



Coretrack announces Agreement to divest non-core CLRS Technology

ASX ANNOUNCEMENT

28, April 2015

Australian oil and gas technology company Coretrack Ltd (ASX: CKK) (Coretrack, the Company) is pleased to announce that it has entered into an Agreement to divest its non-core Core Level Recorder System Technology (CLRS) to Specialised Oilfield Services Pty Ltd (SOS).

The CLRS Technology, including the Patent Rights, are part of Coretrack's legacy oil and gas technology portfolio of assets, prior to the Company's acquisition of EcoPropp and its new focus on developing a next generation, fly-ash based, proppant for use in hydraulic fracturing (fracking) of oil and gas wells globally.

Under the terms of the Agreement, Coretrack will sell to SOS and SOS agrees to purchase the CLRS Technology, all intellectual property and Patent Rights and materials associated with the CLRS Technology. Coretrack will forfeit any benefit arising from the Patent Rights and all rights arising from them.

SOS will take over and continue to pay all associated costs to continue any IP or Patent Rights.

The consideration for SOS's purchase of the CLRS Technology will be an amount of AUD\$50,000 payable by SOS to Coretrack on the effective date of the transaction, plus the following commercial arrangements;

From 1 May 2017 onwards, SOS will pay Coretrack 0.5% of the revenue related to the CLRS Technology until the earlier of the duration of the Patent put in place by Coretrack or the date a third party purchases the CLRS Technology. If the CLRS Technology is purchased by a third party, Coretrack will receive a one-off final payment equivalent to 2.5% of the purchase price and Coretrack will hold no further rights to revenue.

Coretrack executive director, Siegfried Konig, said:

"We are delighted to enter in to this agreement with Specialised Oilfield Services to sell the CLRS Technology and associated Patent Rights. While the technology has strong potential, it is now non-core to Coretrack's prime focus on developing and commercialising a next generation proppant product for the massive global proppant and fracking markets. We wish SOS every success with their future business plans for the CLRS Technology."

ENDS

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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.