Coretrack entered in to an agreement with Ecopropp to acquire 100% of Ecopropp shares. Consideration for the acquisition is to be via three tranches of Coretrack shares, based on the achievement of three agreed milestones (details of which are provided in the ASX announcement of 12 May 2014). Ecopropp is developing a unique fly-ash based proppant for use in hydraulic fracturing (fracking) of oil and gas wells globally.

On 7 May 2014 Coretrack entered into an Option Deed (Option) to purchase all of the shares in Ecopropp held by the key shareholders in Ecopropp (Key Vendors). Mr Siegfried Konig, the Interim Executive Chairman of the Company is one of the Key Vendors.

Additionally, Coretrack has entered into conditional Sale Agreements with all other shareholders in Ecopropp (Other Vendors).

With the recent changes to the Board of Coretrack, Coretrack has been advised by the Key Vendors that it was considered that Milestone 1 under the Option is deemed to have been satisfied, resulting in the Option being exercised. Additionally, this also results in the outstanding condition to the Sale Agreements being satisfied.

The Company will now proceed with completion of both the Option and the Sale Agreements in accordance with their terms.

Coretrack will issue 295 million new Coretrack shares (being the Milestone 1 Shares) as consideration for the purchase of Ecopropp on a pro-rata basis to the Key Vendors and the Other Vendors. With completion of the recent Placement, this represents 28.92% of the total issued capital of the Company. No vendor will become a significant shareholder after completion of this transaction. Pursuant to the Coretrack-Ecopropp acquisition agreement the shares will be issued at a price of 1.1 cents. (\$0.011)

The Key Vendors and the Other Vendors will also become entitled to be issued further shares in the Company (being the Milestone 2 and Milestone 3 Shares) in the event that Ecopropp achieves the relevant milestones. Details of Milestone 2 and Milestone 3, along with details of Milestone 2 Shares and Milestone 3 Shares are set out in the ASX release of 12 May 2014.

Coretrack Non Executive Directors, Mr Ross Henden said:

“With the company now proceeding to complete the formal acquisition of Ecopropp Pty Ltd, the Company’s core focus will be on the commercial exploitation of its ownership of Ecopropp Pty Ltd and the Ecopropp proppant product, which has the potential to be a market leader in the massive global proppant market for use in the fracking of oil and gas wells. Full ownership of Ecopropp will provide Coretrack with greater flexibility and opportunities to maximise the value of the Ecopropp business for the benefit of shareholders.”

The Company will keep shareholders informed of progress by Ecopropp, including updates in respect of Milestones 1, 2 and 3, as and when they arise.

ENDS

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