

Coretrack commences commissioning at Proppant Pilot Plant

First proppant production on schedule for Q2, 2015

ASX ANNOUNCEMENT

27, April 2015

Australian oil and gas technology company Coretrack Ltd (ASX: CKK) (Coretrack, the Company) is pleased to announce that it has commenced commissioning at its pilot-scale proppant manufacturing plant in Queensland.

Coretrack is developing a next generation, fly-ash based, proppant for use in hydraulic fracturing (fracking) of oil and gas wells globally. Proppants are a sand-like commodity used to 'prop' open fractures in shale rocks which allows oil and gas to flow, and are a major input and cost item in the fracking process.

Construction of the pilot plant at Clontarf, near Brisbane, commenced in December 2014 (ASX announcement, 3 December 2014).

Coretrack is pleased to advise that construction of the plant's Fine Grinding Mill is completed and commissioning of the Mill has also been completed.

Construction of a number of other components at the Pilot Plant have now also been completed, and the remaining elements continue to be rapidly progressed toward completion. Each component of the plant will be commissioned separately, and the Company currently anticipates fly-ash and other raw material inputs to be prepared and ready for the commencement of proppant manufacturing by early May.

The Pilot Plant remains on schedule to commence initial proppant production as expected in Q2, 2015.

The Pilot Plant is designed to validate the scale-ability of the Coretrack proppant product as a cost effective and superior alternative to bauxite and clay based proppants, typically used in fracking operations currently.

Pilot Plant construction progress

- The Plant's Production Line is largely complete, with final ducting, placement of kiln refractory materials, electrical hook-up plus cooling system water and burner installation required prior to commissioning;
- The Plant's Mixer/Granulator is fully installed with electricity and water supply being hooked-up so commissioning can commence;
- Installation of the Plant's External Baghouses have now also been completed; and
- Installation of componentry across the Plant remains ongoing.

The Company's technical team is onsite and is overseeing the construction phase, and on completion will assume responsibility for the operations and management of the plant.

Coretrack executive director, Siegfried Konig, said:

"We continued to be extremely pleased with the positive rate of progress being achieved at the proppant Pilot Plant. The plant continues to rapidly advance towards completion and we are delighted that we have now commenced the commissioning phase of the project, with commissioning of the Fine Grinding Mill now completed. We continue to remain on schedule to commence initial production of our unique fly-ash based proppant in the current quarter, and I would like to thank our construction and technical teams for their outstanding work on the Pilot Plan to date."

Coretrack will continue to provide regular updates on the progress of the Pilot Plant.

Images of Proppant Manufacturing Pilot Plant construction



Image 1: Fine Grinding Mill complete, commissioning completed.



Image 2: Granulator installation completed, awaiting commissioning.



Image 3: Production line nearing completion.



Image 4: The Pilot Plant facility showing External Baghouses completed.



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About Coretrack

Coretrack Ltd (ASX: CKK) is an Australian oil and gas technology company focused on developing a next generation, fly-ash based, proppant for use in hydraulic fracturing (fracking) of oil and gas wells globally. Proppants are a major input and cost item in the fracking process and represent a multi-billion dollar global market annually. They are a sand-like commodity used to 'prop' open fractures in shale rocks which allows oil and gas to flow. Coretrack is seeking to commercialise its proppant as a cost effective, superior alternative to bauxite and clay based proppants, typically used in fracking operations currently. The Company is in the final stages of construction of a pilot scale proppant manufacturing plant in Queensland, Australia, and plans to commence production in Q2, 2015. It then plans to seek joint venture partners and/or licensing agreements to commercialise its proppant product, and deliver significant returns to shareholders.

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. Coretrack's ceramic proppant is majority manufactured from fly-ash, a by-product of coal fired power stations. The Company is of the view that its 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.

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